



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

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698

Opinion

Title Impact Assessment on: Commission Regulation implementing Directive 2005/32/EC with regard to Ecodesign requirements for motors and their drives

(draft version of 5 January 2009¹)

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". According to the IA this measure indeed has the highest potential of all tabled so far.

(B) Positive aspects

Overall, the IA report provides an adequate level of analysis. The baseline scenario and the expected market developments are well presented. An appropriate range of impacts has been considered. The IA to a large extent follows the analytical steps based on the requirements of the Directive and an earlier support from the Impact Assessment Board.

¹ Updated on the 14 January 2009

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance.

General recommendation: While the IA seems to cover all major aspects needed for an appropriate assessment of impacts, the problem definition and the corresponding objectives need to be improved, and the options need to be restructured. Given the large number of units (motors and drives) introduced onto the market, the compliance regime should be assessed in greater depth.

(1) Market failures need to be demonstrated more clearly. The IA should provide more evidence for the market failure, in particular in the light of existing voluntary industry agreements (p.20) and an apparent quick payback time for energy efficient motors (p.28). The arguments made in relation to OEM manufacturers should be expanded in order to better explain whether OEMs are currently not confronted with demand for energy efficient systems (which would in turn induce them to demand more efficient motors):

(2) The objectives must correspond more closely to the identified problems. In particular, the general objectives (iii) promoting competitiveness of the industry and (iv) free movement of affected products should flow from the problem analysis. Currently the problem analysis does not demonstrate that there are problems related to the competitiveness of the industry or to the free movement of products that could be addressed by establishing minimum products requirements. On the other hand section 2.3 (p. 22) "benchmark and level of ambition" seems to be ill-placed in the problem definition section, and the elements contained there should be included in the analysis of options.

(3) Policy options need restructuring and to be assessed more thoroughly. The IA uses an argument that in some cases a specific mandate of the Legislator would not be respected in the absence of an implementing measure. This seems to be only partially valid, as the directive itself requires an investigation of alternatives to a Commission Regulation. Furthermore, the option of labelling motors seems to be discarded too early, in particular given that the lack of information (about motor energy performance) is identified as one of the major problems, and the fact that the problem concerns mostly business to business transactions. The choice of options should also include alternative requirements about drives; in particular for sub-option 4 of option 4 (ASD/IE3) the assumptions regarding motors sold with and without a drive should be described in more detail in the main text (currently in annex 2, pp. 57-58). The final policy choice (aiming at providing flexibility as outlined now in sub-option 4) would be more convincing if presented as a conclusion of the analysis, for instance by comparing it with an additional sub-option comprising only IE3+ASD (discarded as fifth sub-option on p. 26).

(4) A number of methodological aspects need to be improved. The IA should clarify what is the potential improvement, adding some examples of individual motors; the table on p. 4 of the executive summary claims that improvement potential (without regulating drives) is about 3% and 16% (with standards on drives), while the text below estimates the potential at up to 30%. The IA needs to clarify whether estimates of costs and savings, for instance on p.35, 44-45, are presented in Net Present Value and, if so, what discount rates are applied.

(5) Compliance regime needs to be appropriately addressed. Given the rather high number of units put on the market, relatively short deadlines for implementation and the fact that motors and drives hitherto have not been subject to minimum product requirements, the impact assessment needs to include an analysis of administrative capacities of the Member States to enforce the proposed measures. Administrative costs, both for business and public authorities, should be assessed by the EU Standard Cost Model.

(D) Procedure and presentation

It seems that all necessary requirements have been fulfilled. Section 4.4.6 (evaluation) should be integrated in the existing text in section 7.

2) IAB scrutiny process

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