

## AEGPL's position paper on the Regulation setting a framework for energy efficiency labelling

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### Summary

- *The current label on heating appliances is already effective in comparing energy consumption and promoting energy efficient appliances.*
- *Rescaling the energy label for heating appliances within a short timeframe would confuse consumers.*
- *The number of classes should not be overly reduced.*
- *Energy labels should only be rescaled when 30% of the appliances belonging to a product class achieve the top class and if further technological advancements can be achieved.*

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### ***The current label on heating appliances is already effective in comparing energy consumption and promoting energy efficient appliances.***

The proposed review of the Energy Labelling Directive aims to return to an A to G ranking system and to abandon the A+ to A+++ classes, which are considered confusing for the consumers. The Commission also proposes that, after rescaling the label, the most energy-efficient appliances should fall into the C class. This would avoid the overpopulation of the top classes and would ensure the longevity of the scale.

While the revision seems necessary for some appliances, as highlighted by the European Commission, the current label for heating appliances - which entered into force only in September 2015 - is already effective in showing the appliances' energy consumption in a clear way. Regarding the heating sector, there is a robust rationale in the current distribution of products, for instance with appliances delivering more heat than the energy content of the fuel used to power them being rewarded with a 'plus' (this is the case, for instance, of gas/electric heat pumps and micro-CHPs).

Moreover, it also makes cost effective technologies that drive down energy consumption attractive to consumers. For instance, condensing gas boilers today fall into **class A**. They can **reduce fuel consumption by 25%** compared to traditional boilers and involve a **limited investment** for consumers. Condensing gas boilers represented only around one fourth of the gas boilers installed in EU25 households,<sup>1</sup> in 2012. There is **much potential for an increased uptake**, which can help the EU achieve very significant energy savings in the residential heating sector. Condensing boilers are a low-hanging fruit that can greatly help the EU

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<sup>1</sup> EHI market statistics, in eurogas position paper "a framework for energy efficiency labelling and repealing"

to reach its energy efficiency targets, as they are widespread on the market and can be easily replaced with more efficient models, with low installation and maintenance costs.

***Rescaling the energy label for heating appliances within a short timeframe would confuse consumers***

The Commission's proposal would in fact mean that condensing gas boilers currently on class A would fall into category E. Instead of investing in a new and more efficient condensing boiler, consumers would repair their old, inefficient boiler. Making more efficient condensing boilers look less attractive to consumers would have a counter-productive effect.

Similarly, it is unlikely that consumers would **invest in more efficient and expensive cutting-edge** heating appliances, such as micro-CHPs and gas heat pumps, as they would **at best be included in the C or D class**. Hence, rescaling the labels would have the perverse effect of slowing down the uptake of more efficient heating technologies and make it difficult for the EU to achieve its energy efficiency targets.

***The number of classes should not be overly reduced***

**Overly reducing the number of classes would discourage consumers to invest**, as they would be unable to compare products' efficiency. The proposal envisages the elimination of the "A+" classes and plans to keep the top two classes (i.e. "A" and "B") empty. This means that, for instance, heating appliances, which are now evenly spread among nine classes, would be squeezed into five. If this approach was to be adopted, manufacturers would not be able to effectively display the efficiency of their products. Appliances with significantly different energy performance would be put in the same class. In addition, consumers would be unable to accurately estimate the running costs of different appliances.

***Energy labels should only be rescaled when 30% of the appliances belonging to a product class achieve the top class and if further technological advancements can be achieved.***

The top classes for heating appliances (A+ to A+++) are **not overpopulated**, contrary to other white goods. The market share of the highest classes of heating appliances is presently less than 5%. Furthermore, residential heating appliances have already reached a high level of energy efficiency making it **unlikely** for new technology developments to cause an **overpopulation** of the A+ to A+++ classes in the next 10 years. While the efficiency of the best available technologies keeps being improved with R&D, it is expected that if the rescaling was put into place, it would take them years to reach the empty A and B classes. Permanently empty classes would discourage replacement of old heating appliances, and affect all available technologies.

AEGPL agrees with the Commission that, in order for the energy label to continue being effective in driving down the energy consumption, it needs to be rescaled **when appropriate**. In fact, not rescaling energy labels would eventually make consumers unable to understand the energy efficiency of products. For this

reason, **we consider that the rescaling process should be tied to a factual variable related to the overpopulation of the top classes.** This would make the regulation simultaneously achieve its three main goals: ensuring legal clarity, stimulating companies to increase the energy efficiency of their products, and increasing consumers' uptake of efficient appliances.

We support the European Council's position that energy labels should only be rescaled when **30% of the products sold in the EU achieve the highest energy efficiency class.** This would ensure that the top classes are never overpopulated and, therefore, enable customers to clearly see which the most efficient appliances available on the market are.

Labels should only be rescaled when a product reaches the **highest possible level of efficiency.** Even with the solid investment by the industry in technological developments, efficiency gains will eventually become marginal, making the continuous rescaling of the label unnecessary.

AEGPL will closely follow the legislative work leading to the adoption and the implementation of the Regulation setting a framework for energy efficiency labelling and looks forward to offer its support to policy-makers during this process.

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#### **About AEGPL (The European LPG Association)**

*AEGPL is the sole representative of the LPG industry at European level, representing national LPG Associations as well as distributors and equipment manufacturers from across Europe. Our mission is to engage with EU decision-makers and the wider policy community in order to optimise the contribution that LPG - as a clean and immediately available energy source - can make to meeting Europe's energy and environmental challenges.*