



ANEC/BEUC COMMENTS ON THE STUDY ON THE METHODOLOGY FOR ECODESIGN OF ENERGY-RELATED PRODUCTS (MEErP)

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Summary

- This paper builds on comments we previously submitted to the team of consultants in March 2011 and comments on further draft reports issued in summer 2011. For more information, please visit the EuP Consumer Website: www.eupconsumer.eu
- In this paper, ANEC and BEUC express their concerns about the way the evaluation of the MEEuP 2005 and the writing of the new methodology were handled by the European Commission. In particular, we regret that the Commission overlooked what constitutes a conflict of interest and that the consultants were granted very little time to accomplish their mission properly. We furthermore deplore that the boundaries of the study appear to overlap with other concomitant studies launched by the European Commission on the Ecodesign Directive.
- We also regret the absence of innovative recommendations as to how to comprehend satisfactorily consumer behavior in the preparatory studies, for the (numerous) cases where relevant literature does not exist. We seek the consultants' views on some of our own recommendations.
- We review the proposed new structure of Ecodesign preparatory studies as well as guidelines drafted by the consultants on how preparatory studies should address the most frequent issues. Although we find some of the guidelines satisfactory (e.g. on multiple functionality of products), we regret the wording of other guidelines (e.g. non-quantifiable functionalities, rebound effect) and the lack of recommendation on key aspects (e.g. product durability).
- Finally, the paper provides comments on the second part of the study dedicated to the link between Ecodesign and other environmental impacts and policies than energy in the use-phase. We call on the consultants to provide their views and recommendations on how to address such consumer-relevant issues as the use of nanomaterials or the accessibility of products in Ecodesign.

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Background

The original “Methodology for the Ecodesign of Energy-using Products” (MEEuP)¹ was developed in 2005 to “allow evaluating whether and to which extent various energy-using products fulfill certain criteria that make them eligible for implementing measures under the Ecodesign Directive 2005/32/EC”². In 2009, the Ecodesign Directive was amended to accommodate energy-related products, i.e. products which do not use energy directly but which have an impact on energy consumption (e.g. windows). With the extension of the Directive’s scope, it has become necessary to update the methodological guidance underpinning the preparatory studies for each product group. Consultants VHK, already in charge of writing the MEEuP 2005, were tasked by the European Commission with writing a study which should lead to the Methodology for the Ecodesign of Energy-Related Products (MEErP).

1. Consumer concerns regarding the framework of the study

ANEC and BEUC regret the conditions in which the present VHK study on the Ecodesign methodology was commissioned. We have three main concerns:

(comment 1) First, we believe that asking the same company (VHK) to evaluate the merits of an instrument that they have themselves produced does clearly constitute a case of **conflict of interest**. The European Commission displayed questionable judgment in the matter, irrelevant of the intrinsic competence of the VHK company.

(comment 2) Secondly, we strongly regret the **very short duration (6 months)** given by the European Commission to the consultants to carry out the evaluation of the methodology and suggest an improved version. Moreover, the timing (draft reports available in July) did not put stakeholders in the best conditions to provide adequate input and feedback. Certainly, the limited duration and the questionable timing is not an indication of a strong commitment of the European Commission’s Directorate General for Enterprise (DG ENTR) to the Ecodesign process.

(comment 3) Finally, we regret the **lack of a coordinated approach to the different studies currently targeting Ecodesign**. Stakeholders were asked to spend time and resources contributing notably to the study on the methodology, launched by DG ENTR, and on the evaluation of the Ecodesign Directive³, commissioned by the same DG ENTR. The latter evaluation also looks at the methodology for Ecodesign and specifically polled stakeholders on that subject. We call on the European Commission to take into account the findings of the evaluation of the Directive before adopting a new methodology.

¹ VHK BV, Netherlands: Methodology Study Ecodesign of Energy-Using Products, MEEuP Methodology Report, Tender No.: ENTR/03/96, Final Report: 28/11/2005.

