



Brussels, 13 June 2017

## **ECOS views on the final compromise for the revision of Energy Labelling rules for energy-using products**

### **Summary**

We welcome the revised Energy Labelling Regulation to replace Directive 2010/30/EU, which confirms the return to simple A-G labels and includes several of our core objectives.

However, we regret that the shift back to A-G will take a significant amount of time for existing labels, risking confusion on the market for several years. We are also disappointed by the weakness of provisions related to the consideration of absolute energy use, resource efficiency, market surveillance, consumer protection, and the promotion of the new labels.

### **The return to clear and simple labels**

The new Regulation will reinstate closed A to G scales as the default for all energy labels. This was an utmost priority, as labels had become too heterogeneous and confusing and many scales were obsolete without room for differentiation at the top.

The new labels will be homogeneous and simple to communicate, as well as long-lasting through leaving the top class (or top two classes) empty at the beginning. Unpopulated bottom classes will also be better indicated.

Once an A-G scale becomes obsolete, the European Commission will prepare a review with a view to rescaling. The trigger criteria are clear (i.e. more than 30% of products in the A class or 50% in the A and B classes), and the process for rescaling is set up with provisions limiting the risk of confusing transitions. Market dealers will have two weeks to change labels on products in shops after the date of entry into force of a rescaling.

### **Regrettable delays for some product groups**

The shift back to A-G labels will be straightforward for six product groups (household refrigeration, washing machines, washer-driers, dishwashers, televisions, lamps and luminaires). Rescaled labels must be adopted within 15 months and implemented in shops one year after (this means around 2020).

However, for the remaining labels (domestic ovens, kitchen hoods, domestic air-conditioners, residential ventilation, domestic tumble driers, vacuum cleaners, and professional refrigerated cabinets), the timing is more relaxed and allows existing labels to be changed within six years (with an additional 1.5 year before implementation in shops). This means that until 2024 labels with A+,

A++ and A+++ classes may still be visible for some product groups and be a source of confusion for consumers.

The situation is worse for space and water heaters, which have been granted an even longer delay: review by 2025, and return to A-G labels somewhere between 2025 and 2030.

### **Little support to energy sufficiency**

It is necessary to better raise consumer awareness and encourage them to purchase not only energy efficient, but also genuinely low energy consuming products. Yet, the approach is still very much centred on efficiency, and not absolute consumption. There is nothing stipulating that energy labels should be based on metrics that avoid promoting over-sized products, or products with questionable energy-consuming features.

Only one provision requests to specify in labelling Regulations *'whether for larger appliances a higher level of energy efficiency is required to reach a given energy class'*. This is a reference to energy sufficiency, but not an obligation to consider it whatsoever.

### **Very shy nod to resource efficiency**

There is a clear agenda in the Regulation to keep the labels focused on energy in the use phase. The fact that additional information on other resource use may be conveyed is acknowledged, but very strict conditions of intelligibility, verifiability, and measurability are attached.

In the Regulation's articles, there is no mention of the possibility to use labels to inform about product durability, upgradability, or recyclability. Only one recital hints at future analysis of the opportunity and cost of providing consumers with information related to the circular economy.

This is rather light and a regrettable lack of involvement and consistency with the current importance of resource efficiency on the EU policy agenda.

### **No major progress on market surveillance**

The text is disappointing on market surveillance and controls. This has been highlighted several times as one of the weakest spots in the Energy Labelling process. Yet the text only *'encourages'* Member States to cooperate more, and vaguely requests them to implement *'actions to ensure the effective enforcement'* of the policy. There is no obligation of means or results.

When a market surveillance authority detects a non-compliant label, it shall take action and inform the other Member States, but those are not entitled to do the same and may even raise an objection to the action.

This is not likely to push Member States to put more efforts into surveillance and enforcement activities, especially those that do very little today.

### **Incomplete provisions for consumer protection**

We welcome the obligation for manufacturers to inform consumers of any change during a product lifetime, such as a software update, that may affect the original energy performance and rating, and leave them the option to refuse. If properly enforced this will avoid unexpected energy bill increases.

There is one strong weakness in the legislation though: the lack of provisions to protect and compensate consumers in case a product has been (willingly or not) wrongly labelled by a manufacturer or retailer. Member States are requested to take proportionate penalties against free-rider suppliers, but that leaves the deceived consumers aside. There is only a weak annex to the Regulation stating that the Commission '*should investigate*' whether the compensation topic '*can be addressed*.'

### **Risk of insufficient label promotion**

The text stipulates that Member States shall launch educational and promotional information campaigns on the new labels, with the support of the Commission. But there are no details on the content, nor clear sanctions if they do not deliver.

A minor progress is that in advertisements and promotional materials, manufacturers and retailers shall indicate not only the energy class but also the range of classes available on the market. But there is no mention of the font size. We believe that a mandatory display of the full label would have been a simpler and more effective provision.

### **A long-awaited EU product database to monitor the market**

For too long, the EU has lacked knowledge about the products on its market. Without proper and continuous knowledge, Regulations such as Energy Labelling or Ecodesign are difficult to set, update, and evaluate at an effective pace. It also makes it difficult to set adequate support and incentive schemes for the best products.

The Regulation establishes a product registration database that will start activity in 2019.

Manufacturers and importers will have to declare in the database the characteristics and energy performance of the models they place on the market.

The database should support market surveillance by improving the focus and swiftness of verification and enforcement activities.

We welcome the fact that the non-sensitive part of the database will be free to access, with open data, and searchable. This will allow consumers and civil society organisations to identify the best technologies, make comparisons and follow market developments.

However, the usefulness of the database could be significantly increased by expanding its scope to all products covered by energy efficiency Regulations (not only Energy Labelling), and requesting the addition of sales data. Individual product sales could remain hidden to the public, but aggregated sales data (e.g. by energy class) would be very helpful to monitor when the criteria for label rescales are met.

### **Addressing issues related to test methods (reflection of real-life & circumvention)**

The new Regulation also addresses two fundamental issues related to the test methodologies that underpin it: reflection of real-life and circumvention.

Current test methods do not always reflect the behavior of consumers and products as those are observed in real-life, and this may result in energy labels that give information to consumers that is only relevant under fully optimised conditions that they may never come across. The new regulation

gives a strong political message towards improving test methods, by stating that test *“methods and standards should as much as possible take into account the real-life usage of a given product, reflect average consumer behavior [...]”* and even more strongly that *“Harmonised standards shall aim to simulate real-life usage as far as possible while maintaining a standard test method”*. We hope that this message will be received and implemented by regulatory and standardisation groups on a product-by-product basis.

The new regulation also takes the first steps of precautional measures on *circumvention* by making clear that “[methods and standards should] ... *be robust in order to deter intentional and unintentional circumvention*”. It further specifies that *“suppliers should not be allowed to include software or hardware that automatically alters the performance of the product in test conditions”*.

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**For more information please contact:**

**Justin Wilkes**

ECOS Deputy Director

[Justin.wilkes@ecostandard.org](mailto:Justin.wilkes@ecostandard.org)

+32 2894 4657

**Chloé Fayole**

ECOS Ecodesign Policy Officer

[Chloe.fayole@eecostandard.org](mailto:Chloe.fayole@eecostandard.org)

+43 660 229 4164