



ANEC/BEUC JOINT POSITION

WHAT DO WE STILL EXPECT FROM THE EU ACTION PLAN FOR ENERGY EFFICIENCY?

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Summary

This paper is the ANEC/BEUC joint contribution to the Commission's consultation on the evaluation and revision of the EU Action Plan for Energy Efficiency 2007-2012 (COM(2006) 545). It takes the form of a response to the Commission's online questionnaire accessible at:

<http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=neweeap2&lang=en>.

The public consultation lasted 8 weeks and was closed on 3 August 2009.

All the results of the consultation, including the contribution from BEUC and ANEC, will soon be published on the Commission's website at:

http://ec.europa.eu/energy/efficiency/consultations/2009_08_03_eeap_en.htm

Profile of the respondent

Your profile (compulsory)

- Citizen Organisation

Region (compulsory)

- European Union Europe outside European Union International Other

Which European Union country? (optional)

- | | | |
|---|--------------------------------------|--|
| <input type="checkbox"/> Austria | <input type="checkbox"/> Greece | <input type="checkbox"/> Portugal |
| <input type="checkbox"/> Belgium | <input type="checkbox"/> Hungary | <input type="checkbox"/> Romania |
| <input type="checkbox"/> Bulgaria | <input type="checkbox"/> Ireland | <input type="checkbox"/> Slovakia |
| <input type="checkbox"/> Cyprus | <input type="checkbox"/> Italy | <input type="checkbox"/> Slovenia |
| <input type="checkbox"/> Czech Republic | <input type="checkbox"/> Latvia | <input type="checkbox"/> Spain |
| <input type="checkbox"/> Denmark | <input type="checkbox"/> Lithuania | <input type="checkbox"/> Sweden |
| <input type="checkbox"/> Estonia | <input type="checkbox"/> Luxembourg | <input type="checkbox"/> United Kingdom |
| <input type="checkbox"/> Finland | <input type="checkbox"/> Malta | <input checked="" type="checkbox"/> EU as a whole (for organisations only) |
| <input type="checkbox"/> France | <input type="checkbox"/> Netherlands | <input type="checkbox"/> Some EU Member States (for organisations only) |
| <input type="checkbox"/> Germany | <input type="checkbox"/> Poland | |

Organisation name (optional)

ANEC and BEUC

Organisation type (compulsory)

- | | |
|---|---|
| <input type="checkbox"/> Member States or public body (national/regional/local), incl. Regulators | <input type="checkbox"/> European institution or body |
| <input type="checkbox"/> Industry and private sector, incl. their associations, excl. SMEs | <input type="checkbox"/> Small and Medium Size Enterprises (SMEs) |
| <input checked="" type="checkbox"/> Consumer organization | <input type="checkbox"/> Financing organization |
| <input type="checkbox"/> Non-governmental organization | <input type="checkbox"/> Energy utility |
| <input type="checkbox"/> University/ education/research institute | <input type="checkbox"/> Energy Efficiency Agency (national, regional, local) |
| <input type="checkbox"/> OTHER | |

What type of activities are addressed by your organisation? (multiple choice question)
(compulsory)

- | | |
|---|---|
| <input type="checkbox"/> Energy Efficiency services in the residential sector | <input type="checkbox"/> Energy Efficiency services in the tertiary and industry sectors |
| <input checked="" type="checkbox"/> Construction | <input checked="" type="checkbox"/> Energy-using products and appliances |
| <input type="checkbox"/> Transport sector | <input checked="" type="checkbox"/> Energy production, supply, transmission or distribution |
| <input checked="" type="checkbox"/> Other | |

Which other sector? (optional)

Labelling, sustainable consumption, EMAS

1. General questions

In the context of this evaluation and the preparation of the envisaged new Energy Efficiency Action Plan, the Commission is open to re-evaluate its present legislation and policy portfolio.

1.1. The Action Plan for Energy Efficiency of 2006 identified 6 key areas and proposed 10 priority actions (out of a total of 85 actions and measures). Which of the actions and measures of the 2006 EEAP should be continued / redefined / discontinued, and why? (Max. 4000 characters) (optional)

Consumer products, of which energy-using products and energy-related products are part, account for a large proportion of the consumption of natural resources and energy. The debate on energy efficiency and climate change therefore needs to be considered in the wider context of sustainable consumption and production. In addition, energy prices are continuing to increase and represent a major concern for many European consumers. In particular, more vulnerable consumers find it increasingly difficult to pay rising energy bills. Affordability and choice are not automatically guaranteed by current European markets. Furthermore, consumer demand for more environmentally friendly products, including more energy efficient products is also growing.

