REGULATORY SCRUTINY BOARD OPINION


and repealing Commission Regulation (EU) No 1016/2010

and

COMMISSION DELEGATED REGULATION (EU) .../... supplementing Regulation (EU) 2017/1369 of the European Parliament and of the Council as regards energy labelling of household dishwashers


{C(2019) 1807 final}
{C(2019) 2123 final}
{SWD(2019) 347 final}
{SWD(2019) 348 final}
Title: Impact Assessment / Ecodesign and energy labelling: Household dishwashers
(Version of 17 May 2018)

Overall opinion: POSITIVE WITH RESERVATIONS

(A) Context
The EU has put in place an Energy Union Framework Strategy. One objective is to make energy use more efficient. This can take place by pushing industry to improve energy efficiency of products and by removing poor performers from the market. The result is less energy consumption, lower energy bills for consumers and more competitive manufacturers. Setting rules at EU level supports single market objectives.

This report considers ways to improve on existing requirements for household dishwashers. Potential gains are expected to be large because the market for dishwashers is not saturated yet so that high numbers of sales are expected in the near future. Existing energy label and efficiency requirements date from 2009 and are arguably outdated. There are also no requirements related to recycling and the circular economy yet.

The initiative would take the form of implementing legislation.

(B) Main considerations
The Board acknowledges the proportionate character of the report and the boundaries set by the legislative framework for this implementing act.

However, the report still contains significant shortcomings that need to be addressed. As a result, the Board expresses reservations and gives a positive opinion only on the understanding that the report shall be adjusted in order to integrate the Board's recommendations on the following key aspects:

(1) The report is not sufficiently transparent on the relatively minor importance of the initiative in terms of its contribution to the EU 2030 energy and climate targets.

(2) The choice of the preferred option is not sufficiently justified. It is unclear how the report strikes a balance between energy efficiency, circular economy and consumer preferences.

(3) The report does not integrate circular economy aspects comprehensively and in a

* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted.
way which is consistent across ecodesign products. It does not impact assess them either.

(4) The report is not sufficiently transparent about the elements that have already been agreed upon and the choices that are left open for political decision.

(C) Further considerations and adjustment requirements

(1) The report should better motivate the choice of the preferred option. Light should be shed on the relative importance of the objectives. Energy savings are clearly most important, but it remains unclear which of the other objectives are more important than others (environmental objectives like water consumption or consumer behaviour and price elasticity). Additionally, the report should explain the trade-offs considered when making the choice, including the interests of consumers and industry. In this context, it should describe the weighing of cost and benefits against each other. Furthermore, it should clarify why a different set-up of energy labelling bands makes such a difference in the estimated purchase price.

(2) The report should provide a better narrative. Most importantly, it should become clearer what has already been decided and what still needs to be decided. In this context, it is especially important to describe which options are still up for discussion after the conclusion of the consultation forum with stakeholders. The report should include an indication of the degree of consensus among stakeholders on each issue. Additionally, it should introduce the issues that characterise this policy area early on:

- the rebound effect
- the importance of the duration of the washing programme in comparison with energy and water consumption, i.e., the choice of programme by consumers
- the low degree of machine loading by consumers

(3) Some of the modelling results need further explanation. Employment estimates, for example, seem to be the product of revenues and a fixed multiplier. Additionally, the report should point out the large level of uncertainty, especially in comparison to the absolute energy savings. In particular, it should better explain why an analysis including the effects of higher costs on the demand for dishwashers has only been conducted on the less ambitious option. A similar analysis would seem relevant also for the preferred option, as the cost increase is even higher there. Furthermore, it needs to clarify why it only uses the cash flow calculations for dishwashers and not in calculations for other products covered by this package of proposals.

(4) The report should be more transparent about the early stages that the sector’s efforts on circular economy are in, including the lack of experience, the outdated methodology (MEErP) and the lacking standardization. The report needs to discuss the trade-offs that the inclusion of circular economy requirements into the ecodesign framework requires.

The report should include a discussion of the existing legislation (in Member States) on issues regarding circular economy, such as spare parts and recyclability. Additionally, the report needs to establish the proportionality of some of the proposed measures: for example, the requirements that spare parts need to be available within three weeks seem demanding and might be undermined by the affordability of the spare parts.

