MEETING OF THE CONSULTATION FORUM UNDER
ARTICLE 18 OF THE ECODESIGN OF ENERGY-RELATED PRODUCTS (DIRECTIVE 2009/125/EC)
ON THE MARKET ASSESSMENT AS REQUIRED IN REGULATION 1194/2012
Brussels, 25 June 2015 (10.00 – 13.00)

ADOPTED MINUTES

Participants: See the annexed "Attendance List"

1. WELCOME AND PRESENTATION

The Chair welcomed the participants of the Ecodesign Consultation Forum (CF) and indicated that the purpose of this meeting was to discuss the technical draft final market assessment as required by Commission Regulation (EU) No 1194/2012, and give some preliminary information on the review of the Energy Labelling Directive (ELD).

2. ADOPTION OF THE AGENDA

As an introductory comment, the Chair asked if it was acceptable for the participants to reverse the order of the agenda so as to discuss the review of the ELD as the last substantive point. On the latter subject a part of the discussions would take place in the format of the Consultation Forum while another part would only take place with the Member States. No objections were made.

3. APPROVAL OF THE MINUTES OF PREVIOUS MEETINGS

PT and ANEC/BEUC indicated that they had sent comments regarding the previous Consultation Forum (CF) on TVs, horizontal matters and fans. They asked the Chair if they were right in assuming that these remarks were accepted.

The Chair verified that the remarks were taken into account. The minutes were adopted.

4. PRESENTATION OF THE DRAFT FINAL MARKET ASSESSMENT

a. PROCEDURE

The Chair started by explaining the procedure for the market assessment. Regulation 1194/2012 stipulates that Stage 3 will only apply if three conditions are met:

i. Evidence is produced by the European Commission through a detailed market assessment no later than 30 September 2015;
ii. This evidence is communicated to the Consultation Forum;
iii. The evidence fulfils the four criteria outlined in the Regulation.

The Chair explained that it was clear that the first two conditions had been met.

Furthermore, the Chair specified that the Commission services are of the opinion that this draft assessment fulfils the criteria of the last condition. However, since there is a requirement to communicate this to the CF, the Chair considered it appropriate to solicit the views of the CF on whether they also consider that these conditions are met. Based on the technical comments from members of the CF, the Commission services may adapt their judgement on the matter. Procedurally, the EC intends to publish a Communication in the Official Journal of the European Union to not only inform the CF but also the general public of the market assessment's outcome.

PT indicated that they would prefer a regulatory process similar to the one used in the process for non-directional lamps (stage 6 of Regulation 244/2009).

IT agreed with the proposal of PT on this matter and added that nothing prevents the EC proposing an amendment to the regulation before September. Furthermore, IT considered that the spirit of the legislation was completely different at the time it was agreed on.

HU expressed their support for PT's proposal and suggested a new date of 2018 for the application of the stage 3 requirements.

The Chair noted that the discussion on the market assessment should take into account the differences in the administrative and legal process compared to the stage 6 amendment; there, a review and revision process was necessary to evaluate the feasibility of replacing non-directional halogen lamps with LEDs. In contrast, Regulation 1194/2012 already foresees such an evaluation by stipulating a clear procedure for a market assessment on the replacement options for directional halogen lamps.

The UK asked the Chair if they were right in their assessment that if the EC would find that the market conditions are not met, stage 3 (of Regulation 1194/2012) would be suspended indefinitely and could only be effectively reinstated by a new regulation or amending regulation. The Chair agreed with this assessment.

b. PRESENTATION BY VHK

VHK presented their technical draft final market assessment study, concluding that the four criteria have been fulfilled.

c. DISCUSSION

The Chair clarified that the EC conclusion concerning the fulfilment of the four criteria was based on the data provided by VHK. Therefore, he invited participants to express their views on whether these data constitute evidence that the four criteria were fulfilled.

BE, DK and UK were of the opinion that the four criteria were fulfilled, and asked the Commission to finalise and publish its final assessment as soon as it was available to ensure clarity on timing for industry. DK added that their market surveillance data supported this claim.

DE and LightingEurope expressed their general doubts on the technical fulfilment of the four criteria.
IT stated that the four criteria were not fulfilled and asked the EC to stop stage 3 and propose a draft amendment of the regulation to the Regulatory Committee. Specifically, IT raised questions about the market shares of the different models and missing data on beam angles and products with a colour rendering index (CRI) of less than 80. Furthermore, IT questioned the meaning of the term 'broadly equivalent', and stated that they could not find a list of required dimmer compatibilities on manufacturers' websites.

SE expressed their support for UK's view, and said in response to IT that at no point is it specified that the market assessment needs to provide an examination of different market shares or actual test data. Moreover, SE explained that asking for tests would take a long time because all lamps presented in the technical market assessment study were from the first quarter of 2015. Therefore, it would be unreasonable to require laboratory tests, especially as Regulation 1194/2012 does not require these. With regards to the implications of stage 3 for professional lighting such as lamps in museums, SE stated that e.g. the Guggenheim Museum uses LED lighting, which shows that even for very demanding situations 'broadly equivalent' LED lighting alternatives exist.