With this in mind, it is clear that more needs to be done to integrate all relevant environmental aspects as early as possible in the design phase of consumer products in order to reduce their environmental impact. We therefore welcome certain aspects of the recent recast of the Eco-design Directive, and in particular the extension of the scope of the Directive to energy-related products as well as the increased emphasis placed on resource efficiency. Eco-design is indeed a key policy tool which should continue to be promoted. However, when the effectiveness of the Directive is reviewed in 2012, we advocate the further extension of the instrument to all (consumer) products whether related to energy or not.



Only this will contribute to achieving a significant reduction in the environmental impact of products throughout their whole life cycle.

To this aim, the European Commission would have to ensure that there is sufficient funding to allow active participation of stakeholders, in particular consumer and environmental organisations in the Eco-design process. In addition, in order to be credible, market surveillance by Member States needs to be greatly reinforced through collective European action supervised by the European Commission.

The link between eco-design and other existing instruments such as environmental labelling schemes, the EU Energy Label, and the EcoLabel must be strengthened. We therefore welcome the recent revision of the EU Eco-labelling scheme which will help make the Eco-label a stronger label and push the market towards more sustainable products, together with the Energy Label scheme. Regarding the latter, we expect the Commission to ensure that the Energy Label remains a simple, useful and easily understandable information tool for consumers. We thus reiterate our call to make sure the Energy label becomes more dynamic while maintaining the current A-G closed scale and remind the Commission of their commitment to do so in the context of their 2007-2012 Action Plan for Energy Efficiency.

To ensure European consumers play their part in sustainability and ensure the effectiveness of the above initiatives, we support the aim of increased education and awareness raising on energy efficiency and, more widely, sustainability. However, we would like to stress that experience shows that information and awareness raising campaigns, although important, are not sufficient policy tools by themselves and do not bring about the desired results.

Sustainable public procurement, addressing considerations other than only energy efficiency and other environmental aspects, should be given an important role in the EU sustainable consumption and production (SCP) policy and not solely in the energy efficiency action plan. Today, governments should lead efforts to buy and use more sustainable products and services, thereby encouraging businesses and consumers to follow the same trends and change their production and consumption behaviours.

1.2. Which new challenges have emerged since 2006 and should be addressed in the new Action Plan for Energy Efficiency? (Max. 4000 characters) (optional)

We believe that one of the main drawbacks of the current strategies is that energy efficiency/SCP policies are, on the one hand, too often conflicting with other EU policies (e.g. strengthening internal market policies on cross-border services and products without taking into account the resulting environmental impacts). On the other hand many of the policies in the environmental/sustainability field overlap, and there does not appear to be a systematic and coherent approach to tackling energy efficiency, climate change, Integrated Product Policy (IPP), and Sustainable Consumption and Production challenges at the EU level.



With a view to the above, we reiterate our call for the establishment of a horizontal legislative framework on Sustainable Consumption and Production, covering all (consumer) products and services and all environmental aspects (as done in the product safety field). Such a framework should be coherent with other EU policies such as consumer policy (e.g. misleading advertising legislation) and product standards (e.g. environmental product declarations). This framework should be complemented by ambitious, existing and future, sectoral legislation outlining more specific requirements for products and services.

In addition to the overall regulatory framework called for above, a legislative framework for the standardised provision of environmental product information should be envisaged. Such a framework ought to cover the existing EU Eco-label and Energy Labelling schemes and other environmental information such as Type III eco-labels ('environmental product declarations' - EPDs). The final report of the EU Commission's IPP Working Group on Product Information Needs referred to an 'improved legal framework' based on existing European legal instruments. This recommendation is an important step in the right direction in that it includes the possibility to specify detailed, compulsory requirements for certain product groups of high environmental concern via implementing measures. This framework for the standardised provision of environmental product information should also address the marketing and advertising of environmental aspects of products.

2. Specific questions

2.1. The existing Energy Performance of Buildings Directive (2002/91/EC) and its recast, as well as other relevant legal acts, go a long way for introducing ambitious but realizable energy performance requirements for buildings and increase consumers' awareness. However, much more can be done. (compulsory)



Yes



No



No opinion

How do you assess the need for introducing an EU level measures concerning training of architects, builders and installers? (Max. 4000 characters) (optional)

The training of builders, and of installers and maintenance service providers of energy-using appliances such as boilers and water heaters needs to be addressed. Member States should be required to provide appropriate training and qualification programmes for installers and retailers in order to improve the quality of consumer advice, understanding of the labels on the products, and understanding of the additional benefits of energy efficient systems. Member States should furthermore be requested to provide support for installing new highly efficient systems (e.g. by way of subsidies or tax reductions).

