



Brussels, 28 -07- 2008
D(2008) 6397

Opinion

Title

Impact Assessment accompanying the Proposal for a Commission Regulation implementing Directive 2005/32/EC with regard to Ecodesign requirements for tertiary sector lighting products.

(draft of 9 July 2008 - resubmission)

Lead DG

DG TREN

1) Impact Assessment Board Opinion

(A) Context

The Eco-design Directive 2005/32/EC provides the framework for developing implementing regulations on energy-using products. Office and street lighting are among implementing measures that were given priority in the directive and were also supported by the Council and the Parliament. The directive sets out a range of conditions for the development of an implementing measure. These include i.a.: least costs over life-cycle, minimum number of products placed yearly on the market, impact on consumer prices and business competitiveness, impact on administrative burden, improvement of environmental performance over the life cycle of the product.

The IAB issued opinion on the previous version of the IA on the 7 May 2008, asking DG TREN to resubmit a revised version.

(B) Positive aspects

Quite a number of the IAB recommendations from the previous opinion have been addressed. In particular, the IA report contains now clearer information about the market structure and its expected developments, more information about existing legislation, as well as clarifications regarding improvement potential. It also follows the proposed 4-step logic. Finally, the requirements contained in the directive are generally well addressed.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance.

General recommendation: The IA has been improved as compared to the previous version and most of the IAB recommendations have been followed. Nevertheless, the IA still needs

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to clarify a number of issues, in particular the baseline scenario, including the impact of the existing legislation, assessment of costs and benefits including the administrative costs and impact on the SMEs.

Specific recommendations:

(1) The baseline scenario needs to be clarified further. The impact assessment provides information about expected energy (and CO₂) emission savings and the savings in mercury use. The potential benefits of the latter need to be explained further, in particular in the view of the revision of the RoHS and WEEE directives. Firstly, the use of mercury does not necessarily have negative environmental impacts, as these can be minimised with a well functioning waste collection system. Secondly, it needs to be explained why mercury use cannot be sufficiently regulated by the RoHS directive and possible changes to exemptions under RoHS. Thirdly, the IA report should assess potential impacts of mercury substitutes, including their impact on energy efficiency (either through performance or price impacts) to indicate net environmental benefit.

(2) The impacts on the SMEs deserve further analysis. The IA report explains that the luminaires and ballast manufacturers are primarily SMEs, while the lamps market is dominated by few big producers. The IA should refrain from concluding that the employment impact will be neutral, unless it provides further evidence for such a statement (p.33 of the revised version in TC). The IA report should clarify to what extent the analysis looks at SMEs as buyers of the lighting products and whether the expected increase in product prices may affect them. The summary assessment of sub-options in Table 3 has to be better justified and made more consistent with the preceding discussion on the impacts of sub-options. In particular, it is not appropriate to rank differently the three sub-options in terms of affordability and effects on employment, while the previous analysis of these effects seems to consider only sub-option 2.

(3) Policy options should be widened. While the IA now follows a logic as recommended in the previous draft IAB opinion, the policy option of developing a separate lighting-specific legislation seems to be prematurely abandoned. Given the support from stakeholders, the IA report should discuss it in more detail. In this context, the role of two existing directives – 98/11/EC on energy labelling of household lamps and 2000/55/EC on efficiency requirements on ballasts for fluorescent lamps – should be specified; either they could be used as a vehicle for such a specific legislation or they would seem unnecessary in the light of the adoption of the implementing measure under the Eco-design directive.

(4) The costs of the envisaged measures should be assessed in more detail. The IA report presents limited information about the costs that the envisaged measures will create. Table 2 appears to display only the cost savings in terms of electricity expenditure, while it does not provide data on changes in variable production costs or final product prices. The information contained in footnote 39 should be brought into the main text and be presented in absolute terms. Expected changes in product prices for other elements (lamps) should also be provided. The report would benefit from a presentation of some sensitivity analysis with respect to production costs and electricity prices. The IA should assess any changes to the administrative costs, in particular for business, stemming from the proposed measures. If significant, these should be assessed by using the EU Standard Costs Model. Finally, the impacts on innovation of high-end lighting from the removal of the market of low-performance lighting should be assessed.

(5) The choice of the implementation phases and the actual requirements of the implementing measure need to be further substantiated. The IA should further explain what percentage of the lamps and luminaires currently placed on the market already meets the new requirements and should substantiate the choice of time periods (1-3-8 years) for their introduction.

(D) Procedure and presentation

The IA has to be a self-standing document: key assumptions from background studies need to be included in the main text, in particular where they have a bearing on the final policy choice. The executive summary could be shortened (misleading reference to IA on ecodesign of standby/off mode should be avoided, p. 4). A glossary would be an asset.