FI also expressed their support for the EC's position and considered that the four criteria had been fulfilled. In response to IT, FI added that the fact that there is information missing from the manufacturers' websites has nothing to do with this market assessment, as missing information would be a task for national market surveillance. Additionally, FI was of the opinion that safety issues should not be discussed in the market assessment, because this is regulated under the Low Voltage Directive and not within the scope of the market assessment as legally defined in Regulation 1194/2012.

PT stated that, while everybody understands that LEDs will become the predominant lighting technology of the future, a careful approach is necessary to ensure a smooth and safe transition for consumers. Another important aspect for PT is the thermal effects of replacing halogen lamps with LED retrofits, which could lead to safety problems and the fact that the study was based on commercial data, without the support of tests, even if at the level of a representative sample. In addition, PT expressed the view that the rationale for moving the date for non-directional lamps to 2018 (stage 6) was related to the technological curve for LEDs and that this rationale could also apply here.

DE expressed doubt whether all conditions had been met. Specifically, they considered that if LEDs are not compatible with the dimmers already installed in Europe, this would constitute an additional cost to the consumer for the dimmer replacement. Furthermore, DE argued that the data used to assess price developments should not be solely based on prices from catalogues, but also on prices in stores.

AT mentioned that there are many subcategories with only a few lamps with good colour rendering (meaning levels around or above 90). With regard to affordability, AT considered that it cannot be expected that LED prices would come down to the level of halogen lamps. Also, for some lamp categories (such as GU10 socket lamps) compatibility with installed dimmers and luminaires is no longer a real problem. AT also said that if there were to be a phase-out of halogen lamps, the perception of consumers and the effect on the retail sector should be taken into consideration.

DE agreed and requested consideration of some 'political' aspects in the discussion, including the possible negative impact on the job market and the fact that most LEDs are not produced in the EU.

The Chair reminded participants that only four criteria are specified in Regulation 1194/2012, and that these criteria do not include employment impacts.
**BE** indicated that Belgian market data for the period 2013-2014 confirms the data presented in the market assessment study, including that on short payback periods. Furthermore, **BE** suggested to consult the Energy Star Database, which lists lamps in North America and broadly confirms the data in the study. **BE** noted that 'broadly equivalent' and 'affordable to the majority of consumers' have a different meaning than 'absolutely identical' and 'with same retail price'. **BE** also considered that one cannot expect the market assessment to prove that a transition that is expected to take place 20 months from now has already taken place. Lastly, **BE** explained that actual market shares of models with more problematic replacement options are low and are slowly being phased-out.

**HU** expressed concerns concerning the affordability, availability and compatibility of replacement solutions especially in Eastern Europe.

**FI** disagreed with this statement and asked those countries expressing doubts over affordability to come up with actual data to support this claim, especially considering the short pay-back time and lower life-cycle costs.

**SE** also considered that a large part of the problem could be solved by informing consumers about the pay-back time of the investment and the long-term benefits.

**IT** disagreed again with the market assessment study and argued that Regulation 1194/2012 should be abolished, stage 3 should be removed and the market should be allowed to transition naturally. Furthermore, **IT** asked the Chair to clarify what the EC would do if all Member States were against going forward with the ban.

The **Chair** responded by reminding all participants that this discussion was not a vote, although the considerations of the MS (and other stakeholders) would be taken into account by the EC.

**BE** and **FI** indicated that they support a life-cycle cost approach instead of solely focussing on the purchase cost. This would be the normal approach for ecodesign and also show the monetary savings for consumers.

**LightingEurope** argued for a postponement of the implementation date to 1 September 2018. Moreover, with regards to affordability, they considered that the costs presented in the market assessment are too low. In addition, they raised safety concerns with regards to cap adaptors and claimed to have evidence that some of the CE-marked products placed on the market were dangerous.

**FI** asked LightingEurope to substantiate their claim concerning affordability by revealing their cost-calculation methods.

The **Chair** summarised the discussion and reiterated that there is no requirement to use sales-related instead of model-related data. With respect to affordability, the **Chair** considered that this should not exclusively focus on purchase cost: while the purchase price increase is important, assessing the life-cycle costs is necessary to assess the economic impact on consumers. Moreover, the **Chair** pointed out that there seems to be a broad understanding that retail prices of LED lighting will continue to decrease. Lastly, the **Chair** considered that, while safety issues are important this CF is not the appropriate setting for discussing these matters. The **Chair** invited the technical consultant to reply to the technical questions raised.

