

Opinion of the European Economic and Social Committee on the ‘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’

(COM(2015) 341 final — 2015/0149 (COD))

(2016/C 082/02)

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On 31 August 2015 the Council of the European Union, and on 15 September 2015 the European Parliament, decided to consult the European Economic and Social Committee, under Article 194(2) of the Treaty on the Functioning of the European Union, on the

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

(COM(2015) 341 final — 2015/0149 (COD)).

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee’s work on the subject, adopted its opinion on 7 January 2016.

At its 513th plenary session, held on 20 and 21 January 2016 (meeting of 20 January 2016), the European Economic and Social Committee adopted the following opinion by 218 votes to 2 with 6 abstentions.

1. Conclusions and recommendations

1.1. The EESC supports the Commission’s proposal to establish a framework for energy labelling in the belief that, if properly implemented and combined with the Directive on Ecodesign, it could have a positive impact on the environment, consumers, businesses and workers.

1.2. The Committee believes that the proposal addresses the main problems relating to current legislation, including effective enforcement, efficient market monitoring and the right of consumers to receive clear, comprehensible and comparable information. In particular, the EESC calls on the Commission to continue the process of standardising and simplifying energy classes for all product categories.

1.3. The EESC agrees with using a regulation, as opposed to a directive, as an instrument designed to ensure effective and uniform implementation of the legislation across the whole of Europe.

1.4. In the Committee’s view, it was the right choice to set up a product database, a tool that will help make market surveillance more effective. The EESC nevertheless considers it essential to introduce stricter controls on products on sale to check that the characteristics of the product actually correspond to those shown on the label.

1.5. The EESC calls on the Commission to devise and fund common standardised training courses for all workers and others involved in surveillance and monitoring.

1.6. The EESC endorses the decision to revert to the previous A-G energy scale, which is easier for consumers to understand, and to introduce a colour scale from green to red to identify more clearly a product’s energy efficiency.

1.7. The Committee proposes producing a new graphic design for the energy label to combat counterfeiting and avoid creating confusion among consumers, particularly during the transitional period. It would also suggest greying out the colour scale for classes where there are no products on the market, or where rescaling has taken place or as a result of the limits imposed by the Ecodesign Directive.

1.8. The EESC proposes including other information of relevance to consumers in the new label, such as the minimum life-expectancy of products and the energy consumption of the product in the course of its lifecycle, also taking into consideration their carbon footprint. This information is essential in order to make energy products in different classes genuinely comparable cost-wise and prevent and discourage planned product obsolescence.

1.9. The EESC considers that to leave an aspect as crucial as the adoption of a system of penalties to the individual Member States would result in uneven enforcement of the rules, defeating the purpose of replacing the directive with a regulation.

1.10. The Committee believes that, in line with the principle of subsidiarity, the EU will have to take action to make high energy efficiency products more readily accessible to the more disadvantaged social groups as a means of tackling the phenomenon of energy poverty.

1.11. The EESC believes that just as the 'design for all' principle promotes the design of products that can be used by everyone, so too should labels be increasingly easy to understand for everyone, taking into particular consideration the needs of people with disabilities.

1.12. The Committee calls on the EU to take action to prevent any additional costs under the new labelling system from being automatically passed on to retailers or end users.

1.13. The EESC regrets that there is no ad hoc strategy for online commerce, and would on the contrary consider this a necessity, as it is one of the areas where enforcement is widely neglected. It hopes, in particular, for prompt action to regulate online marketplaces, where the most serious infringements of the obligation to display energy labels occur.

1.14. The EESC notes the absence of ad hoc measures for 'reprocessed' energy products. The EESC considers it particularly important to regulate the marketing of such products where they are on sale in specialist outlets, to avoid creating legal loopholes and above all to promote greater integration between strategies on energy efficiency and on the circular economy.

1.15. The Committee calls on the European Commission to pay particular attention to products imported from third countries, in order to protect European products from possible forms of unfair competition or fraud where labels are patently forged.

