

INCEPTION IMPACT ASSESSMENT

TITLE OF THE INITIATIVE	Review of ecodesign requirements for standby and off mode electric power consumption
LEAD DG (RESPONSIBLE UNIT)	DG ENER – UNIT C3
LIKELY TYPE OF INITIATIVE	Commission implementing regulation
INDICATIVE PLANNING	Completion of the Impact Assessment in the second quarter of 2018
ADDITIONAL INFORMATION	http://ec.europa.eu/energy/en/topics/energy-efficiency/energy-efficient-products/standby

The Inception Impact Assessment is provided for information purposes only. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by the Inception impact assessment, including its timing, are subject to change.

A. Context, Problem definition and Subsidiarity Check

Context

Increasing energy efficiency is an important objective of the EU policy (more information at <https://ec.europa.eu/energy/en/topics/energy-efficiency>). A crucial policy instrument for achieving the 2020 and 2030 EU climate and energy targets is the setting of minimum efficiency requirements for products – through ecodesign, in combination with informing customers about their energy performance – through energy labelling. More information is available at <http://ec.europa.eu/energy/en/topics/energy-efficiency/energy-efficient-products>.

Ecodesign and Energy Labelling legislations are recognised as key contributors in product policy supporting the Energy Union objectives and the transition to a Circular Economy.

Since the coming into force of the first ecodesign directive in 2005, many implementing regulations have been adopted, setting minimum energy efficiency requirements for a variety of energy-related products such as washing machines, refrigerators, electric motors, vacuum cleaners, etc. One of these regulations, adopted in 2008 and amended in 2013, sets horizontal requirements regarding maximum energy consumption in low power modes (i.e. off mode, standby, and networked standby) for a wide range of electrical and electronic household and office equipment.

Each ecodesign regulation contains provisions for its future evaluation and possible revision, taking into account the experience gained with their implementation and technological progress. The review of this regulation started in July 2015 with a review study, the conclusions of which will be presented to the Consultation Forum in the fourth quarter of 2017 (for more information please see <http://www.ecostandbyreview.eu/>). Subsequently, an Impact Assessment will be carried out. This review is part of the Ecodesign Working Plan 2016-2019.

Problem the initiative aims to tackle

The previous preparatory study (completed in 2007) for the initial Regulation 1275/2008 estimated that: (i) the total energy consumption in standby and off modes for all products in scope was of 47 TWh in 2005, (ii) the consumption would have increased to 49 TWh in 2020 without an Ecodesign regulation being adopted, and (iii) the potential energy savings from setting ecodesign requirements on standby and off modes would amount to 35 TWh/year by 2020. The current review study (published in 2017) estimates that: (i) the energy consumption in standby, networked standby and off mode of all products in current scope will be approximately 14 TWh in 2020 and (ii) the consumption will increase to approximately 27 TWh in 2030 (due to rapid technological development leading to the appearance of networked standby, and the increased number of products in use). Thus, the existing legislation (enacted since 2008) has indeed proved effective and already brought important energy savings. However, these could be further increased. It should be also noted that the Regulation applies to an impressive number of products in use in the EU: some 2.5 billion products estimated for 2020, growing to over 2.8 billion in 2030.

The first issue examined was the opportunity to obtain additional energy savings. Two possibilities were analysed: expanding the scope of the Regulation to include products equipped with electric motors operated by remote controls, and further reducing the power consumption in off mode. These two changes would respond to the new trends on the market (i.e. increased stock of motor-operated furniture and local building controls) and the technological progress (allowing to further reduce the energy losses in off mode). It should be noted that there will be no overlap with the existing ecodesign measure for motors (Regulation (EC) No 640/2009), as this does not include requirements for standby consumption.

Another issue addressed was the legal requirement to review the appropriateness and level of requirements for networked standby with regard to the third stage of implementation (which will start in 2019). The existing regulation required this review in order to take stock of the technological development on the market.

Preliminary findings show that there are considerable benefits in proposing a revision of the current standby regulation, both in terms of optimising regulatory aspects as in realising additional energy-, CO₂ emission- and monetary savings. As such, a reviewed regulation would be more effective by supporting improved test standards, addressing barriers to market surveillance and eliminating possible loopholes. The proposed review would also improve the efficiency of the legislation: verifiable exemptions and allowances are needed, and clear and more ambitious efficiency targets are possible.

Basis for EU intervention (legal basis and subsidiarity check)

The Ecodesign Directive is based on Article 114 of the Treaty on the Functioning of the European Union, the legal base for measures for the functioning of the internal market. The Energy Labelling Regulation is based on Article 194(2) of the Treaty on the Functioning of the European Union, which provides a legal base for measures to promote energy efficiency. Through these Directive and Regulation, the European Parliament and the Council have given a legislative mandate to the Commission to regulate the environmental performance of energy-related products and in particular their energy efficiency. To ensure the free circulation of goods, it is appropriate to set EU-level rules on the ecodesign and energy labelling of energy-related products. If the EU did not intervene, Member States would set their own rules, which would be necessarily different due to the complexity of the technical aspects, thereby disrupting the functioning of the internal market. This was the case prior to the establishment of the first ecodesign and energy labelling regulations at EU level.

