

ROADMAP			
TITLE OF THE INITIATIVE	Implementing acts under the Eco-design Directive 2009/125/EC and delegated acts under the Energy Labelling Directive 2010/30/EU		
LEAD DG - RESPONSIBLE UNIT	ENER C3	DATE OF ROADMAP	06/2015
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A. Context and problem definition

- (1) What is the political context of the initiative?
- (2) How does it relate to past and possible future initiatives, and to other EU policies?
- (3) What ex-post analysis of existing policy has been carried out? What results are relevant for this initiative?
- (1) The Energy Labelling (2010/30/EU) and the Ecodesign Directives (2009/125/EC) contribute to the EU's 20% energy efficiency target, by encouraging the efficient use of energy-related products through the provision of accurate, relevant and comparable information on the specific energy consumption of energy-related products, and through the removal of the least efficient products from the market. The Ecodesign Directive, by setting minimum requirements for certain products, also contributes to other environmental objectives of the EU (e.g. to resource efficiency) through the removal of the least performing products in terms of other environmental aspects than energy use. In addition, the two directives facilitate the functioning of the internal market by setting common rules for products across the EU.

The Energy Labelling and the Ecodesign Directives are framework directives that demand the requirements for specific products to be laid down in implementing (ecodesign) and delegated (energy labelling) acts. For a number of products the preparatory work has advanced to the stage that they can be adopted in 2015.

- (2) The Ecodesign Directive contains a list of products which have been identified by the Council and the European Parliament as priorities for implementation by the Commission. The Ecodesign Directive further requires the Commission regularly to adopt working plans that set out further indicative lists of product groups to be considered as priorities for the adoption of specific regulations.
- (3) The initial list of priority products in the Ecodesign Directive is based on the European Climate Change Programme which has identified products offering a high potential for cost-effective improvements of energy performance and CO_2 emissions reductions. The two Commission working plans adopted were based on studies screening all energy-related products for their savings potential and suitability for regulation, and were consulted on extensively with stakeholders. Regulations for specific products are developed on the basis of a preparatory study, which follows the comprehensive methodology a laid down in the "Methodology for the Ecodesign of Energy-related Products" ("MEErP") study.

What are the main problems which this initiative will address?

The products that have significant impacts that can be addressed by ecodesign implementing regulations (\underline{ED}) and/or energy labelling delegated regulations (\underline{EL}) in 2015 are:

<u>Products</u> – type of measure(s)

- commercial refrigeration and freezers ED & EL
- air heating products, cooling products and high temperature process chillers ED
- compressors ED
- electric motors ED
- waste water pumps ED
- displays and TVs (revision) EL & ED
- external power supplies (revision) ED
- use of tolerances for all product regulations (amendments) ED & EL
- windows ED & EL

Who will be affected by it?

Consumers, manufacturers, retailers and public authorities.

Is EU action justified on grounds of subsidiarity? Why can Member States not achieve the objectives of the proposed action sufficiently by themselves? Can the EU achieve the objectives better?

Through the Ecodesign and Energy Labelling Directives, the EP and the Council have given a legislative mandate

to the Commission to regulate the environmental performance of products and in particular their energy efficiency. To ensure the free circulation of goods, it is appropriate to set EU-level rules on the energy labelling and ecodesign of products. If the EU did not intervene, some Member States would set their own rules, which would be necessarily different, due to the complexity of the technical aspects, thereby disrupting the functioning of the internal market.

B. Objectives of the initiative

What are the main policy objectives?

By cutting the energy consumption of products and guiding consumers towards the most efficient products, these measures contribute to the EU objectives as regards a secure, sustainable and competitive energy system, as well as the Europe 2020 strategy and in particular its 20% energy efficiency target.

Do the objectives imply developing EU policy in new areas?

No, this concerns implementation of existing policy.

C. Options

- (1) What are the policy options (including exemptions/adapted regimes e.g. for SMEs) being considered?
- (2) What legislative or 'soft law' instruments could be considered?
- (3) How do the options respect the proportionality principle?
- (1 & 2) The following policy options for achieving a market transformation realising the appropriate level of ambition are considered for each of the product groups separately:
- business as usual
- self-regulation
- energy labelling regulation
- ecodesign regulation
- and combinations of the latter two

Under the options of ecodesign and or energy labelling regulation no exemptions/adapted regimes for SMEs or microenterprises can be foreseen, because energy labels are only useful for consumers if all products are labelled and ecodesign requirements need to be the same for all actors to ensure fair competition in the single market.

Given the clear mandate of the legislators for establishing ecodesign requirements (once it was established that a given products fulfils the criteria set out in art. 15 of the Directive) the focus is on assessing the proposed measure. In particular, options for the timing of ecodesign requirements in several stages are analysed, taking into account the criteria set out in Article 15(5) of the Ecodesign Directive, and the impacts on manufacturers including SMEs.

(3) Measures have to be in line with the provisions of the framework Directives, in particular no negative impact on the functionality of the equipment, on its affordability and on the competitiveness of industry.

D. Initial assessment of impacts

What are the benefits and costs of each of the policy options?

Ecodesign and Energy Labelling are complementary; while the former 'pushes' the market by phasing out the least efficient products, the latter 'pulls' it by providing incentives to manufacturers to place on the market more efficient products and by quiding consumers to purchase more efficient products.