Finally, it is important that installers and retailers inform consumers clearly about the upcoming technology changes which will lead to a likely phase-out of electric water heaters and boilers. Installers and retailers thus have a very important role in preventing consumers from taking costly and non-ecological investment decisions.

2.2. Sustainable transport and energy consumption of cars is currently addressed in the Greening transport package (COM(2008)433), the Regulation on Emission performance standards for new passenger cars (COM(2007)0856), the proposed Directive on labelling of tyres (COM(2008)0779), the proposal on greening car taxation (COM(2005)261) and the 'Green Cars' initiative. The Commission is also working on a proposal on light commercial vehicles and a revision of CO₂/cars labelling. Do you consider that additional measures at EU level need to be undertaken? (compulsory)



Yes



No



No opinion

2.3. The Eco-Design (2005/32/EC) and Energy Labelling (92/75/EEC) framework Directives are significant steps as regard to product policy. A number of implementing measures have been already or are soon to be adopted and the ongoing amendments of the two Directives provide for their more ambitious and wider application. Do you consider that additional measures can be taken forward in order to increase the impact of these instruments? (compulsory)



Yes



No



No opinion

In your view what should these measures be? (Max. 4000 characters) (optional)

Further to the comments provided under 1.1., we raise concerns regarding the use of voluntary instruments, foreseen as an alternative to Commission implementing measures (IM) in the Eco-design Directive. Voluntary measures have been shown to be an insufficient and inefficient way of addressing the environmental performance of products. Such measures should only be used if their effectiveness in delivering the intended aims is systematically monitored and, where considered ineffective, regulatory implementing measures are introduced without delay.

Moreover, when developing eco-design requirements, we regret that eco-design IM often refer to other Community instruments (e.g. on hazardous substances or waste collection) without setting more ambitious requirements in the measures themselves. For instance, in the case of eco-design measures for domestic lighting, a reference is only made to the RoHS Directive (Restriction of the use of Hazardous Substances in electric and electronic appliances) which only sets a maximum limit of 5mg for mercury content, whereas the benchmark value for mercury content of energy efficient lamps (compact fluorescent lamps) is already as low as 1.8mg. Although we agree that a duplication of legislation should be avoided, we believe more ambitious requirements for specific product groups should be set in the eco-design measures, where technically possible.



For the future we see an urgent need to address not only energy efficiency but also other environmental impacts during the whole lifecycle of products, such as resource efficiency, water efficiency, noise levels, the use of hazardous substances, the extension of product lifetime, and possibilities for repair, as well as waste disposal.

Finally, we believe that it should be obligatory for the legislator to consider benchmarks when setting and revising eco-design measures for specific product groups.

Regarding the EU Energy Labelling Directive, we welcome the proposals in the revision of the framework Directive to enhance cooperation and information exchange by Member States with a view to ensuring a proper functioning of the scheme. We in particular stress the need to specify the role of the Commission in overseeing and encouraging such cooperation. We welcome the proposal to introduce a reporting requirement on Member States regarding their enforcement activities, and believe the information in these reports should be made publicly available in a summarised form by the Commission. We also believe that sharing best practices and expensive testing results would lead to a more efficient allocation of resources across Europe, thus allowing a greater number of appliances to be inspected and tested. It is imperative that the provisions on market surveillance are also further reinforced to ensure proper enforcement of the Directive and its Implementing Measures. Finally, we underline that the measurement tolerances contained in some European standards must be significantly reduced and the standards must better reflect real life situations.

Regarding the coherence of eco-design and energy labelling regulations, it must be ensured that the successive steps of strengthening the requirements for energy efficiency and other environmental aspects are always in line (e.g. if eco-design requirements for TVs enter into force on 1 January 2010, the labelling requirements should also apply from that date).

Last but not least, the increasing proliferation of ecological and/or energy-efficiency labels are/is confusing to consumers. Consumers, offered increasing variety, tend to shape consumption and to develop their own consumption culture. Greater control by the authorities is therefore urgently needed to enhance the credibility of eco-designed products and eco-innovation of industry as well as existing EU labels, and ensure the confidence of consumers in the long term. This would also increase the competitiveness of the industry and promote innovation.