1.16. The EESC believes that the European Union will only be able to achieve its energy efficiency targets if consumers are actively involved. For this reason, it requests that organised civil society work alongside national governments in order to launch more effective and widespread information and awareness-raising activities, including for individual retailers.

1.17. The Committee supports the proposal to make it mandatory for advertisements to include the energy label for each individual product or, where this is not feasible, at least the energy class, in order to better inform consumers and raise their awareness.

1.18. The EESC believes that a single week, at the end of the transition period, does not allow enough time to switch permanently to products labelled under the new system. It therefore requests that the period be extended to 30 days.

1.19. The EESC urges the Commission to adopt a more prudent and measured approach to delegated acts. In particular, it hopes that delegated acts will be clearly defined, that scrutiny by the Parliament will be guaranteed and, above all, that the adoption of delegated acts will always be subject to proper consultation and involvement of Member States, the EESC and stakeholders.

1.20. The EESC considers the period of 8 years for reviewing the framework for labelling to be appropriate, but would however propose carrying out a mid-term impact assessment.

1.21. The Committee considers it crucial that an unequivocal, stable rescaling mechanism be designed so that subsequent rescaling made necessary by technological developments on the market is inexpensive, precise and unambiguous. It would therefore propose rescaling only when products in energy class A represent at least 20 % of the market.

2. Introduction

2.1. On 25 February 2015, the European Commission published the Energy Union Package, which consists of three communications:

- a Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy ⁽¹⁾,
- a communication on the EU position in view of the global climate agreement,
- a communication setting out the measures needed to achieve the target of 10 % electricity interconnection by 2020.

2.2. The Energy Union strategy, based on a holistic approach, aims to improve security, sustainability and competitiveness of energy supply, and is made up of five components:

- energy security, solidarity and trust,
- a fully integrated European energy market,
- energy efficiency contributing to moderation of demand,
- decarbonising the economy, and
- research, innovation and competitiveness.

2.3. The Regulation setting a framework for energy efficiency labelling and repealing Directive 2010/30/EU ⁽²⁾ is part of the above strategy.

2.4. The new framework for labelling has a close relation in Directive 2009/125/EC on Ecodesign ⁽³⁾. According to the climate and energy commissioner, Miguel Arias Cañete, by jointly implementing the two provisions, 'Europe 2020 will save as much energy as is used every year in Italy, the equivalent of 166 million tonnes of oil', with a major impact on CO₂ reduction.

2.5. The new Regulation takes into account, inter alia, the findings of the *ex-post* evaluation of the current legislation, the results of consultations with the public and stakeholders and a specific impact assessment ⁽⁴⁾.

3. Summary of the Commission proposal

3.1. The Commission's proposal now for the first time takes the form of a regulation and no longer that of a directive, the aim being to simplify the regulatory environment for the Member States and businesses, and above all to ensure that the principles contained in it will be uniformly implemented and enforced across the European Union.

3.2. The proposal envisages creating a product database to make market surveillance more effective. The onus will be on manufacturers to enter a range of information in the database. It is important to stress that at the present time this information already has to be supplied by businesses on request by national market surveillance authorities. For this reason the European Commission estimates that additional costs to businesses will be minimal ⁽⁵⁾.

⁽¹⁾ COM(2015) 80 final.

⁽²⁾ Directive 2010/30/EU of the European Parliament and of the Council of 19 May 2010 on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products (OJ L 153, 18.6.2010, p. 1).

⁽³⁾ Directive 2009/125/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for the setting of ecodesign requirements for energy-related products (OJ L 285, 31.10.2009, p. 10).

⁽⁴⁾ SWD(2015) 139.

⁽⁵⁾ COM(2015) 341 final, paragraph 2.3 of the Explanatory Memorandum.

3.3. The proposal seeks to revise the existing energy scale, introduced under Directive 2010/30/EU, for two reasons:

- (a) it has been found that steps A+ to A+++ of the scale have made labels harder to understand, which has discouraged consumers from buying more energy-efficient products;
- (b) in the case of various product groups, the top energy classes have already been filled.

