



EUROPEAN COMMISSION  
Impact Assessment Board

Brussels,  
D(2012)

## Opinion

**Title**                    **DG ENTR – Impact assessment on an EU initiative on a Draft Commission Regulation implementing Directive 2009/125/EC of the European Parliament and of the Council and Directive 2010/30/EU of the European Parliament and of the Council with regard to ecodesign requirements for professional storage cabinets and blast cabinets**

**(draft version of 21 November 2012) \***

### **(A) Context**

The Directive 2009/125/EC of the European Parliament and of the Council establishing a framework for the Commission to set ecodesign requirements for energy-related products ("Ecodesign Directive") is to be implemented by the European Commission through regulations dealing with the product groups identified by the Ecodesign Working Plans. The Ecodesign Working Plan for 2009-2011 identified "refrigerating and freezing equipment" as one of the ten priority product groups. DG Enterprise explored, within this group, the possibility of setting Ecodesign requirements on the category of professional refrigeration, which includes five products: professional storage cabinets, blast cabinets, condensing units, industrial process chillers and walk-in cold rooms. Following the usual practice in Ecodesign regulations, the possibility of introducing a labelling system under the Energy Labelling Directive (2010/30/EU) has also been explored.

### **(B) Overall assessment**

**The report should be improved in a number of respects. First, it should more consistently define the problems and the scope, by demonstrating with robust evidence the concrete shortcomings and underlying market failures this initiative aims to address. It should then strengthen the problem definition by presenting the evolution of the problems/market failure without further EU action. Second, the report should establish a clear intervention logic, for instance, by clearly showing how further energy information requirements would rectify the problems and overcome the persisting information failures. Furthermore, the report should present the objectives in "S.M.A.R.T.er" terms, for instance, by clearly setting out concrete (operational) targets. The content of the options should be described in a more focused manner, including their technical background, explaining more concretely how they would address the market failures (e. g. information asymmetries), by discussing their proportionality and how the ambition level was set and by integrating relevant stakeholder views. Third, it should provide a more substantiated and differentiated impact analysis across the three pillars, particularly for SME's, together with an assessment of compliance costs and**

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

**administrative costs/burden. The options should be compared in a more concise manner using a clear set of comparison criteria (effectiveness, efficiency, coherence). Finally, the report should clarify future monitoring and evaluation arrangements and the compliance with Commission consultation standards.**

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

### **(C) Main recommendations for improvements**

**(1) Clarify the policy context, strengthen the problem definition and reinforce the baseline scenario.** The report should present a more comprehensive, consistent and streamlined problem definition, indicating clearly up-front the problems that the initiative will tackle, by clarifying its precise scope, and by corroborating the problem drivers/market failures with evidence. In this context the report should better substantiate and elaborate on the underlying problem drivers (market and regulatory failure). This should include an overview of the current market structure for the concerned products and a market breakdown by class/energy efficiency, including possible lessons learned from other sectors aiming to reduce CO<sub>2</sub>. The concrete problems to be addressed by the measures should be presented more clearly, e.g. the potential for further savings not being realised, costs to consumers, negative externalities etc. The report should further develop to what extent the situation needs to be improved and explain why existing voluntary product endorsement schemes (in some Member States) are not satisfactory in the face of the requirements of the Ecodesign Directive and EU Climate change commitments. Finally, the report should present a more robust and detailed baseline scenario, by showing in a detailed manner how the market failures and other relevant factors, such as the development of sales for storage and blast cabinets, would be exacerbated in the absence of further EU action.

**(2) Establish a clear intervention logic, better present the objectives and content of the options.** The report should strengthen the intervention logic by clearly linking the objectives in a more detailed and consistent way to the identified problems/market failures and to the proposed scope of the initiative. This should be achieved, for instance, by clearly showing how further energy information requirements would ameliorate the situation, rectify the problems and overcome the persisting information failures. The objectives themselves should be presented in "S.M.A.R.T.er" terms, for instance, by clearly setting out concrete (operational) targets, so that the success of the initiative can be effectively evaluated. Subsequently, the report should explain in greater detail the content of the different policy options, by including their technical background, explaining more concretely how they would address the market failures (e.g. information asymmetries), by discussing their proportionality and how the ambition level was set and by integrating relevant stakeholder views. In particular, it should better explain why options are being discarded and on what grounds, specifically for self-regulation. In this context it should also more specifically explain if least life cycle costs to the end user or best available technologies were used or not, and present more details on the prerequisite of a harmonised test methodology, e. g. by showing how such a methodology would be developed alongside the other options.

**(3) Better assess and compare options.** The report should strengthen the assessment by providing a more detailed impact analysis across the three pillars (economic, social, environmental), including quantitative data or expected magnitudes, better taking into account stakeholder views. Specifically, it should provide a more detailed assessment of

EU consumer prices, implementation/administrative costs, impacts on manufacturers/competitiveness, while particular attention should be paid to SME's. Furthermore it should provide greater clarity on the methodologies used, the underlying assumptions and/or calculations, including clear references to the sources. This should include further improvement of the sensitivity analysis, to develop several scenarios for the evolution of the product markets. Moreover, the sector competitiveness should be more fully assessed, for instance by estimating the average total cost and price increase per product group to manufacturers and consumers, and by assessing the competitiveness of EU industries vis-à-vis producers in third countries, taking into account a possible time lag between compliance costs and expected benefits. The report should analyse administrative costs for the Member States/certifying bodies and the compliance costs for manufacturers and users in more detail. It should differentiate clearly between the different costs for business (compliance/implementation costs and administrative costs and burden) and better explain the methodology for calculating these costs (e.g. use of the Standard Costs Model). Finally, the report should compare the options in a more concise manner against a fully developed baselines scenario using a clear set of comparison criteria (effectiveness, efficiency, coherence), for instance with regard to electricity savings, CO2 emission reductions and cost savings, including a more developed summary comparison table.

**(4) Better present stakeholder views, clarify the future monitoring and evaluation arrangements and public consultation standards.** The report should better present the different views of stakeholders throughout the text, particularly as regards the assessment and comparison of options. It should provide a more developed operational monitoring regime, including a set of robust progress indicators, particularly as regards the harmonised test methodology. It should clarify on what basis the review will be carried out, how and by whom data is to be collected, including more information on the envisaged timeline. Finally, the report should clarify how the Commission standards as regards a public consultation were respected.

*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**

Technical terms should be explained in the relevant context and the report shortened in general to make it more accessible for the non-expert reader. The report should limit the use of acronyms and avoid the use of unexplained abbreviations. It should provide clear references to underlying assumptions and studies/sources, such as the preparatory study, and include these studies, or at least their executive summaries, in the annex.

#### **(E) IAB scrutiny process**

Reference number	2012/ENTR/025
External expertise used	No
Date of IAB meeting	18 December 2012 (Written procedure)