2.4. Lack of access to appropriate financing is an important bottleneck for making a real step forward in our ambitions on energy saving. Innovative financing instruments are now being developed by institutions such as EIB, EBRD, national promotional banks and private banks in particular in association with the Covenant of Majors initiative. Demonstration projects of the application of energy efficient technologies in a competitive manner, e.g. 'smart cities', could also be considered. Do you think other financing measures at EU level are needed? (compulsory)



Yes



No



No opinion

2.5. Well targeted fiscal incentives could be a driver for energy efficiency investments and innovation. The EU has already taken measures to make it easy for Member States to allow for more advantageous VAT rates for some labour-intensive services, such as renovation and



repairing of private dwellings. Do you consider that additional measures at EU level need to be undertaken to shape consumer choices? (compulsory)



Yes



No



No opinion

In your view what these measures should be? (Max. 4000 characters) (optional)

Affording energy efficient appliances or investing into the improvement of the energy efficiency of homes can be a major problem for private households. In some cases, households do not have the necessary financial resources to make such an investment and do often not even have access to credit schemes (this is particularly the case for 'energy-poor' households which often own outdated, energy-consuming appliances). In other cases, knowledge of existing support or credit schemes is lacking and/or complicated procedures are deterring households from using them. It also happens that pay-off times are considered too long by consumers, in particular by the elderly. Finally, high up-front costs are often a psychological obstacle.

Fiscal policies should therefore continue to be developed and coordinated at the EU level. Such policies could take the form of ecological tax reform, such as tax differentiation (e.g. reduced VAT for the most energy efficient products and services), enhanced use of fiscal incentives (e.g. tax rebates for consumers buying products labelled as the most energy efficient goods or if consumers insulate their homes) or more easily accessible financing schemes and subsidies for energy efficiency investments of private households. This will make consumer uptake of such products increase and ensure a level playing field in Europe. In this context, we particularly call on the Commission to consider re-introducing the plan for an EU proposal to reduce minimum VAT rates for green products and services, which was recently dropped due to the current financial crisis.

2.6. Education and training on energy efficiency are vital ingredient of a successful energy efficiency policy. These were already mentioned above regarding buildings but the challenge is much broader. Do you consider that measures/actions at EU level to catalyze training at school and university level should be undertaken? (compulsory)



Yes



No



No opinion

In your view what should these measures be as regards different target groups? (Max. 4000 characters) (optional)

Education plays an important role in changing consumers' behaviour and sensitising them to the need to engage into energy-efficiency, climate change and more generally, sustainability. Making the link between everyday life and this particular issue is important, but it need not be preaching at consumers.

Education at national level will help in promoting eco-products and energy-efficient consumption. However, strengthened regulatory measures and enhanced standards requirements are of a greater impact in improving energy-efficiency.

2.7. Awareness of final consumers on energy savings possibilities and their benefits is still low. This in particular concerns domestic consumers and SMEs. Some actions to target different groups are already undertaken at national and EU level. For example, the Sustainable Energy Europe Campaign is focusing on grouping social stakeholders and market actors to undertake joint action. Do you think that further communication action at EU level is needed? (compulsory)



Yes



No



No opinion

Which would be the content of such a communication strategy as regards each of the target groups concerned? (Max. 4000 characters) (optional)

The advertising and marketing of products, especially unsustainable products, plays an important role in consumer choice. The increasing number of labels, as well as misleading/incorrect labels and misleading advertising, is confusing consumers. The use of the adjective '*recyclable*' for products in comparison with the use of the word '*recycled*' is a common example of misleading information (consumers often believe that the Green Point on product packaging means that the product will be recycled, even though this is not necessarily the case. More 'ethical' marketing of products is urgently needed.

More generally, communication campaigns play an important role in raising consumer awareness about sustainability and the role consumers can play. However, such campaigns should be better targeted and more 'active' for the good of the environment, using behavioural segmentation techniques and promoting the right messages to the right audience. Such campaigns have proven to be much more effective than the usual mass-media based information campaigns which have so far been favoured by governments, for example. Such campaigns should also be combined with other policy instruments using carrots and sticks to bring about permanent behavioural changes.

Finally, the European Commission should continue to find ways (e.g. funding, research or best practice exchange networks) to best support measures which have already been developed in some EU member states and have shown to be effective, such as web-based tools allowing consumers to calculate their energy savings potential and identify suitable measures, or personal energy counseling and advice.