The Commission therefore proposes reverting to the previous A to G scale as it is considered easier to understand, which will mean 'rescaling' all products currently on the market. Classes A and B will be left free, to avoid the problem of immediately filling the top classes ⁽⁶⁾. For the purpose of making labels more complete and comprehensive, a colour scale going from green to red will be introduced on labels to indicate products that are more or less efficient in energy terms.

3.4. The proposal provides for a 6-month transition period in which the products on sale today will be available with a dual label in order to carry out the 'rescaling' process properly, without creating further confusion among consumers. In addition, Member States will have to organise ad hoc campaigns in this phase to inform consumers about the new labelling system.

3.5. According to the Commission, the respective Member States should continue to be responsible both for monitoring and for laying down a system of penalties ⁽⁷⁾.

3.6. The Commission is granted the power to adopt delegated acts to ensure that the legislation is correctly implemented. This power may be revoked at any time by the Council and the Parliament. The Commission will have to ensure, for each delegated act, that there is balanced participation on the part of Member States' representatives and stakeholders with an interest in the specific product category. Member States and stakeholders will be brought together in an ad hoc consultative forum.

3.7. The next assessment of the labelling framework is expected to take place in 8 years' time. The labels of products already on the market will be reviewed within 5 years, whereas a precise time frame has not been established for rescaling products put on the market after the regulation has been adopted.

4. General comments

4.1. The EESC welcomes the Commission's proposal, which stems from the realisation that energy labelling has a positive impact on the environment, consumers, European businesses and employment levels ⁽⁸⁾.

4.2. The EESC attaches an important strategic role to the new labelling system, in addition to a purely technical one, since it affects, directly and indirectly, the fields of energy, internal trade, technological development, the environment and, more generally, the process of sustainable development.

4.3. The EESC recognises that the proposal has the merit of addressing the main problems arising from the current legislation, although in some instances it lacks ambition and vision. For example, the proposal focuses on solving immediate problems of an imperative nature but fails to envisage possible future developments in energy trade and production.

4.4. The EESC calls on the Commission to continue the process of standardising and simplifying energy classes for all product categories. This will play an important part in encouraging consumers to be more selective in their purchases, promoting higher quality products.

4.5. The EESC supports the use of a regulation, as opposed to a directive, as an instrument designed to ensure effective and prompt implementation of the legislation in a uniform manner across the whole of Europe. Selective use of this instrument is crucial also from the perspective of an efficient process of European integration.

⁽⁶⁾ COM(2015) 341 final, Article 7(3).

⁽⁷⁾ COM(2015) 341 final, Article 4(5).

⁽⁸⁾ EESC opinion *Eco-design/Energy-Using Products* (OJ C 112, 30.4.2004, p. 25).

4.5.1. The Committee supports the proposal to set up a product database, a tool that is essential if market surveillance is to be made more effective. Indeed, it notes that in many European states, consumer associations have repeatedly raised the issue of the non-implementation of the previous Directive 2010/30/EU and, as a result, the presence on the market of products that did not bear labels on energy consumption. This also needs to be done to ensure that there really is a level playing field in competition between products on the internal market.

4.6. However, the EESC considers that building a product database is important but not decisive when it comes to proper market surveillance, and hopes that the authorities concerned will introduce stricter controls on products on sale to check that the characteristics of products actually correspond to those shown on their labels.

4.7. In view of the highly technical nature of market monitoring and surveillance, the EESC calls on the Commission to devise standardised and common training courses for workers and others involved in market surveillance and monitoring, with specific funding lines, so that the regulation can be implemented with due speed and effectiveness in all Member States.

4.8. The EESC agrees with the decision to revert to the previous energy scale A-G, as this is easier for consumers to understand. The Committee points out, by way of example, that there is a difference in energy consumption of 42 % between a refrigerator in class A+++ and one in class A+, and yet the current labelling system does not make it immediately apparent that there is a difference in terms of energy efficiency and costs. As a result, for certain product categories, the principle of 'spending more to spend less' prevails, allowing consumers to recover the cost of higher category products within a short period of time. This, however, means that labels need to be clearer, more comprehensible and more comparable.

