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Opinion

Title **Impact Assessment on: ICT and energy efficiency**

(draft version of 1 October 2008)

Lead DG **DG INFSO**

1) Impact Assessment Board Opinion

(A) Context

In 2005 the Commission issued a Green Paper on energy efficiency, followed in October 2006 by an energy-efficiency Action Plan which was endorsed by the European Council in March 2007 with the objective of saving 20% of the EU's energy consumption, compared with projections, for 2020. In May 2008 the Commission adopted a first Communication on ICT for energy efficiency which initiated a consultation and partnership-building process with a view to identifying opportunities for EU measures, quantifying their potential benefits, and stimulating business-led and partnership initiatives which could be developed at EU-level.

(B) Positive aspects

The section on "problems which transcend the policy area and which are not explicitly addressed in the assessment" contributes to a good understanding of the issues at stake.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance. Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

General recommendation: The report needs substantial improvements in several key areas: it should recognise that the contribution of ICT to energy efficiency is already moving in the right direction, identify more clearly in what respects current policy measures such as the Energy-using Products Directive are deemed inadequate, be more concrete about the precise nature of the measures (e.g. 'accelerated roll-out of smart metering') considered for this new initiative, specify who is responsible for their implementation and when they can be deemed to be

Commission européenne, B-1049 Bruxelles / Europese Commissie, B-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11. Office: BERL 6/29. Telephone: direct line (32-2) 2981898. Fax: (32-2) 2965960.

E-mail: impact-assessment-board@ec.europa.eu
Website: http://www.cc.cec/iabi/index_en.cfm

successful, and avoid giving the impression that the benefits can be obtained without costs. Considering the nature of these recommendations, the Board requests to examine a revised version of this report on which it will issue a second opinion.

(1) Incorporate ongoing developments in the baseline and clarify in which respects current policy instruments are inadequate. The report should acknowledge that many developments are taking place even without a further Commission initiative, and incorporate these in the baseline scenario. The description of the baseline should also identify more clearly in which respects these developments are considered to be unsatisfactory and why the range of current policy instruments (e.g. the proposal to extend the scope of the Energy-using Products or 'Eco Design' Directive, the Energy Efficiency Action Plan) are not enough. Problems labelled as a 'lack of information', 'migration costs', and 'lock-in' (which are introduced later in the report) could get more prominence and should be explained properly.

(2) Specify the concrete actions that will be taken in the various options. The report needs to be more specific about several elements of the policy options presented in the report, in particular where the options go beyond "calling upon" various stakeholders. It should specify clearly what should be done, who will be responsible and how it will be done. For instance, the report should explain how the Commission could help to advance green public procurement to the local level, who needs to do what to introduce monthly billing, and what it takes to generate real-time online emissions information for households and businesses. The way in which the options are described should allow for an ex-post evaluation to determine whether the measures have been successful.

(3) Present not only benefits but also costs. The report should assess the gross benefits and the gross costs of the various measures, or at least show awareness that there are not only benefits but also costs, and not merely state that the measures will have a net positive value. This holds in particular for those measures that might entail investments or administrative costs, because the costs and benefits may not always fall on the same party. A distinction between costs and benefits seems in any case relevant for the accelerated roll-out of smart metering, monthly billing, the collection and presentation of end-to-end information on carbon footprints, the deployment of energy labelling systems, and green procurement.

(D) Procedure and presentation

The IA report states that consultations with stakeholders are still ongoing. The report should be updated as necessary to reflect all important outcomes from this consultation. If the consultations lead to changes in the Commission proposal, the IA report should be updated accordingly so that the final proposal is fully assessed.

2) IAB scrutiny process

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