UEAPME Position Paper

Proposal for a Regulation of the European Parliament and of the Council setting a framework for energy efficiency labelling and repealing Directive 2010/30/EU

UEAPME shares the view of the European Commission that the energy efficiency labels are effective in driving innovation, alongside consumer demand and competitive positioning.

However, the suggested modalities for rescaling lead to a shift of responsibility and burden from the producer to the dealer. For coherence, basic provisions regulating the advertising, distance selling and internet sales should also be included in the proposal and not regulated by product regulation. Following provisions pertaining to the rescaling and relabeling are burdensome for SMEs, contrary to statements of the European Commission that the implementation of the energy efficiency labelling is nearly cost- and burden-free:

Article 2, paragraph 11: Definition of energy-relevant product
The definition of article 2a) of the directive 2010/30/EU should be maintained. Systems, services or parts to be incorporated into energy-related products should be excluded from the definition since they are not suitable to be governed under this directive. Services, for instance, are not mentioned in the other paragraphs of the proposal.

Article 3:
The provisions stated in article 3 shift the responsibility and the costs of relabeling to dealers and create a disproportionally high burden for crafts and SMEs. Dealers are burdened with administration costs including the costs and time for researching the information of the appropriate label, the costs for printing the label and the responsibility to place the right label on the right product.

The responsibility for labelling and re-labelling should be connected with placing the product on the market, and should therefore, lie with the producer of the goods. The principle that the producer is responsible for the labels should not be reversed or applied differently with the relabeling process. The supplier should be obliged to inform the dealer about changes of the products' energy label.

Article 3: Potential consequences of rescaling labels in the heating sector
Since 26th September 2015, water- and space-heaters also have to be marked with energy efficiency labels. A rescaling of the label could cause the following problems, inter alia, with condensing technology: since the current condensing products labelled with an A would receive a D label under the new scheme, few house-owners would be encouraged to purchase a product with a D-label and would continue operating their old, even more energy-consuming products. In this sense, the rescaling would disincentivize the replacement of more energy efficient products.

Article 3, paragraph 1:
Exempt products, which have already been placed on the market and integrated products, from the obligation to register them in the database (e.g. the integrated spot lights in a cupboard would require an energy label, therefore this product would also need to be registered in the database).

Article 4, paragraph 3:
Where Member States provide any incentives for an energy-related product, MS should not only evaluate their investments based on energy efficiency considerations, as the proposed text suggests. Rather, aspects like cost efficiency, economic feasibility and technological possibility should also be taken into account.

The current directive incentivizes energy efficient investments through thermal renovation. If a room heating appliance with an energy label A is combined with a more efficient multi-component heating system with a higher energy label, the better energy label will be applied to the whole appliance. A comparable rule is missing in the current proposal and should be included to continue and strengthen the efforts of thermal renovation through, inter alia, compound appliances.

Article 7:
UEAPME supports the aim to avoid consumer confusion and the aim of placing on the market of energy efficient products. However, the modalities of relabeling do not seem feasible:

- Case 1: The suppliers provide both the current and rescaled labels in the product packaging for a period of six months. If the dealers do not open each and every single product packaging to remove the improper label, the consumers will find a product with two labels. This leads to confusion. If the dealer is required to open the packaging of each unit sold before the end of the six months to remove the new label from the packaging or vice versa (i.e. removing the old label after the end of six months,), disproportionally high costs and burdens are placed on dealers.

- Case 2: A craftsman provides a consumer with an offer for a new space heater. Typically, at the date of the offer, the craftsman has not bought the product yet. The rescaling of the label might lead here to consumer confusion as well, since the craftsman will inform the consumer about the old label and might receive a product with a new, "worse-listed" energy label. Craftsmen will be held responsible by consumers.

Some products in categories with a higher innovation speed would be rescaled to a lower energy label, which impedes a reliable comparison with products subject to a lower degree of innovation. Condensing boilers, for instance, would be rescaled to F on the new scale, whereas heat pumps would fall under label E after the rescaling. Comparing the two products, consumers would come to the wrong conclusion that condensing boilers are inefficient.

Article 7, paragraph 3:
The rescaling of the energy classes should be rephrased to make it more flexible. Instead of stating "no products are expected to fall in energy classes A or B at the moment of the introduction of the label", the provision should provide that a certain small percentage of

products (10%-20%) should reach label class A or B, even under the new, rescaled label. This approach avoids that companies hold back their most innovative products until the rescaling of the energy labelling has taken place in order to receive a better label.

Article 7, paragraph 5:
UEAPME is against the shift of the relabeling burden to dealers. UEAPME is also against relabeling. Relabeling would lead to consumer confusion, since one would find two different labels on the same product in a short time span. In particular, the time period of one week given to replace the labels is completely unfeasible for dealers with a broad product range or with few employees. If the relabeling cannot be avoided, the period to replace the labels needs to be extended to a period of at least three months.

Rescaling of the energy labelling should only take place with products placed newly on the market. Since a majority of the electronic appliances have a maximum of a one-year product life cycle, the implementation of a new rescaling would not be extended significantly compared to the current proposal of six months. However, producers, suppliers and dealers would not be additionally burdened. This demand is also in line with current legislation, under which a label has to be provided when the product is placed on the market. Producers, dealers as well as consumers need legal certainty.

Article 8:
Implementing a database would be more costly than the European Commission's estimate. Additional costs arising for dealer such as researching product information, preparing and printing necessary offer documentation will make the implementation of the database costly and administratively burdensome for suppliers and dealers.

The aim to use the data base for market surveillance purposes can only be successful, if there are sufficient resources for market surveillance institutions in the member states. Better coordination between Member States and better implementation of current controls is needed to minimize the risk of false energy labels. Physical controls of the products cannot be replaced by the data base, which is why its implementation cannot significantly contribute to the solution of the compliance deficit but causes additional administrative burden in particular for SMEs since they would need additional labour to be able to provide the data. Undoubtedly the database would bring about a certain level of transparency. This, however, bears the danger of publicizing data on Intellectual Property Rights, which were previously not published. A product data base might be an effective market surveillance tool if linked to existing information sources and systems.

Article 12:
As stated above, UEAPME challenges the statement that the proposed directive has no or a minimal impact on SMEs and companies in general.

Article 12, paragraph 3, (i):
The delegated acts should not establish responsibilities for dealers related to the product database therefore "and dealers" should be deleted from the text.

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