2.8. Furthermore, small and medium size companies (SMEs) are the backbone of EU's economy as they make up more than 99% of all firms and employ 67% of the EU's workforce but may need more support for implementing energy saving measures. Do you consider that specific measures to target SMEs are necessary? (compulsory)



Yes



No



No opinion

2.9. Public sector should lead by providing best practice examples. Positive progresses have been made under the voluntary Green public procurement policy and the proposals for mandatory procurement of energy efficient products in the framework of the recast of the Energy Labelling Directive. The leading role of public authorities has also been emphasized

under the recast of Energy Performance of Buildings Directive proposal. Do you consider that further actions at EU level should be undertaken? (compulsory)

Yes No No opinion

What further actions would you suggest at the EU level? (Max. 4000 characters) (optional)

Green public procurement is a key activity to be continued and enhanced, considering both its high potential as a market-based tool (overall public purchasing represents 16% of EU GDP) and the need for public administrations to lead by example. In this regard, we welcome the adoption of the July 2008 Commission Communication on public procurement, but regret that many of the activities proposed remain at the discretion of Member State public authorities. Ambitious and mandatory criteria for public purchasing should be set up. For instance, public authorities should be obliged to purchase only those products which are labelled as best on the market under the Energy Labelling scheme.

2.10. The role of energy utilities can be substantial but at present they have insufficiently developed a market for energy efficiency services. Ways to create adequate framework conditions for this market to take-up in liberalized electricity and natural gas markets should be sought, possibly in cooperation with the Regulators. Do you consider that actions at EU level should be undertaken? (compulsory)

Yes No No opinion

2.11. Energy efficiency offers significant market opportunities. Do you consider that specific measures at EU level should be adopted to provide incentives for companies to enter these markets, in particular as regards SMEs? (compulsory)

Yes No No opinion

2.12. In relation to the above question do you consider that there is a need for the introduction of a EU-wide White Certificate scheme? (optional)

Yes No No opinion

2.13. The Directive on energy end-use efficiency and energy services (2006/32/EC) already provides for national indicative energy savings target which differs from the ones for renewables and for the greenhouse gas emissions. Giving the increasing priority for ensuring that investment in energy consumption reduction are made in all Member States do you consider that a move towards binding targets is needed? (compulsory)

Yes No No opinion

2.14. Measurement and verification of energy savings is essential aspect for monitoring the results of any measures introduced at national and EU level. Although some targeted measures are being implemented, do you consider that more systematic and harmonized approach at EU level is needed? (compulsory)

Yes No No opinion

2.15. Energy efficiency should become a vector of international co-operation and a subject of international financing programmes, in particular regarding EU neighbouring countries. Do you agree with statement? (compulsory)



Yes



No



No opinion



3. Other remarks

3.1. Please add your additional remarks in the section below. (Max. 5000 characters) (optional)

ANEC would like to highlight the Resolution of the Trans-Atlantic Consumer Dialogue (TACD) on Eco-design and Energy Efficiency of Products (June 2009). In this Resolution, EU and US consumer organisations including ANEC and BEUC recommend the establishment of enhanced cooperation between the EU and the US towards an integrated strategy for sustainable consumption and production. They also call for strengthened cooperation on eco-design of products and for working together when selecting the priority product groups and establishing product specific requirements. They moreover stress the need to extend eco-design requirements to all products and to adopt a life-cycle approach when developing eco-design requirements.

More generally, ANEC calls for the Commission to set up clear and ambitious long term targets, by e.g. 2020 and beyond, in the revised action plan for energy efficiency in order to more adequately address the threat of climate change on future generations. A reduction of the use of energy and not only the sustainable use of energy also needs to be considered, not only to tackle climate change and the degradation of the environment, but also the increased dependence on imported energy and higher energy prices by boosting EU energy security and competitiveness. We therefore believe that the revised Action Plan for Energy Efficiency should continue to be based on a mix of economic and legal instruments, complemented by voluntary instruments, but should also be combined with more ambitious and dynamic target setting in the long term. By adopting an ambitious strategy, the European Union will also provide an impetus for development of technology, thereby providing the industry a unique opportunity to take the technological lead.

Finally, an ambitious revised action plan with long term objectives will come as a strong sign that the European Union will continue to lead on taking on the challenges of energy efficiency and climate change and would be an important negotiation tool in view of the COP15 meeting in Copenhagen in December this year.

END.