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COMMISSION STAFF WORKING DOCUMENT

EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

COMMISSION REGULATION (EU) .../... laying down ecodesign requirements for light sources and separate control gears pursuant to Directive 2009/125/EC of the European Parliament and of the Council

and repealing Commission Regulations (EC) No 244/2009, (EC) No 245/2009 and (EU) No 1194/2012

and

COMMISSION DELEGATED REGULATION (EU) .../... supplementing Regulation (EU) 2017/1369 of the European Parliament and of the Council with regard to energy labelling of light sources

and repealing Commission Delegated Regulation (EU) No 874/2012

{C(2019) 1805 final} - {C(2019) 2121 final} - {SEC(2019) 340 final} - {SWD(2019) 357 final}

Executive Summary Sheet

Impact assessment for the Regulation laying down ecodesign requirements for light sources and separate control gears and repealing Regulations (EC) No 244/2009, (EC) No 245/2009 and (EU) No 1194/2012[1] and the Regulation establishing an energy label for light sources and repealing Regulation (EU) No 874/2012[2]

A. Need for action

Why? What is the problem being addressed?

Lighting products are still one of the largest electricity consumers in the European Union (around 12 % of all gross electricity production in the EU28). Electricity savings due to the existing requirements were expected to reach 110 TWh in 2020, but according to the latest estimates they will be limited to 70 TWh. Following the evaluation at the basis of the impact assessment, the expected savings might not be reached because of:

(1) outdated energy efficiency requirements;

(2) burdensome implementation and surveillance, due to:
a) complex legislation;
b) unclear and ambiguous scope and exemptions;
c) too many parameters to verify by market surveillance authorities and too expensive/long verification testing required;

(3) the recent appearance on the market of 'fully-integrated luminaires' (from which the light source cannot be removed for verification): clarity is lacking about whether these lighting products are in scope of the existing legislation and about the rules to verify compliance. Energy savings from these lighting products risk to be limited.

What is this initiative expected to achieve?

Updated energy efficiency requirements and an updated energy label will improve the competitiveness of EU industry, enhance communication to consumers about efficient products and lead to further energy savings.

A simplified legislation, a redefined scope, clearer exemptions and simplified tests will close potential loopholes, thereby creating a level playing field for industry and facilitating compliance and enforcement.

What is the value added of action at the EU level?

There is clear added value in requiring minimum energy efficiency levels and an energy label at EU-level.

Without harmonised requirements at EU level, Member States would be induced to lay down national product-specific minimum energy efficiency requirements in the framework of their environmental and energy policies. This would undermine the free movement of products. Before the existing ecodesign and energy label measures were implemented at EU level, this was in fact the case for many products.

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[1] Commission Regulation (EC) No 244/2009 implementing Directive 2005/32/EC of the European Parliament and of the Council with regard to ecodesign requirements for non-directional household lamps, OJ L76/3, 24.3.2009 and amendments Commission Regulations (EC) No 859/2009 and (EU) 2015/1428; Commission Regulation (EC) No 245/2009 implementing Directive 2005/32/EC of the European Parliament and of the Council with regard to ecodesign requirements for fluorescent lamps without integrated ballast, for high intensity discharge lamps, and for ballasts and luminaires able to operate such lamps, OJ L76/17, 24.3.2009 and amendments Commission Regulations (EC) No 347/2010 and (EU) 2015/1428; Commission Regulation (EU) No 1194/2012 implementing Directive 2009/125/EC of the European Parliament and of the Council with regard to ecodesign requirements for directional lamps, light emitting diode lamps and related equipment, OJ L342/1, 14.12.2012 and amendment Commission Regulation (EU) 2015/1428.

[2] Commission Delegated Regulation (EU) No 874/2012 supplementing Directive 2010/30/EU of the European Parliament and of the Council with regard to energy labelling of electrical lamps and luminaires, OJ L 258/1, 26.09.2012 and amendment Commission Delegated Regulation (EU) No 518/2014

B. Solutions

What legislative and non-legislative policy options have been considered? Is there a preferred choice or not? Why?

Four policy options have been considered:

1. Baseline: no action
2. Energy label only (ELOnly): Option 2, with new energy label metrics and class limits, redefined scope and exemptions, and a rescaled A-G label. Application would be from September 2021. The ecodesign legislation would remain unchanged.
3. Energy label and ecodesign at 2021 (ECOEL2021): Option 3, with in addition a revision of the ecodesign legislation, with new energy efficiency and functional requirements, and redefined scope and exemptions. This is the preferred option.
4. Energy label and ecodesign at 2021-23 (ECOEL2tiers): Option 4, with the application of requirements for linear fluorescent lamps T8 postponed to September 2023.

Who supports which option?

All stakeholders support the review of both the energy label and the ecodesign requirements for lighting products. A reviewed energy label alone would not reach important parts of the market; according to the results of the impact assessment, there would be missed savings and loss of competitiveness through dumping.

Stakeholders also support the take up of good quality LEDs, the simplification of the legislation, the revision of the scope and further clarification of the exemptions.

The timing for the phase out of T8 fluorescent lamps is the most sensitive point, as some stakeholders (part of the industry and a minority of Member States) question the availability of LED replacements for all applications using T8 in September 2021, and support a phase out a few years later. The majority of Member States support an early phase-out of T8 lamps together with targeted exemptions for problematic sectors. NGOs and consumer associations oppose a late phase out of T8 lamps.

C. Impacts of the preferred option

What are the benefits of the preferred option (if any, otherwise main ones)?

By 2030, option 3 – ECOEL2021 will have the following benefits:

- Extra energy savings of 41,9 TWh/yr and GHG emission savings of 14,3 $MtCO_2$eq./a, i.e. 2,88 % of the Commission's 2030 target for final energy consumption savings and 1,34 % of the Commission's 2030 target for GHG-emissions savings;
- Extra savings on annual end-user expenditure of EUR 7,7 billion and extra business revenue of EUR 1,1 billion per year;
- An alignment with technological progress and global minimum energy efficiency requirements in other economies;
- Ensuring EU industry's competitiveness and leading role as high-quality manufacturers;
- Safeguarding of European SMEs.

What are the costs of the preferred option (if any, otherwise main ones)?

The costs are estimated as follows:

- Consumers: EUR 1,1 billion extra in 2030 for acquisition costs (but total expenditure including energy consumption decreases by 7,7 billion);
- Installers: EUR 0,2 billion for decreased revenues in 2030 (but total business revenues increase);
- Suppliers: one-off EUR 0,03 billion for re-labelling in 2022;
- Dealers: one-off EUR 0,004 billion for re-labelling in 2022.

The costs for dealers and suppliers are a consequence of the application of the new Energy Labelling Framework Regulation.

How will businesses, SMEs and micro-enterprises be affected?
Overall, total business revenues will increase, especially for industry, wholesale & retailers and maintenance services. In the lighting sector, Asian manufacturers are rapidly expanding their global market share, using price as their main selling point. The energy label and ecodesign requirements play a crucial role for EU industry, allowing to distinguish itself based on quality and innovation. A new labelling scale will stimulate industrial innovation to develop LEDs that can reach the new top classes. Manufacturers of luminaires, which are mostly European SMEs, will benefit from the discontinuation of the energy label specifically dedicated to luminaires as the administrative burden will decrease.
Will there be significant impacts on national budgets and administrations?
There are no additional impacts on national budgets/administrations other than those shown above.
Will there be other significant impacts?
Yes, it is expected that the preferred option will have a positive impact on competitiveness and innovation in the EU.
D. Follow up
When will the policy be reviewed?
A review clause 5 years after adoption will be included.