² http://ec.europa.eu/enterprise/policies/sustainable-business/ecodesign/methodology/index_en.htm

³ Evaluation carried out by CSES; http://www.cses.co.uk/ecodesign_evaluation/home/

2. The methodology MEEuP 2005

(comment 4) The study acknowledges that the MEEuP 2005 methodology, compared to its US equivalent, focuses more on existing standards and legislation and less on the economics for the consumer⁴. ANEC and BEUC very much second this analysis. In fact, the analysis of consumer behaviour and economics in relation to a given product⁵ usually makes for **one of the weakest sections of the Ecodesign Preparatory Studies**.

Although the consultants agree that the consumer angle in the EU Preparatory Studies is not as strong as in equivalent schemes in other major economies, we regret that they do not more thoroughly investigate the need and potential to improve this chapter, in particular with regard to consumer behaviour⁶. See section 4 (“Proposed new structure of preparatory studies”) below for our specific comments and suggestions on Task 3 (“Users”) in the MEErP.

3. Eligibility of products

(comment 5) Page 15 of the Draft Report Part 1 reads as follows:

“The Table 1 shows that the number of 200.000 units should indeed be seen as indicative. For consumer products (B2C) it represents roughly replacement sales a product with a product life of 10 years and a market penetration of 1% in a mature market. For consumer products, a minimum of 1 million products, equivalent to 5 % market penetration in the 200 million EU27-households is more appropriate.”

It is not clear whether the consultants are merely describing past practices in the selection of products or whether they prescriptively argue that a minimum of 1 million products sold per year would be a more appropriate threshold than the current indicative threshold of 200,000 units sold per year⁷. If this comment is to be read as prescriptive, it is problematic that the consultants do not further explain why a 1-million-units threshold would be preferable to the 200,000 threshold or to having no threshold at all.

ANEC and BEUC are of the opinion that if consumer-relevant products sold in fewer quantities than 1 million units pose significant environmental issues or present great improvement potential (which translates in significant potential savings for consumers), they should certainly be looked into as well, once products with more significant savings potential have been targeted.

⁴ Project report page 14, under « Comparison to the MEEuP EU Ecodesign Methodology”.

⁵ A section referred to as the “Task 3 report” found in each preparatory study on a given product group.

⁶ The Draft Report Part 1 section on Task 3 (pages 55 to 67) looks at the interaction between products and systems as well as ways to tackle “indirect Energy-related products” such as windows. It does not, however, include new recommendations on how to address the consumer behaviour angle. The Draft Report Part 2, page 165, merely hints at the issue and only provides information on residential dwellings’ heating needs.

⁷ As detailed in the Ecodesign Directive, article 15(2)a.

When it comes to the “number of products” criterion, we believe that the threshold should remain indicative and low by default (possibly down to 50,000 units sold per year). More than a given threshold, it is the **dynamics of the market** which should be considered by consultants in the preparatory studies. The case of robot vacuum cleaners is a good example of a “niche” market bound by all accounts to have surpassed the 200,000 units mark long before a revision of an implementing measure on vacuum cleaners is in order. Tests and articles found in the publications of the European consumer organisations can greatly help assessing these trends.

4. Proposed new structure of preparatory studies

The study recommends a new structure for the preparatory studies under Ecodesign. The new structure is largely similar to the structure of the MEEuP 2005 but includes some changes as well.

(**comment 6**) The updated Task 3 (labelled “Users” in the proposed new methodology) builds on the previous MEEuP methodology. The “End-of-life behaviour” and “Local infra-structure” chapters of Task 3 in the MEEuP remain almost identical in the suggested MEErP, while the “real-life efficiency” chapter is significantly expended. In particular, **ANEC and BEUC welcome the recommendation to extend the scope of the analysis** to:

“controllability of products (flexibility and efficiency to react to different load situations), to the quality of possible controls (sensors, actuators, central processing unit) and/or to the quality of auxiliary devices that may or may not be part of the ErP as placed on the market”.

