



EUROPEAN COMMISSION
Impact Assessment Board

Brussels,
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Opinion

Title **DG ENER - Impact assessments on (i) Eco-design and labelling of boilers and (ii) Eco-design and labelling of water heaters**

(draft versions of 5 August 2011)

(A) Context

The Ecodesign Framework Directive 2009/125/EC lists products which have been identified by the Council and the European Parliament as priorities for the Commission for energy saving measures. The list is based on the European Climate Change Programme (ECCP) which has identified products offering a high potential for cost-effective improvements of energy performance and reductions of CO₂ emissions, including boilers and water heating equipment (Article 16). The Energy labelling Directive 2010/30/EU requires that a product with significant potential for energy saving and wide disparity in performance levels for equivalent functionality shall be covered by an energy labelling implementing measure.

The two Impact Assessments explore energy saving possibilities/labelling requirements as regards boilers, water heaters and water storage tanks. They follow a similar approach, as for several earlier eco-design and energy labelling measures (e.g. air conditioning, complex set-top boxes, light bulbs).

(B) Overall assessment

The report should be improved in several respects. Firstly, it should further discuss the value added of the proposed new measures as compared to the Energy Performance of Buildings Directive, given the potential regulatory overlap. Secondly, the report should be more transparent with regard to the methodology applied and corresponding uncertainties. Thirdly, impact on EU manufacturers of boilers, water heaters and water storage tanks, particularly SMEs should be further assessed, taking into account international competitiveness aspects. Finally, the impact on consumers, including low-income households should be assessed in more depth.

(C) Main recommendations for improvements

(1) Clarify the value added of the proposed measures as compared to the effects of the Energy Performance of Buildings Directive. The reports should provide a much clearer explanation about the (net) impact the Energy Performance of Buildings Directive (EPBD) is expected to have on the energy efficiency of installations used in buildings (e.g. boilers, water heaters and storage tanks). The relationship with the EPBD should be explained, in particular in the light of Article 4 (setting of minimum energy performance requirements), which obliges Member States to establish performance requirements for buildings, as well as providing them with the opportunity to exclude certain categories of buildings. The reports should also analyse the progress made in the implementation of the relevant EPBD provisions, in order to come up with an assessment of likely implementation problems with the proposed measures for water heaters and boilers. When assessing the effects of the EPBD, the reports should make a clear distinction between expected savings from the installed stock and new products placed on the market.

(2) Provide greater clarity with regard to the applied methodology and uncertainties. The reports should explain in more depth the applied process of data collection and verification concerning the existing stock, given the lack of an agreed measurement methodology. They should also provide information on when this methodology is expected to be available from the European Standardisation Organisation, and how it will be taken into account in the proposed implementing measure. The reports should also be clearer about the key assumptions and uncertainties around the presented results. Finally, the reports should clarify how variations in the EU climatic conditions have been taken into account when designing new efficiency requirements and measuring methodologies.

(3) Improve assessment of impacts on the manufacturers, particularly SMEs. The reports should present more detailed information about the current market structures, including the relative share of SME producers. On this basis, the report should assess the impact of the proposed measures, including on the ability of SMEs to satisfy new requirements and to innovate. In this context, the rationale for introducing new (minimum) requirements in 3 steps should be further explained. The reports should also assess impacts on EU exporters, for instance by comparing standards required for water heaters and boilers in key third country markets with the proposed measures. Finally, the reports should provide some illustrative examples to demonstrate the costs currently faced by the EU manufacturers due to the fragmentation of the EU market caused by Member States' actions

(4) Assess in more depth the impact on users. The reports should present with greater clarity the price formation mechanisms and the potential impacts on the purchasing decision by the end users. Particular attention should be paid to low-income users. The reports should elaborate on the nature and impacts of the measures that would be introduced in order to mitigate potential negative impacts for these users.

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.

(D) Procedure and presentation

The presentation of the findings should be improved by clarifying how many EU based businesses would be affected, clearly separating large, SME and micro enterprises. The reports would benefit from illustrative examples (case studies) that would demonstrate the practical implications for a (SME) company of the proposed measures.

(E) IAB scrutiny process

Reference number	(Implementing measure)
External expertise used	No
Date of IAB meeting	Written procedure