EUROPEAN
COMMISSION

Brussels, 1.10.2019
SWD(2019) 342 final

COMMISSION STAFF WORKING DOCUMENT

EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the document

COMMISSION REGULATION (EU) .../... laying down ecodesign requirements for refrigerating appliances pursuant to Directive 2009/125/EC of the European Parliament and of the Council

and repealing Commission Regulation (EC) No 643/2009

and

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

and repealing Commission Delegated Regulation (EU) No 1060/2010

{C(2019) 1806 final} - {C(2019) 2120 final} - {SEC(2019) 333 final} - {SWD(2019) 341 final}

Executive Summary Sheet

Impact assessment on Regulations laying down ecodesign and energy labelling requirements for refrigerating appliances and repealing Regulations (EC) No 643/2009[1] and (EU) No 1060/2010[2]

A. Need for action

Why? What is the problem being addressed?

Refrigeration appliances are still one of the largest electricity consumers in households (after electric water heaters and lighting, but before televisions, electric ovens, washing machines, dishwashers, etc.).

It was projected that the electricity consumption of household refrigerating appliance would have decreased in a business as usual scenario to 57 TWh/a in 2030, as compared with 86 TWh/a in 2015.

However, these savings might not be reached because of:

(1) outdated energy label and energy efficiency requirements.

Other issues with the current regulations are:

(2) the lack of circular economy requirements;

(3) loopholes and less appropriate requirements for some technologies.

What is this initiative expected to achieve?

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

Contributing to circular economy objectives will save money for consumers and will facilitate recyclability.

A redefined scope will close potential loopholes and adopt a technology neutral approach 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, MSs could be incentivised to lay down national product-specific minimum energy efficiency requirements in the framework of their national environmental and energy policies. This would create barriers to the free movement of products. Before the ecodesign and energy label measures were implemented at EU level, this was in fact the case for many products.

The current ecodesign requirements for household refrigerating appliances, no longer capture cost-effective energy savings, and the current energy label no longer allows consumers to effectively differentiate between the appliances on the market. Updated ecodesign requirements and energy labels at EU level, gives the end-users the guarantee that they buy an energy efficient product and provides end-users with harmonised information no matter in which Member States they purchase their product. This is becoming all the more relevant as the online trade increases. With ecodesign and energy labelling at EU level, energy efficient products are promoted in all MSs, creating a larger market and hence greater incentives for the industry to develop them.

[1] Commission Regulation (EC) No 643/2009 of 22 July 2009 implementing Directive 2005/32/EC of the European Parliament and of the Council with regard to ecodesign requirements for household refrigerating appliances, OJ L 191, 23.7.2009, p. 53–68. (ecodesign regulation

[2] Commission Delegated Regulation (EU) No 1060/2010 of 28 September 2010 supplementing Directive 2010/30/EU of the European Parliament and of the Council with regard to energy labelling of household refrigerating appliances, OJ L 314, 30.11.2010, p. 17–46. (energy labelling regulation)

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: the current Ecodesign and Energy Labelling Regulations and all other relevant EU-level policies and measures are assumed to continue
2. Least life cycle cost (LLCC): This is the preferred option
   - Energy efficiency limits at LLCC level;
   - The energy label rescaled to an A-G scale label;
   - Measurement method and requirements based on the latest test standard;
   - Calculation method and requirements based on updated metrics;
   - Requirements to improve the reparability of the appliances;
   - Requirements to improve the recyclability of the appliances;
   - Measures to prevent food waste.
3. Ambitious: The same as option 2, with energy efficiency limits at 25 % more than the LLCC level.
4. Lenient: The same as option 2, with energy efficiency limits at 20% less than the LLCC level.

Who supports which option?

The working document that was circulated to the Consultation Forum included the LLCC option with a more ambitious timing. From the comments received, it became clear that this option would be too ambitious, therefore this option was discarded. The stakeholders commented on this discarded option and options presented in the impact assessment.

Some Member States and the main industry association for this product group found the combination of the minimum energy efficiency requirements and the timing of the discarded option too ambitious. Most of the stakeholders asked to postpone the application rather than to lower the ambition level of the energy efficiency requirements.

Industry argued for the lenient scenario, but could agree with the LLCC option.

Environmental NGOs requested more ambition efficiency levels. On the timing, most agreed that it should be sufficient to allow manufacturers to retest the appliances according to the new standard and metrics. In addition, they requested more circular economy requirements.

C. Impacts of the preferred option

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

By 2030, option 2 – LLCC will have the following results:

- Energy savings of 9.6 TWh/yr and GHG emission savings of 3.1 $MtCO_2eq./a$, i.e. 0.66% of the Union's 2030 target for final energy consumption savings and 0.25 % of the Union's2030 target for GHG-emissions savings;
- Savings on annual end-user expenditure of EUR 2.8 billion and extra business revenue of EUR 0.44 billion per year;
- An alignment with technological progress and global minimum energy efficiency requirements in other economies;
- Contributing to EU industry's competitiveness and leading role as high-quality manufacturers;
- Safeguarding of SMEs operating in niche markets.

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

The administrative burden is estimated as follows:

- Suppliers: one-off EUR 3 300 000; annual EUR 90 000;
- Dealers: one-off EUR 600 000;
- EU: one-off EUR 90 000; annual EUR 42 000;
- Member states: EUR 330 000 annual.

This cost is a consequence of the application of the new Energy Labelling Framework Regulation; no additional

costs are expected for ecodesign.

How will businesses, SMEs and micro-enterprises be affected?

SMEs manufacturers of refrigeration appliances in the scope are only found in niche markets such as minibars (low noise appliances) or customised wine storage appliances produced one-off or in small series for restaurants, bars or connoisseurs, usually with glass doors. Their market share in these markets may be 30-40 %.

In order to safeguard SME jobs and limit the impact on SMEs, all options apply more lenient requirements for wine storage and low noise appliances. For wine storage and low noise appliances with glass doors even less stringent appliances are proposed.

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.

The revision of the household refrigeration appliance labelling regulation is expected to support innovation and drive market transformation, as was observed in the past. It is in line with ongoing market trends towards higher energy efficiency, where a high-energy label rating is a strong commercial driver.

The development of innovative energy-efficient technologies at competitive prices will enhance the competitiveness of European manufacturers. This is important because Asian manufacturers are rapidly expanding their global market share. For these manufacturers, product price, rather than quality, is one of the main selling points.

D. Follow up

When will the policy be reviewed?

A review clause 5 years after adoption would be included.