(**comment 7**) However, we regret that no alternative is put forward for cases of product groups where it is not possible to “*identify, retrieve and analyse data*”. Yet, experience has shown that **lack of data on consumer behaviour has been a major obstacle to the completion of quality Task 3 reports**.

We therefore believe that the following ANEC/BEUC suggestions for improvement should be investigated by the authors of the study:

- Where independent, detailed information and research on consumer behaviour with a given product is lacking (as is often the case for products tackled under the Ecodesign directive), consultants or in-house **experts working on Preparatory Studies should have the means and the obligation to carry out their own research**;
- This research could consist in e.g. consumers’ focus groups, follow-up of households by teams of specialists and/or surveys. The involvement of consumer organisations in the definition of the “terms of reference” of such research should in turn be sought by the consultants.”

(comment 8) ANEC and BEUC welcome the recommendation – already present in the MEEUP 2005 – that **consultants working on Ecodesign preparatory studies should identify “trends in product design/features, illustrated by recent consumer association tests”**⁸. However, the study refers to consumer association tests as “*anecdotic, not necessarily valid for the whole of the EU*”. Although it is correct that consumer organisations’ tests do not claim to be fully representative of the diversity of products put on the market, our members routinely test in priority the most-sold products on the market. The test results published in each national consumer magazine after an ICRT⁹ test project correspond to the market trends observed in each specific country¹⁰. We therefore believe it inadequate to qualify these consumer tests as “*anecdotic*”.

5. Proposed guidelines for the preparatory studies

The study looks back on past Ecodesign preparatory studies carried out under the MEEUP 2005, and offers guidelines on how to address several of the most frequent issues met in the course of the studies. The study does not, however, elaborate on other, crucial issues such as product durability. In the following paragraphs, ANEC and BEUC comment on the guidelines (or lack thereof) found in the study.

Product durability

(comment 9) Reduced durability of products (and its corollary *planned obsolescence*) is a reality in product design nowadays¹¹. Yet, the word “durability” is not used in the 320 pages of the study. The study does not provide guidance for future preparatory studies on how/whether to make recommendations (in Task 8 “Policy recommendations”) on extending the lifetime of products through an Ecodesign implementing measure. The study does not advice preparatory studies on how to investigate the potential of some policy measures (e.g. extending the legal guarantee, banning the use of certain materials for key components, banning the use of “machine-killers”¹²).

In the past, we have asked for setting Ecodesign requirements which would contribute to prolonging the product’s lifetime. This will be even more important when the products will be brought to their technical optimum regarding resource use. Such requests have always been rejected by the European Commission with the argument that they would not have the basis to develop such criteria. For this reason we call on you to include into the methodology a requirement which will look into the technical improvement options for product lifetime. This is already done in the EU Ecolabel scheme; this good approach could also be incorporated into Ecodesign. For instance the Ecolabel criteria for laptop computers foresee a minimum number of USB-ports to connect external devices to the laptop. This requirement ensures for instance that a

⁸ Point 2.3.3 of the suggested new structure of Ecodesign Preparatory Studies; MEEUP Methodology Part 1 – Draft report, page 26.

⁹ International Consumer Research and Testing, the testing platform common to several of ANEC and BEUC member organisations.

¹⁰ Tests carried out by ICRT will typically look at more products than eventually make it in a given national consumer organisation’s publication. This is because each consumer organization involved in an ICRT test project publishes the ICRT test results for these appliances most present on its own national market.

¹¹ See documentary *Prêt à jeter*, Cosima Dannoritzer, Arte, France, 2010: <http://www.arte.tv/fr/3714422.html>. The documentary was notably screened at the DG Environment’s Green Week 2011 in Brussels.

¹² i.e. these components, found in e.g. certain printers, which are designed to terminate the product after a certain number of uses.

laptop will be better equipped to keep up with technological changes and new innovations and may therefore being used longer. Another example could be to require manufacturers to offer spare parts even several years after a model disappeared from the market.

