



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

Brussels, 23 -02- 2009
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Opinion

Title **Impact Assessment on: Commission Regulation implementing Directive 2005/32/EC with regard to dishwashers**
(draft version of 9 February 2009)

Lead DG **DG TREN**

1) Impact Assessment Board Opinion

(A) Context

The Ecodesign Framework Directive 2005/32/EC lists products which have been identified by the Council and the European Parliament as priorities for the Commission for implementation. The list is based on the European Climate Change Programme which has identified products offering a high potential for cost-effective improvements of energy performance and reductions of CO₂ emissions (Article 16). In the EU Economic Recovery Plan the Commission committed itself to a quick delivery of measures concerning products which offer very high potential for energy savings, in the context of promoting a rapid take-up of "green products"; dishwashers are listed as products having significant reduction potential.

Labelling of household dishwashers (incl. energy and water consumption, cleaning and drying performance and noise generation) is currently regulated under Commission Directive 97/117/EC. At the same time dishwashers have not been subject to requirements regarding minimum energy efficiency or other performance aspects.

The implementing measure will be subject to regulatory procedure with a right to scrutiny by the European Parliament.

(B) Positive aspects

Overall, the IA report includes all necessary elements of the analysis of impacts. It follows, to a large extent, the analytical steps based on the requirements of the Directive and on earlier support from the Impact Assessment Board. It also includes a clear overview of stakeholders' positions, consumer preferences regarding purchasing of dishwashers and historic developments of energy and water efficiency.

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(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance.

General recommendation: While the IA appears to contain nearly all necessary elements for an analysis of proposed measures, there is a need to clarify some parts of the analysis, including the impact of low power modes on energy savings, the impact on jobs and the discount rates which have been applied. The issue of water efficiency needs to be analysed in a more transparent manner. The IA should compare the effects of alternative options over time.

(1) Problem definition, baseline scenario and a number of methodological choices should be clarified. Firstly, the IA should clarify whether water pricing, as with electricity, falls short on taking all externalities into account, and if so, why this occurs despite the requirements contained in the Water Framework Directive. Secondly, the impact of the power consumption in low power modes on the energy savings potential needs to be clarified, given that its impact on an increase in total annual energy consumption of about 5-6.5% in 2020 (point 5.2.4) seems significant when compared to overall energy savings estimated at up to 6.8% (Table A, p.4). Thirdly, for the sake of clarity, one reference year should be used, preferably 2005. Finally, a 4% discount rate should be applied, as recommended in by the IA guidelines.

(2) Some of the objectives need to be redrafted to follow more closely the problem analysis. While free movement of products and competitiveness of the wet-appliance industry are listed as general objectives, neither of these issues is identified in the problem definition. The specific objective related to supporting past market trends should be reformulated to differ more clearly from the business as usual scenario. Lastly, all objectives should be expressed in more SMART-like terms. Additionally, the report should make it clearer how the policy options contribute to the objectives, including the general ones.

(3) Problem and policy options related to water use should be demonstrated in a more transparent manner. Among the reasons for not setting minimum requirements regarding water efficiency the IA cites the fact that it was neither sufficiently discussed in the preparatory study, nor with stakeholders. If these reasons predominate, the IA process should allow more time for appropriate analysis, rather than discarding that option prematurely. Additionally, one could clarify how minimum energy efficiency requirements influence water consumption and thereby close the gap to the least-lifecycle costs for end-users,, in particular given much higher improvement potential (about 16%) as compared to that for energy (about 7%). Methodological points raised in recommendation (1) can be useful for discussing an appropriate range of policy options for the water issue.

(4) Analysis of employment impacts needs to be strengthened. The IA needs to explain how the expected product price increases and resulting increase in turnover, lead to job creation. For this purpose the IA should be more transparent on whether the production of new, more efficient dishwashers requires investment in business R&D or is more labour- or capital intensive, as well as on assumptions regarding the ability to pass on the costs.

(5) The comparison of sub-options should discuss economic and environmental impacts related to accumulated savings and costs. It is very useful to provide tables with quantified estimates of accumulated main impacts. However, in order to be consistent with the nature of the market and regulatory inefficiencies identified in the problem definition, the comparison of options should give annual gains and annual costs as they occur over time in addition to those achieved in the year 2020. For instance, table 20 shows a 40% variation in total electricity savings associated with the same aggregated costs for end-users and for businesses. Sections 6.2 to 6.8 need to better discriminate between alternative options which have clearly different

impacts over time. Additionally, the analysis of environmental impacts should give more details on other aspects: water, waste, transport. The proposed set of two sub-options could be expanded; both options are quite close in terms of delivered savings.

(D) Procedure and presentation

It seems that most of the necessary requirements have been fulfilled. The IA should be shortened to meet the 30 page limit. The executive summary should be presented as a separate document and could usefully follow the structure required by the new IA guidelines.

2) IAB scrutiny process

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