2) IAB scrutiny process

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| Reference number | (comitology) |
| Author DG | TREN |
| External expertise used | No |
| Date of Board Meeting | WP |
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Brussels, 07 MAI 2008
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Opinion

Title

Impact Assessment accompanying the Proposal for a Commission Regulation implementing Directive 2005/32/EC with regard to Ecodesign requirements for tertiary sector lighting products.

Impact Assessment accompanying the Proposal for a Commission Regulation implementing Directive 2005/32/EC with regard to ecodesign requirements for standby and off-mode electric power consumption of electrical and electronic household and office equipment.

(drafts of 14 March 2008)

Lead DG

DG TREN

1) Impact Assessment Board Opinion

(A) Context

The Eco-design Directive 2005/32/EC provides the framework for developing implementing regulations on energy-using products. Office and street lighting, and standby and off-mode losses are among implementing measures that were given priority in the directive and were also supported by the Council and the Parliament. The directive sets out a range of conditions for the development of an implementing measure. These include i.a.: least costs over life-cycle, minimum number of products placed yearly on the market, impact on consumer prices and business competitiveness, impact on administrative burden, improvement of environmental performance over the life cycle of the product.

(B) Positive aspects

The impact assessments respond well to the requirements in the directive (even if some aspects require further explanation, see below). Both impact assessments sought appropriate input from a wide spectrum of stakeholders.

(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 assessments report subject to the discussion in the meeting of the Board. The recommendations concern both impact assessments, unless specified otherwise.

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General recommendation: Given the scale of expected impacts, both impact assessments need to present more clearly the costs and benefits and the methodology applied to arrive at the actual content of the measures. They should quantify and monetise more thoroughly the economic, environmental and social impacts, in particular for SMEs and low-income households. More transparency about assumptions applied in the baseline scenario is needed. In view of the fact that these two cases serve as model for future reports on other implementing measures, the IAB recommends that DG TREN submits a revised draft of the IA report, on which the Board will issue a new opinion.

Specific recommendations:

(1) The IAs need to explain the methodology applied to design the implementing measures.

The IAs should present clearly the 4-stage logic implied by the directive:
A. Demonstrate explicitly that a product/group of products meets the criteria contained in article 15 (e.g. minimum number of units put on the market, significant environmental impact, potential for improvement without excessive costs). This should be presented in the form of a table supported by clear factual information. The IA should make it clear what the interpretation of the criteria of Article 15 is; in particular in relation to notions such as "significant environmental impact", "without entailing excessive costs" and "significant potential for improvement";

B. Establish whether, in light of the existing legislation the issue should be addressed exclusively under the directive, under other legislation or as a self-standing initiative;

C. Having established that a group of products should be dealt with through the EuP directive, analyse options covering different types of measures such as an implementing measure or self-regulation;

D. Analyse various options for the content (stringency level) of the implementing measure including potential transitional periods (see also comments below on cost-benefit analysis).

(2) The baseline scenario needs to be clarified. The reports should state clearly which existing or planned policies (e.g. Climate Change and Energy Package, RoHS directive) are included in the baseline. In particular, the IA needs to clarify what would be the pace of replacing 'inefficient' appliances/products if no action is taken, and what would be consequences for the environment and energy use. The impact of the various options should then be compared to the baseline in order to avoid "double counting" of effects. The description of the baseline should include elements that allow for the assessment of impacts of proposed measures: industry structure, with special attention to SMEs and their geographical distribution, share of the low-volume producers, and situation of low-income households.

(3) The analysis of costs and benefits needs to be considerably improved. Given the stringent conditions in the directive, the IA should quantify and monetise costs and benefits of the various (technical) options, evaluate them over time and qualitatively analyse those that prove too difficult to quantify. Distributional impacts need to be examined: the costs and benefits for the individual groups of stakeholders need to be differentiated so that for example implications for SMEs vs. their bigger counterparts and low and high income consumers can be presented explicitly. The IA needs to clarify whether the transaction costs (e.g. due to the need to change processes, or practices or additional equipment) have been taken into account. Adding a table that demonstrates the costs and benefits in terms of the stock and flow of products under the implementing measures would be advisable.

(4) National initiatives should be discussed. In line with art. 15.4 of the directive, the IA should provide information on existing national legislation and other initiatives (e.g. "pull the plug" initiatives in the case of standby/off mode), and how the implementing measures would interact with these.

(5) Interaction of the horizontal measures for standby and off-mode losses with product-specific implementing measures needs to be clarified.

(D) Procedure and presentation

The IA should be a self-standing document: key assumptions from background studies need to be included in the main text, in particular where they have a bearing on the final policy choice. The reports from the stakeholder consultations should be annexed to the IA reports or referenced.

2) IAB scrutiny process

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