B. Objectives and Policy options

The objective of the measure is, in the context of ensuring free circulation of goods in the internal market, to contribute to energy efficiency, CO₂ emission abatement, and the security of energy supply as well as realising a high level of environmental and consumer protection. More specifically, the impact assessment for the low power consumption modes examines solutions to:

- Take into account technological progress and further decrease power losses in off mode;
- Take into account market trends and expand the scope of the Regulation to include products equipped with electric motors operated by remote controls;
- Remove certain exemptions from the Regulation (e.g. products equipped with low voltage external power supplies) thus ensuring a level playing field in the internal market;
- Assess the appropriateness and level of requirements for networked standby with regard to the third stage of implementation (which will start in 2019 under the existing regulation);
- Further improve the consistency of the definitions used in the legislation in order to support the work of the market surveillance authorities in the Member States.

The impact assessment will most likely consider the following main options:

1. No EU action ('BAU', Business-as-Usual);
2. a) Limited update of the current Ecodesign regulation, with some products (i.e. mobile products operated by batteries charged from low voltage EPS) still maintained as an exemption;
a) Limited update of the current Ecodesign regulation, with some products (i.e. products having low voltage EPS) only subjected to information requirements (and not to full ecodesign requirements);
3. Fully update the current Ecodesign regulation.

The BAU option assumes that current policy measures will not change. This implies that financial and energy savings opportunities for end users will be missed, and several difficulties for market surveillance will persist.

The 3rd option is the preferred option. It provides for more stringent minimum efficiency requirements, includes products not previously covered, removes certain exemptions, and improves the efficiency and effectiveness of the regulation by amending possibly ambiguous definitions and adding new ones.

C. Preliminary Assessment of Expected Impacts

The impacts listed below are those deriving from the preferred option as described above.

Likely economic impacts

Most affected stakeholders are the relevant industry players and consumers. More stringent ecodesign requirements and the inclusion of new product groups may require manufacturers to invest in re-designing some of their products, and to carry out the necessary conformity assessment processes (e.g. laboratory testing, more complete technical documentation, etc.). However, these costs have been preliminary assessed as being marginal compared to the estimated sales.

On the other hand, it is estimated that the savings on energy bills for the consumers would be substantial (2.3 billion euros by 2030). These savings will largely outweigh any potential increases in the prices of products. Furthermore, the re-design of some components/products could facilitate innovation and thus bring additional benefits.

Likely social impacts
Consumers, including businesses and households will benefit from the regulation through lower energy bills.
Likely environmental impacts
Electricity consumption in the use-phase is the main environmental impact considered. The regulation is expected to deliver additional energy savings of approximately 1 TWh/year in 2020, going up to 3.9 TWh/year in 2030. This results in 27.7 TWh cumulative savings by the end of 2030, or the equivalent of roughly 18 million tons CO ₂ emissions avoided.
Likely impacts on fundamental rights
No impact expected.
Likely impacts on simplification and/or administrative burden
Overall, the administrative burden is considered negligible with respect to the expected benefits. The regulation is directly applicable in all Member States, resulting in no costs for national administrations for transposition into national legislation. The updated regulation is expected to simplify/clarify the work of national market surveillance authorities. Disproportionate burdens for manufacturers are avoided, amongst others due to transitional periods which duly take into account redesign cycles. Testing compliance could be an added burden for the new products in scope, but compared to the large sales figures would not be excessive.
D. Evidence Base, Data collection and Better Regulation Instruments
Impact assessment
An impact assessment will be completed in support of the preparation of this initiative and to inform the Commission's decision.
Evidence base and data collection
Aggregated commercial data for the very heterogeneous product groups covered by the Regulation is hardly available. At EU level, only Eurostat's Prodcom data is publicly available but it suffers from several limitations. The stock was estimated on the basis of the figures from the previous preparatory studies (for Regulation 1275/2008 and Regulation 801/2013) corrected with estimates for current market trends.
Consultation of citizens and stakeholders
<p>The aim of the consultations carried out and further planned is to collect views from stakeholders and citizens regarding the review of the Regulation (e.g. usefulness, proposed options, areas of future improvements).</p> <p>There have already been extensive consultations of stakeholders (including experts from Member States, industry associations, standardisation experts, and consumer and environmental NGOs) during the review study, which was carried out between July 2015 and March 2017. It included the establishment of a dedicated website (http://www.ecostandbyreview.eu/) where all relevant documents can be found, and a stakeholder meeting in October 2015. Furthermore, various industry associations have submitted position papers after the review study was published in April 2017. Finally, a meeting of the Consultation Forum took place in December 2017, after which stakeholders can submit further written comments.</p> <p>These will be followed by the impact assessment study during which additional technical information and expertise will be collected and analysed. In addition, an open public consultation on this topic will be conducted. For this purpose, a questionnaire will be drafted and published early 2018 on the Commission's central consultation page (https://ec.europa.eu/info/consultations_en). Stakeholders' positions and comments on the present inception impact assessment and through to the open public consultation will be analysed and be part of the impact assessment. Later in 2018, the draft measures will be subject to the 4-week Feedback Mechanism.</p> <p>A summary of the consultation activities' results will be published on the consultation page once all consultation activities are closed and in an Annex to the impact assessment report.</p>
Will an Implementation plan be established?
<p>No, the regulation is directly applicable in all Member States.</p> <p>A uniform implementation of ecodesign and energy labelling measures is facilitated through several initiatives, notably via the European administrative cooperation on market surveillance.</p>