

Implementation of the Ecodesign Directive: Parliament's own-initiative report

January 2018

Introduction

EPEE, EHPA and EHI are strong supporters of the Ecodesign Directive and Energy Labelling Regulation. The combination of both legislative instruments, pushing and pulling the market towards more energy efficient products has been proven extremely successful in the past and is certainly one of the success stories in terms of contributing to the EU's energy and climate goals.

EHI, EHPA and EPEE are actively involved in the development & implementation of the ecodesign and energy labelling measures for the product groups it covers with the objectives of:

- Increasing the overall energy efficiency of products;
- Keeping the cost for consumers at a minimum; and
- Maintaining room for innovation and competition.

To ensure that it remains a powerful tool to promote energy efficiency at consumer level, EPEE, EHPA and EHI would like to emphasize some key points which, in our view, require attention with the aim to:

- Reap the benefits of Ecodesign;
- Ensure robust Market Surveillance in Europe; and
- Optimise the decision-making process.

1. Reap the benefits of Ecodesign

Thanks to Ecodesign, only the most efficient heating and cooling appliances can be installed in Europe's buildings. This translates into immediate energy savings for Europeans. For example, any new heater installed in an EU building will bring energy efficiency savings of 20% at the very least. And savings can be much higher, when people choose renewable heating systems.

Heating and cooling has been identified and projected in the long-term as the EU's biggest energy consuming sector. Heating and cooling technologies are therefore very well placed to significantly increase energy efficiency, limit energy demand, and reduce energy consumption. And potential energy savings are still enormous: for instance, more than 60% of the heating appliances installed in EU buildings are old and inefficient. This is why, energy efficiency is and should be the core of Ecodesign rules in the heating and cooling sectors.

To date, the Ecodesign framework has increased the offer of more energy efficient heating and cooling products. EPEE, EHPA and EHI support constructive improvements to this framework so that consumers continue to benefit from it.

1.1. Focus on the efficiency of final products

In the recent past, several regulations have set ecodesign requirements for energy-related products (“parts”) integrated into products that are already themselves covered by ecodesign measures (e. g. fans, motors, circulators). We believe that if a product is already regulated by Ecodesign requirements, its parts should be excluded from Ecodesign measures.

EPEE, EHPA and EHI consider that regulating parts in products is endangering freedom to innovate and dictates the selection of specific parts for products that already comply with ecodesign requirements without any benefit for either consumers or the environment: when producers freely allocate resources in the design process where more efficiency can be achieved, the consumer receives an affordable and more efficient product.

In addition, in view of making efficient use of their resources, Market Surveillance Authorities may not test an individual part if they found the final product to be compliant with ecodesign requirements. This will create a competitive advantage for product manufacturers outside of the EU. Why? Because foreign manufacturers would have the advantage to choose less expensive internal parts. Therefore, they might reduce the overall cost of products, compared to manufacturers in Europe.

⇒ **We propose to exclude bespoke parts (i.e. built to fit a specific application) integrated into products that are already themselves covered by ecodesign measures from Ecodesign Regulations. Catalogue parts, available off the shelf, could be within the Ecodesign scope.**

1.2. Allow spare parts on the market, for product repair

The availability of spare parts brings significant environmental benefits, as it guarantees longer product lifetimes and prevents waste generation, which is one of the core elements of the EU’s resource efficiency policy and the EU waste hierarchy. It is also crucial that spare parts are available for maintenance, repair, refurbishment and remanufacturing.

However, enforcing Ecodesign requirements also on replacement products endangers this availability. Why? Because these requirements can make these parts different, and therefore incompatible with the already installed products. A perfectly repairable product may thus need to be replaced entirely earlier than its average lifetime. This would be detrimental to the environment and in full contradiction with the principle of resource efficiency.

Other regulations already address resource efficiency. Extending the Ecodesign framework to spare parts thus runs the risk of legislative inconsistencies and unnecessary complexity, which needs to be avoided in view of “better regulation”.

⇒ **In order to promote resource efficiency as of now, it is key that Ecodesign rules allow original spare parts on the market during the average lifetime of the products they are fit in.**

1.3. Consider the inclusion of resource efficiency aspects carefully to take into account heating and cooling products' specificities

The Commission intends to emphasise circular economy aspects, such as reparability, durability, upgradability or recyclability in future product design requirements in the context of the EU Circular Economy agenda.

The heating and cooling sector has provided a significant contribution to a circular economy through the design and manufacturing of innovative products that actively seek to reduce resource use. Due to their specificities and existing legislation, heating and cooling products already comply with circular economy principles, across their whole lifecycle:

- The cost and availability of materials in itself is already a driver for resource efficiency and already a key imperative for manufacturers when designing products to cut costs and eliminate waste.
- Several products targeted by Ecodesign measures have a lifetime of at least 15 years. They should be repairable by ensuring that original spare parts are available during their average lifetime (*see above*).
- At the end of their life, heating and cooling products are not allowed to be disposed of by consumers directly, but rather by professionals and installers that ensure proper handling of all materials. Information on how to proceed is already available to professionals as part of existing Ecodesign requirements.
- In the context of Extended Producer Responsibility (EPR), manufacturers have also improved end-of-life recycling techniques that enhance material recovery.