Multiple functionality of products

(comment 10) ANEC and BEUC welcome the recommendation that *“in case of multiple functionality, the Ecodesign measures should address and **set minimum requirements for each functional parameter individually** (not e.g. design a weighted average parameter)”*¹³. This is a very sensible approach which guarantees transparency for consumers.

Different capacities within a same product group

(comment 11) ANEC and BEUC second the consultants’ statement that using the capacity or the size of an appliance as the functional unit in an Ecodesign measure can lead to a situation where large, more energy-consuming products receive a better rating [on the Energy Label] than smaller appliances consuming less energy in total. This is best exemplified by the Ecodesign measure for domestic fridges, where the functional unit is expressed in kWh electricity per unit of cabinet volume. However, the consultants’ suggestion to create *“appropriate sub-categories of products”* to avoid that situation is not satisfactory. Should two categories of products be consumer-relevant (and not based on a domestic/commercial divide, for instance), the risk remains that products accomplishing a same function are not labelled on the same basis, thereby confusing consumers. This risk should be stated more clearly in the study.

Non-quantifiable functionality

(comment 12) In cases where the functional unit is not easily quantifiable, the consultants argue that policy-makers should set only limited hard requirements (*“if any”*) and provide consumers with ample information (e.g. through labelling) on the features offered by the wide range of different models within a same product group¹⁴. To illustrate their concerns over “non-quantifiable” functionality, the consultants give the example of the efficiency of domestic luminaires, which - they admit themselves - *“for sure is quantifiable (e.g. in lm/W)”*. Still, the consultants argue, efficiency of domestic luminaires is a domain *“where the legislator cannot propose a minimum without objections from citizens”*.

We agree that the consultants’ reasoning may make sense for certain products. However, it is awkwardly - and at times contradictorily - expressed in the Draft Report. We argue that too often, hypothetical “citizens’ concerns” are raised by interested parties to prevent the adoption of strong requirements¹⁵. We believe there is a confusion on the part of the consultants as to what triggered negative reaction in a certain press and among (part of) the public opinion regarding the phase-out of incandescent light bulbs. We argue that consumers may have been put off by the phase-out of incandescent light bulbs not so much because it directly *“[limited] their consumer choice”*, but because of the sub-par quality of the alternative options: too many CFLs did not meet their claimed levels of performance in efficiency but also other critical parameters in the eyes of consumers (lifetime, number of switching cycles,

¹³ Draft Report Part 1, page 36

¹⁴ Draft Report Part 1, page 38

¹⁵ Industry has recently argued against setting requirements on coffee machines which could change the taste of coffee, for instance.

etc). Adequate, consumer-friendly requirements on CFLs could have instilled greater consumer confidence in the replacements for incandescent light bulbs.

ANEC and BEUC therefore suggest that the paragraph be rewritten so as not to lead preparatory studies' experts to believe that they should refrain from recommending setting hard requirements whenever a functionality borders the "unquantifiable".

Design option incremental costs

(comment 13) The consultants argue that *"the price increase due to product design improvements is a very important dimension, because it sets Least Life-Cycle Cost target levels and largely determines the revenues for business stakeholders and affordability for consumers"*¹⁶.

We do not agree with the presupposition that an improvement in the energy efficiency of a product necessarily leads to an increase in price. The price of a product may perfectly decrease, especially once the market has embraced a new technology/approach to the product's efficiency.

With that in mind, we welcome the cautious approach to the mechanisms of price-setting considered by the consultants: prices depend not only on what the new (environment-related) features would actually cost, but also on what the market is willing to pay.

(comment 14) The consultants further recommend that industry and trade experts be interviewed (e.g. through a questionnaire) to acquire their estimate of the price data. In this context, we recommend that information also be sought from consumer organisations that regularly purchase hundreds of products to carry out their tests and also regularly carry out price comparison exercises.