**VHK** explained that their technical market assessment study has a sample size of about 600 models, which they consider is representative of the EU market. **VHK** furthermore considered that the payback time (one to two years) is short in comparison to most other product groups addressed under
VHK expressed confidence in the cost data, which were based on a reliable sample and incorporating prices from stores as well as catalogues. In addition, cap adaptors should be highlighted as a possible solution for some consumers. Lastly, VHK disagreed with the statement that mains-voltage halogen lamps are the only lamps on the market which have a CRI of 100; there are other products which can match this.

CENELEC stated that there is currently no standard to define state of the art requirements for dimmer-lamp compatibility. Work on a test procedure is still ongoing.

ECOS noted that it would not be the first time that a standard is not available when a regulatory requirement comes into force. The EC often publishes communications with transitional methods to fill the gap until harmonised standards are ready.

ECEEE, ECOS and CLASP endorsed the findings of the technical market assessment study and agreed that the four criteria have been met. Furthermore, CLASP stressed that with regards to the fourth criterion the text "on the date of entry into force of this Regulation according to state-of-the-art requirements for compatibility" is important. This means that the fourth criterion is about LED lamps available on the market today, which should be compatible with dimmers that were available on the market when Regulation 1194/2012 entered into force. Therefore, the assessment should only look at dimmers on the market on 3 January 2013.

FR stated that CRI is not a good indicator of the quality of light and not too much importance should be given to it. Without an appropriate measurement method, it is difficult to compare the quality of LED light with that of halogen lamps.

DE indicated that there will be extra costs if LEDs are not compatible with the dimmers already installed.

SE disagreed with DE's view, and said that consumer laws ensure that a consumer could go back to the store and ask for a solution if a claimed compatibility does not work in practice.

IT stated that some products that are meant to substitute halogens do not reach the minimum CRI value of 80. IT therefore asked whether the market was ready for the phasing-out of halogen lamps.

BE indicated that with regards to affordability, market shares should be taken into consideration, since the legal text makes reference to a "majority of end-users".

IT noted that if the market assessment does not reveal market shares but only models it would be difficult to assess the actual impact on the "majority of end-users", because one would not know which models the majority of consumers prefer.

According to data from DE, all lamps with a colour rendering index of 90 or above would be phased out at stage 3. DE also mentioned that the same would happen to all lamps within a small beam angle range.

CLASP stated that in a study they published together with DK, they found that for non-directional LEDs mass market adoption is starting, while for directional lamps this has already happened. CLASP added that they see prices going down quickly. With regards to dimmer compatibility, GFK data shows that one third of domestic directional lamp sales are already LED and only two thirds are halogen. This means that compatibility does not seem to be an issue for many consumers.
VHK explained that CRI was the best parameter available and that 80 was an acceptable value. Nevertheless, this parameter has drawbacks as it was never intended for LEDs: for example, white LEDs have a particular disadvantage in the red area of the CRI test. However, this does not mean that LEDs in general have a problem, but only that the testing standard is not optimal for LEDs.

LightingEurope mentioned that the cost of dimmer replacement should be included in the discussion of affordability. They also remarked that when a LED lamp is retrofitted into a luminaire, the heat sink could be blocked, which in turn would reduce the LED's life-time. With regards to dimensional compatibility, some consumers cannot fit the LED replacement into their luminaire. Lastly, LightingEurope expressed the opinion that, in order to keep things simple for the consumer, a phase-out date of 1 September 2018 would be appropriate for directional mains-voltage halogen lamps, since the same date was also set for the non-directional mains-voltage halogen lamps.

FR agreed that while the CRI is currently acceptable, it is not a good measurement method to evaluate LEDs. Concerning dimmer compatibility, FR stated that Philips produced a directional LED lamp that is compatible with all relevant dimmers on the market already three years ago.

BE stated that thermal issues would normally not play a big role, since only a few watts would possibly be converted into heat, compared to much more heat typically produced by halogen lamps.

ANEC/BEUC indicated that during the stage 6 discussion they advocated a restricted postponement; but this did not automatically translate into a request for a postponement of stage 3 as there is a difference between directional and non-directional lamps. ANEC/BEUC added that their internal consultation is ongoing and that once it has been concluded they endeavour to communicate the outcome to the Commission.

The Chair concluded the discussion by stating that any written comments should be submitted to the EC by 25 July 2015.

5. **UPDATE ON THE REVIEW OF THE ENERGY LABELLING DIRECTIVE**

The Chair mentioned that it is expected that on 15 July 2015, the EC will adopt a legislative proposal for a revision of the ELD (as part of a package with measures on the retail market and market design and potentially also the ETS). This would then go into the co-decision procedure with the European Parliament and Council. The EC hopes the legislative work on that subject will be finished by the co-legislators in the middle of next year.

6. **AOB**

The Chair indicated that for administrative reasons the EC will propose to repeal three measures which concern old Council Directives that amended other Council Directives on fridges, washing machines and dishwashers. This administrative action apparently needs to be taken since these old amending acts were never formally repealed.
ANNEX – Attendance List

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| ORGALIME                    |                |
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