



EUROPEAN COMMISSION
Impact Assessment Board

Brussels,
D(2013)

Opinion

Title **DG ENER - Impact Assessment on Ecodesign requirements for solid fuel boilers - Energy labelling for solid fuel boilers**
(draft version of 14 December 2012)*

(A) Context

The report assesses the impacts of different policy options for energy efficiency, emission and labelling requirements for solid fuel boilers in the context of the Ecodesign Directive 2009/125/EC and the Energy Labelling Directive 2010/30/EU. Solid fuel boilers (biomass solid fuel – e.g. wood pellets, chips or logs, and mineral solid fuel – e.g., coal) are mass market energy related products covered by the Ecodesign Directive 2009/125/EC and the Energy Labelling Directive 2010/30/EC. The preparatory study addressing these appliances concluded that solid fuel boilers comply with the criteria in Art. 15, sub 1, of the Ecodesign Directive and are therefore a candidate for measures. The scope of the impact assessment covers boilers used for indirect indoor space heating and targets appliances with a rated capacity below 1000 kW nominal heat output and designed to be fired by one or more types of solid fuel.

(B) Overall opinion: POSITIVE

The report should be improved in a number of respects. First, it should develop the problem definition and baseline scenario by better defining the scope of the report, and by including an assessment of existing Member States' legislation on boiler emissions. Second, the report should present a more complete analysis of the options, and better explain the logic for discarding all but one of the options, and more clearly incorporate stakeholders' views. Third, the report should clearly explain how the figures for the costs and benefits have been calculated and should improve its overall assessment of compliance and administrative costs. The report should more clearly present the impacts on consumers and sector competitiveness and use stakeholders' views to support the assessment of the impacts where no quantitative evidence is available. Fourth, the report should provide a clearer comparison of the options and ensure that the criteria for assessment are consistent with the assessment of the impacts and the objectives. Finally, the report should limit the use of technical language so that it becomes more accessible to the non-expert reader and provide simplified explanations of technical terms and abbreviations in a glossary.

In their written communication with the Board DG ENER accepted to amend the report along the lines of these recommendations.

* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted

(C) Main recommendations for improvements

(1) Better explain the scope of the initiative and baseline scenario. The report should improve the explanation of the baseline by clarifying the scope of the report, taking into account the concerns raised during the stakeholder consultation (e.g. whether the scope includes dual fuel boilers, or boilers connected to water tanks). The report should further address the problem associated with the lack of data on 500kW-1000kW boilers, considering that they have been included in the scope of problem definition but not in the scope of the impact assessment. It should also give a full overview of the relevant market actors and discuss how they are affected by this problem. The report should integrate an overview of current national legislation on solid fuel boilers into the baseline and demonstrate how positive and negative experiences with the existing legislative framework have been taken into account in the impact assessment process for this initiative. The report should elaborate more on internal market aspects and this discussion should be more clearly based on quantitative evidence and case studies where available. The objectives should be revised so that they are more closely linked to the problem and its drivers, as well as line with the conditions referred to in article 15(5) of the Ecodesign Directive.

(2) Present a better overview of the policy options. The report should clarify why the apparent trade-off between substantially reduced emission levels and distortions to competition, with regards to coal boilers, has not been subject to more in-depth analysis. The report should also better explain its logic for discarding all but one of the options at an early stage. It is currently difficult for the reader to make an independent comparison of the options, as only one viable option is presented in full. In particular, the report should improve its explanation for discarding the self-regulation option, by including a more explicit reference to the possible reasons for the lack of industry support for such an option. The presentation of the policy options should be accompanied by a more transparent overview of stakeholders' opinions.

(3) Better explain and assess impacts. The report should strengthen the assessment of the impacts on a number of points. First, it should clarify how it arrives at the costs and benefits estimates and give a better overview of administrative and compliance costs. The report should give a simplified explanation of the costs and benefits model in the main text that is more accessible than the model presented in Annex II, section 11.5. The report should also assess the full impact of compliance costs and how stricter emission standards can affect SMEs, since these costs may weigh disproportionately on smaller businesses. Additionally, the report should improve its assessment of administrative costs by including estimates based on other relevant ecodesign implementing measures. Second, the report should improve its assessment of impacts on consumers and competitiveness. Consumer costs should be analysed in more detail, with particular focus on vulnerable consumer segments. The report should better explain the concept of boiler 'life cycle' and how this would cancel out the effects on consumer costs, as well as on redesign costs. It should also take into account the proportionality of the redesign costs and discuss possible variations in the redesign cycle across different business sizes. Impacts on competitiveness should be presented more transparently and analyse in greater depth how the restrictions are expected to affect different types of fuel boilers. Third, stakeholder views should be more consistently referred to in the assessment of the impacts, to support and give weight to impact conclusions, especially where quantitative data is not available.

(4) Provide a clearer comparison of the options. The report should clarify the link between the scores in the comparison of the options and the scores allocated in table 13,

so that it is clearer to the reader why higher/lower scores have been awarded. The reformulated objectives need to be carefully considered and incorporated into the criteria for the comparison of options. The report should also thoroughly check the comparisons made against the baseline to clarify why certain scores have been awarded '+', in cases where the differences between the baseline and the options seem to be minimal or non-existent.

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 report should provide a glossary of abbreviations and explain key technical terms in the text in order to make it more accessible for the non-expert reader. The report should provide adequate references for all figures throughout the text. The executive summary should be revised in order to meet the standards required in the IA Guidelines. In particular, it should include subsidiarity analysis and monitoring and evaluation arrangements as well as indicate criteria for comparing the options.

(E) IAB scrutiny process

Reference number	2013/ENER/010, 2013/ENER/012
External expertise used	No
Date of IAB meeting	Written Procedure