For heating and cooling products, Ecodesign measures have been effective because they have regulated measurable, verifiable parameters of the whole products, such as the energy consumption in use on the basis of a clear and transparent methodology. This approach needs to be maintained to transform the market in line with the energy efficiency first and better regulation principles.

⇒ **Resource efficiency requirements should only be considered if reliable, reproducible, and if enforceable standards to measure them exist. Moreover, they should be based on a thorough impact assessment taking into account the specificities of heating and cooling products.**

2. Ensure robust Market Surveillance in Europe

How to ensure that all products on the market comply with Ecodesign rules and bring energy savings to Europeans?

Market Surveillance is the key to ensure that products on the EU market are compliant with existing legislation. Not only is this key to avoiding distortions of the market, Market Surveillance also aims at protecting consumers from fraudulent products. Lastly, only by complying with legislation, policy goals such as climate and energy efficiency objectives can be met in reality.

Market Surveillance in the EU can considerably be improved in some areas for a number of reasons, including lack of awareness, enforcement, testing and resources. EPEE, EHPA and EHI are committed to contributing to a better functioning Market Surveillance across the EU and together with other industry associations has consistently called for a strengthened Market Surveillance framework and a more harmonized EU action by focusing on the following three areas (For more details, see the [Joint Industry Call for Action](#)):

- ⇒ **Strengthen the pan-EU cooperation in Market Surveillance**
- ⇒ **Intensify cooperation among national Market Surveillance Authorities**
- ⇒ **Increasingly involve industry in Market Surveillance activities**

3. Optimise the decision-making process

EPEE, EHPA and EHI are members of the Ecodesign Consultation Forum, which brings together the stakeholders relevant for the European Commission (industry, NGOs, etc.) and Member States' representatives. While we welcome the opportunity to share our views on the proposed Ecodesign measures, the decision-making process could be improved to ensure a better implementation of the various Ecodesign Regulations.

3.1. Avoid undue delays

In the past years, delays in the publication in the Official Journal of already voted Ecodesign measures created unmanageable situations for industry, including SMEs, which rely on legal certainty to plan and carry out the considerable resource investment to re-design and improve the energy efficiency of products to comply with the new requirements¹.

The European Commission usually publishes Frequently Asked Questions (FAQ) documents summarising questions and answers of general interest regarding the Ecodesign Directive and its implementing Regulations. The answers provided reflect a common understanding between Commission services and the Market Surveillance Authorities of Member States and help

¹ For instance, [Regulation 2016/2281](#) was published on 30 November 2016, almost a year after its adoption by the Regulatory Committee and only 13 months before the 1st implementation tier.

industry implement and comply with the various Ecodesign Regulations. In the past years, these FAQs has sometimes been published very close to the 1st implementation tier.

- ⇒ **The European Commission should not publish packages of new Ecodesign measures, as recently announced, but rather publish without delay already approved individual Ecodesign measures to ensure legal certainty for manufacturers as soon as possible.**
- ⇒ **Ecodesign FAQs should be published well before the 1st Ecodesign requirements apply.**

3.2. Carry out strong and robust Impact Assessments

Art.15.4(b) of the Ecodesign Directive, requires that an implementing measure can only include products that have been subject to prior assessment of the “impact on the environment, consumers and manufacturers, including SMEs, in terms of competitiveness — including in relation to markets outside the Community — innovation, market access and costs and benefits”.

- ⇒ **The European Commission should always ensure appropriate consultation on an assessment of the impacts of proposed Ecodesign requirements (e.g. assessing the impact of regulating both integrated parts and products according to the cascading principle).**



ABOUT EHI

EHI, the Association of the European Heating Industry, represents 90% of the European market for heat and hot water generation, heating controls and heat emitters, as well as 75% of the hydronic heat pump market, 80% of the biomass central heating market (pellets, wood) and 70% of the solar thermal market.

EHI Members produce advanced technologies for heating in buildings, including: heating systems, burners, boilers, heat pumps, components and system integrators, radiators, surface heating & cooling and renewable energy systems. In doing so, we employ directly more than 120.000 people in Europe and invest more than 700 million euros a year in energy efficiency. Please see our website (www.ehi.eu) for further information.

ABOUT EHPA

The European Heat Pump Association represents 120 members across the heat pump industry value chain and promotes awareness and deployment of heat pump technology in Europe. All activities aim at creating a market environment that facilitates faster development of heat pump technology to unleash its benefits, of efficient heating and cooling using renewable energy, on a European level. For more information, please visit: www.ehpa.org

ABOUT EPEE

The European Partnership for Energy and the Environment (EPEE) represents the refrigeration, air-conditioning and heat pump industry in Europe. Founded in the year 2000, EPEE's membership is composed of 40 member companies, national and international associations.

EPEE member companies realize a turnover of over 30 billion Euros, employ more than 200,000 people in Europe and also create indirect employment through a vast network of small and medium-sized enterprises such as contractors who install, service and maintain equipment.

EPEE member companies have manufacturing sites and research and development facilities across the EU, which innovate for the global market.

As an expert association, EPEE is supporting safe, environmentally and economically viable technologies with the objective of promoting a better understanding of the sector in the EU and contributing to the development of effective European policies. Please see our website (www.epeeglobal.org) for further information.