4.9. The EESC considers that the prime objective of this proposal is to ensure that it is applied evenly across Europe. However, to make such a crucial aspect as the adoption of a system of penalties a matter for the individual Member States will result in uneven enforcement of the rules, defeating the purpose of replacing the directive with a regulation.

4.10. Overall, the EESC takes the view that the new structure of the labelling system will be able to:

4.10.1. ensure that consumers receive more accurate, relevant and comparable information on the energy consumption and efficiency of all products sold in the EU, enabling them to make purchases that are informed, cost-effective in the long run and environmentally friendly;

4.10.2. improve free movement of products while ensuring a level playing-field. This will also strengthen the competitiveness of European firms by providing them with an incentive to innovate, as they will have the advantage of gaining access to the market before non-Member State firms, with the prospect of higher profit margins;

4.10.3. bolster employment levels, provided that European companies commit to halting relocation of production, thus indirectly helping to relaunch European production and domestic consumption.

5. Specific comments

5.1. The EESC believes that the new labelling system is an improvement on current legislation but does not address all the information needs of consumers. With this in mind, the EESC proposes including other data in the label, such as the minimum life-expectancy of products⁽⁹⁾ and their energy consumption in the course of the lifecycle, also taking into consideration their carbon footprint. This information is essential when it comes to making energy products in different classes genuinely comparable cost-wise and prevent and discourage planned product obsolescence.

⁽⁹⁾ EESC opinion *Product lifetimes and consumer information* (OJ C 67, 6.3.2014, p. 23).

5.1.1. Further information that would be useful though not indispensable for consumers, such as the additional energy cost generated by products used in home automation, could be made available through a dedicated website on product energy efficiency or by applying a QR-code to the label so that each product is easily accessible from tablets and smartphones, as has already been done for similar purposes with other commercial products, with a view to gradually introducing the action plan on the internet of Things ⁽¹⁰⁾.

5.2. The Committee proposes producing a new graphic design for the energy label to prevent counterfeiting and avoid confusion among consumers, particularly during the transitional period. It also suggests greying out the colour scale for classes where there are no products on the market, so as not to discourage consumers from purchasing. This should be done both for the lower classes, where products have been taken off the market by the Ecodesign Directive, and for the higher ones, either because they have not yet been attained by products on the market or as a result of the rescaling process.

5.3. The EESC reminds the Commission of what it has already stated in opinion TEN/516 ⁽¹¹⁾ and, in particular, of the problem of energy poverty affecting over 50 million citizens across the whole of the EU. This means that, in accordance with the principle of subsidiarity, the Union will have to do everything possible to make high energy efficiency products accessible to the poorest and most deprived social groups. At the same time, the European Union must take action to prevent any additional costs under the new labelling system from being automatically passed on to retailers or end users.

5.3.1. Many European States have already successfully introduced good practices in subsidiarity and accessibility of energy products. One of these is the possibility of deducting the cost of energy products in the top classes in income tax statements. Nevertheless, over and above national good practices, however useful and important they may be, the EESC hopes that the European Union and the European Council, in particular, given the importance of the challenge of energy efficiency, will put their weight behind the subsidiarity principle in practice and take measures to create a single strategy to involve all Europeans in the 'energy revolution'.

5.4. The EESC believes that just as the 'design for all' principle promotes the design of products that can be used by everyone, so too should labels be increasingly easy to understand for everyone, taking into particular consideration the needs of people with disabilities.

5.5. The EESC regrets the absence of a specific strategy for online commerce, as turnover is growing constantly and, to date, it is one of the areas where comparability of products and in particular market surveillance are the most complex and difficult. As reported by the MarketWatch observatory, only 23 % of products sold online bear the correct label. This represents a market distortion, to the obvious detriment of firms and consumers.

5.5.1. The Committee notes that not enough has been done to link the proposed new regulation with the current Commission Delegated Regulation (EU) No 518/2014 with regard to labelling of energy-related products on the internet, which entered into force on 1 January 2015. This regulation, among others, stipulates that the label is compulsory for new products but not for those already on the market, where it is only voluntary. Furthermore, it does not address the problem of online marketplaces, where the consumer often inadvertently buys goods offered for sale by third party advertisers and where the site bears no liability for false or incorrect advertisements.