The Directives will lead to considerable savings in energy and emissions. By 2020 this framework will deliver energy savings of around 166 Mtoe per year in primary energy, roughly equivalent to the current annual primary energy consumption of Italy. As such it will deliver a little less than half of the 20% energy efficiency target by 2020. For consumers, this translates into €465 savings on energy bills per household per year, as the least efficient products are taken off the market through ecodesign and the choice of more efficient products is facilitated through energy labelling.

Moreover, this policy is estimated to deliver €55 billion per year extra revenue for businesses by 2020, translating into 800 000 million direct additional jobs and up to 3-5 times this amount in indirect additional jobs. By setting an EU-wide and predictable regulatory framework, compliance cost for manufacturers come down and

this allows the European industry to compete with lower cost countries on higher value added products. Moreover, the policy spurs technological development and innovation, thus supporting the competitiveness of European industry.

Every implementing/delegated measure is subject to an Impact Assessment to assess the environmental, economic, social and administrative costs and benefits. Implementing/delegated measures are set only in the absence of significant cost.

Could any or all of the options have significant impacts on (i) simplification, (ii) administrative burden and (iii) on relations with other countries, (iv) implementation arrangements? And (v) could any be difficult to transpose for certain Member States?

- (i) No
- (ii) Minimum efficiency and labelling requirements do not imply the setting of complex administrative support structures. For manufacturers the burden is minimal as requirements can be met with readily-available technology at low cost. For MS authorities the administrative burden is limited to market surveillance activities.
- (iii) As these products are traded globally the requirements are coordinated with similar activities in other economies, where possible. Before being adopted all requirements are notified to the WTO as part of the TBT Agreement.
- (iv) Implementation arrangements (e.g. for market surveillance purposes) are set out in the (self) regulatory measures themselves and are necessary for a proportionate and consistent implementation.
- (v) These measures are directly applicable.
- (1) Will an IA be carried out for this initiative and/or possible follow-up initiatives?
- (2) When will the IA work start?
- (3) When will you set up the IA Steering Group and how often will it meet?
- (4) What DGs will be invited?
- (1) Implementing/delegated acts with significant impact are accompanied by a technical preparatory study and an impact assessment. In the case of products where both ecodesign and energy labelling is foreseen, one impact assessment addresses both measures. The acts with significant impact are those acts regulating products groups that are not yet regulated by ecodesign/energy labelling (including through a self-regulatory measure) and substantial revisions of existing acts. The acts for which no impact assessment will be carried out are those which do not introduce new ecodesign or energy labelling requirements e.g. the amendment on tolerances.
- (2) The preparatory work starts about 2 years before the IA is submitted, as there needs to be a technical/economic/environmental preparatory study for each envisaged measure.
- (3) The IASG was set up in 2008 when the first implementing measures were submitted.
- (4) the following DGs participate in the IASG: SG, SJ, DG ENV, DG CLIMA, DG COMP, DG ECFIN, DG CNECT, DG MARKT, DG TRADE, DG TAXUD, DG GROW, DG RTD, JRC, DG EMPL, DG JUST.
- (1) Is any option likely to have impacts on the EU budget above € 5m?
- (2) If so, will this IA serve also as an ex-ante evaluation, as required by the Financial Regulation? If not, provide information about the timing of the ex-ante evaluation.

N/A

E. Evidence base, planning of further work and consultation

- (1) What information and data are already available? Will existing IA and evaluation work be used?
- (2) What further information needs to be gathered, how will this be done (e.g. internally or by an external contractor), and by when?
- (3) What is the timing for the procurement process & the contract for any external contracts that you are planning (e.g. for analytical studies, information gathering, etc.)?
- (4) Is any particular communication or information activity foreseen? If so, what, and by when?

The preparatory work starts about 2 years before the IA is submitted, as there needs to be a technical/economic/environmental preparatory study for each envisaged measure. The methodology for these studies has been endorsed by MS, industry and NGOs. This is followed by a consultation in which the different policy recommendations are discussed and presented to stakeholders. The IA is drafted on the basis of these previous elements. In certain cases Commission services are additionally assisted in the drafting of the IA by an

external consultant (for elements such as the modelling of different scenarios).

Which stakeholders & experts have been or will be consulted, how, and at what stage?

Consumers, manufacturers, retailers and public authorities are regularly consulted throughout the preparatory study phase. Stakeholders receive regular information on the quarterly or half-yearly planning for the Ecodesign Consultation Forum (CF) meetings, in which they are formally consulted. Meeting materials are made available on Circabc. The Consultation Forum consists of formal members representing a broad range of stakeholders (see: http://ec.europa.eu/DocsRoom/documents/5363/attachments/1/translations/en/renditions/native for the full list) although other organisations may be invited on an ad-hoc basis as relevant for the product group under discussion.

For an Ecodesign measure (implementing regulation – Regulatory procedure with scrutiny), there is minimum of 1 Consultation Forum meeting and 1 Regulatory Committee meeting. Before adoption there are 3 months of scrutiny period by EP and Council.

For an Energy Labelling measure (Commission delegated Regulation), there is minimum of 1 Consultation Forum meeting and 1 Member State expert group meeting. The adoption is followed by the Right of Objection by EP and Council during 2 months (+2 months if requested).