The circular economy efforts should be integrated into the introduction and the sections on subsidiarity and monitoring of the report.
(5) The report has to clarify a number of issues on the content of the options:

- The estimated energy savings of this initiative are relatively small relative to overall saving potentials. The report should motivate why the initiative is nonetheless worthwhile.
- The report should explain why energy efficiency requirements are only considered for full-sized dishwashers. Additionally, it needs to justify why setting stricter targets for slim-line dishwashers in the second tier (2024) would not be prudent.
- The report should explain the strong interlinkage between water and electricity consumption in the case of dishwashers to justify why water consumption is not used as one of the design parameters.
- The report should explain the logic behind a number of elements relative to setting the energy labelling classes, i.e., leaving the top class empty, why it is expected that after a period of ten years most products will be classified in the top class, and why it is assumed that the same amount of effort is required to move from one class to the next. In this context, the report should briefly touch upon how the expected technological process was judged.

(6) The report does not clearly draw conclusions from the evaluation. It should clarify that there has been a review of the overall legislative framework, but not of product-specific pieces of legislation. Additionally, the problem description should summarize the findings of this review and explain how they are taken into account in this report. In this context, it should establish why there is still the need to act after the success of the previous legislation.

(7) This report should be streamlined as far as possible with the impact assessments accompanying the other proposals in this package of proposals for implementing legislation regarding ecodesign and energy labelling.

The Board takes note of the quantification of the various costs and benefits associated to the preferred option of this initiative, as assessed in the report considered by the Board and summarised in the attached quantification tables.

Some more technical comments, including horizontal and product-specific issues, have been transmitted directly to the author DG.

(D) RSB scrutiny process

The lead DG shall ensure that the report is adjusted in accordance with the recommendations of the Board prior to launching the interservice consultation.

The attached quantification tables may need to be adjusted to reflect any changes in the choice or the design of the preferred option in the final version of the report.

<table>
<thead>
<tr>
<th>Reference number</th>
<th>PLAN/2016/443; 2016/PLAN/445</th>
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<tbody>
<tr>
<td>Date of RSB meeting</td>
<td>13 June 2018</td>
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</table>

1059/2010 with regard to energy labelling for household dishwashers
Table A9.2. Overview of total benefits for all provisions – preferred option.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy efficiency savings</td>
<td>Ca. 2 TWh p.a. in 2030</td>
<td>See Section 6.2.1</td>
</tr>
<tr>
<td>GHG-emissions savings</td>
<td>0.5 Mt CO₂ eq p.a. in 2030</td>
<td>See Section 6.2.2</td>
</tr>
<tr>
<td>Water savings</td>
<td>16 Million m³ p.a. in 2030</td>
<td>See Section 6.2.2</td>
</tr>
<tr>
<td>Material efficiency requirements</td>
<td>--</td>
<td>No quantitative analyses was performed – but see Section 6.5</td>
</tr>
<tr>
<td>Business revenues (EUR₂₀₁₅)</td>
<td>EUR 4 billion in year 2030</td>
<td>See Section 6.3.1</td>
</tr>
<tr>
<td>Support of innovation, R&amp;D and improved competition</td>
<td>No quantification</td>
<td>See Section 6.3.1.2</td>
</tr>
<tr>
<td>Decreased consumer expenditure (EUR₂₀₁₅)</td>
<td>EUR 18 million less in year 2030</td>
<td>See Section 6.3.2</td>
</tr>
<tr>
<td>Increased employment</td>
<td>5000 jobs extra by 2030</td>
<td>See Section 6.4.3</td>
</tr>
</tbody>
</table>

Table A9.3. Overview of total costs for all provisions – preferred option.

<table>
<thead>
<tr>
<th>Reason</th>
<th>Costs</th>
<th>Affected stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>For the first 6 months provide a second label and supply extra label on request to dealers</td>
<td>EUR 3 200 000</td>
<td>Suppliers</td>
</tr>
<tr>
<td>Relabelling of the products</td>
<td>EUR 310 000</td>
<td>Dealers (retailers)</td>
</tr>
<tr>
<td>Database</td>
<td>EUR 17 500</td>
<td>Suppliers</td>
</tr>
<tr>
<td></td>
<td>EUR 3 600</td>
<td>EU</td>
</tr>
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