5.6. The EESC notes that neither the current nor the new system of labelling broach the subject of 'reprocessed' energy products. In this respect the EESC considers it correct and necessary to regulate the marketing of such products, particularly where they are sold by specialist outlets, to avoid creating legal loopholes and above all to link the Ecodesign Directive more closely with the Commission communication *Towards a circular economy* ⁽¹²⁾. The EESC would also refer here to the positions it has already taken in the past against planned obsolescence, where it encourages the marketing of more durable and resilient products ⁽¹³⁾.

⁽¹⁰⁾ EESC opinion *internet of Things — An action plan for Europe* (OJ C 255, 22.9.2010, p. 116).

⁽¹¹⁾ EESC opinion *For coordinated European measures to prevent and combat energy poverty* (OJ C 341, 21.11.2013, p. 21).

⁽¹²⁾ COM(2014) 398 final. EESC opinion *Towards a circular economy for Europe* (OJ C 230, 14.7.2015, p. 91).

⁽¹³⁾ See footnote 9.

5.7. The EESC calls on the European Commission to pay particular attention to products imported from third countries, in order to protect European products from possible forms of unfair competition. In particular, the Committee calls on the Commission to launch a major campaign against counterfeit labels, making labels difficult to forge, by tightening controls on subjective and objective compliance and, where labels are patently counterfeit, by imposing penalties on the importer and withdrawing the product from the market.

5.8. The EESC would emphasise that educating consumers in how to purchase and use products in full knowledge of the facts is crucial to achieving the European Union's energy efficiency objectives. The Member States are rightly expected to play a key role through ad hoc information and awareness raising campaigns. However, the EESC wishes to see the active involvement of organised civil society both at national and European levels with a view to communicating more effectively and extensively⁽¹⁴⁾, including with individual retailers.

5.8.1. The Committee supports the Commission's proposal to make it mandatory for advertisements to include the energy label for each individual product or, where this is not feasible, at least the energy class, so that consumers are better informed and more aware when purchasing and using energy products⁽¹⁵⁾.

5.9. The EESC highlights the need to review some aspects of the transition period necessary for the 'rescaling' of products. The regulation specifies that on expiry of the 6-month period referred to above, 1 week is sufficient to move from a system of dual labelling to one with where only products labelled under the new system remain. This time limit risks being far too short and unrealistic, which is why the Committee is requesting it to be extended to 30 days, the amount of time granted by law to businesses for carrying out their inventories.

5.10. The EESC urges the Commission to take a more prudent and measured approach to delegated acts. In particular, it hopes that delegated acts will be clearly defined, that scrutiny by the Parliament will be guaranteed and, above all, that the adoption of delegated acts will always be subject to proper consultation and involvement of Member States, the EESC and stakeholders⁽¹⁶⁾.

5.11. The EESC is in favour of setting up an ad hoc consultative forum in order to establish a structured dialogue between the Commission, the Member States and stakeholders.

5.12. The EESC considers the period of 8 years laid down for the review of the labelling framework to be reasonable, although it would advocate a thorough assessment in the medium term to evaluate comprehensively the impact and the actual state of implementation. An initiative of this kind is considered all the more appropriate given that the present proposal aims to move from a directive to a regulation.

5.13. The Committee considers it crucial that an unequivocal, stable rescaling mechanism be designed so that subsequent rescaling made necessary by technological developments on the market is inexpensive, precise and unambiguous. It would therefore propose rescaling only when products in energy class A represent at least 20 % of the market.

Brussels, 20 January 2016.

The President
of the European Economic and Social Committee
Georges DASSIS

⁽¹⁴⁾ EESC study on the role of civil society in the implementation of the EU Renewable Energy Directive. Overall coordinator: Mr Ribbe, January 2015.

⁽¹⁵⁾ COM(2015) 341 final, Recital 10 and Article 3(3)(a).

⁽¹⁶⁾ EESC opinion *Delegated acts* (OJ C 13, 15.1.2016, p. 145).