Moreover, when establishing the long-term price evolution stemming from a design option, we recommend that the consultants or in-house experts working on a preparatory study present separately two calculations: one following the strict "bottom-up" approach described in the study¹⁷ and consisting in breaking the price evolution into all relevant drivers, the other following the same approach but not including VAT nor retail margins. The presentation of the two calculations separately can inform policy-makers and stakeholders more readily on which part of the price evolution is unavoidable (production-side) and which part of the price evolution could be mitigated by other instruments targeting the supply side (e.g. choice-editing, CSR) and policy instruments targeting the taxation-related component of the street-price.

Rebound Effect

(comment 15) The study barely hints at the Rebound Effect¹⁸. The consultants admit that this parameter is used in the US Department of Energy's Appliance Standards programme, but argue that it is enough to address the Rebound Effect *"qualitatively"* in the preparatory studies (in Task 7 "Scenarios"), because the Rebound Effect is seen as *"often more speculative [of a parameter than other parameters]"*.

We consider that the consultants dismiss the Rebound Effect and recent research on the subject too rapidly. We refer to the DG Environment-funded "Adressing the

¹⁶ Draft Report Part 1, page 124

¹⁷ Draft Report Part 1, page 124

¹⁸ Quickly defined in the Draft Report Part 1, page 121 as *"the extra sales of an energy-related product and/or the extra use of that product because the consumers are no longer inhibited by feelings of 'guilt' and/or by the running costs."*

Rebound Effect” project¹⁹, which has mapped dozens of studies providing quantified analysis of the rebound effect for given products and services. We should read more in the study about concrete ways to address the Rebound Effect in Ecodesign preparatory studies.

6. Other environmental impacts

Part 2 of the study focuses on a range of environmental impacts associated with products falling under the scope of the Ecodesign Directive. Part 2 “*provides key numbers, trends, main sources of the impacts and how the [given environmental] parameter was included in Ecodesign studies so far*”. ANEC and BEUC welcome the effort by the consultants to map the environmental impacts of products. However, several sections lack interesting data.

(**comment 16**) The noise issue is addressed²⁰ almost exclusively from the perspective of traffic (figure 64) in urban zones (figure 65). Although the immediate relevance of this angle for domestic products is difficult to find, we believe we should read more about the impact of interior noise, e.g. in terms of data available and societal impact (e.g. impact on neighbours). We should also read the consultants’ perspective on the feasibility of covering the noise issue in Ecodesign with **the sound pressure parameter** (and not the less realistic *sound power* parameter used so far in Ecodesign measures).

(**comment 17**) In the section “*Other health-related impacts*”²¹, the consultants describe the basic features of the RoHS²² and REACH²³ legislation. Although Part 1 of the study is supposed to look into details into how to tackle health-related impacts in the preparatory studies, it offers very little detail as to what these impacts might be and how to address them adequately in EU legislation. Among other topics, we should read the consultants’ perspective on the relevance for Ecodesign:

- Of the **effects of light** on the human body (indoor and outdoor “light pollution” caused by products emitting unnecessary light, for instance), very much like is done for noise pollution page 99;
- Of the ongoing debate at the SCENIHR²⁴ level of the **health impacts of artificial light**;

¹⁹ <http://rebound.eu-smr.eu/>

²⁰ Draft Reprot Part 2, page 99

²¹ Draft Reprot Part 2, page 99

²² Restriction of Hazardous Substances (Directive 2002/95/EC).

²³ Registration, Evaluation, Authorisation and Restriction of Chemicals (Regulation (EC) No 1907/2006).

²⁴ Scientific Committee on Emerging and Newly Identified Health Risks, notably active on the health effects of artificial light.

- Of the use of **nanomaterials** in consumer products. We believe that it will be important to focus in the preparatory study on the use of nanomaterials. While nanomaterials are not dangerous simply because of their size, it is commonly understood that nanomaterials do have new properties related to their small size and that only little is understood yet with regard to potential negative health impacts and impacts on the environment. The Joint Research Center of the EU is currently looking into the use of nanomaterials on the market. The study which will be published in October 2011 is part of the Commission exercise to reply to the European Parliament resolution on the safety of nanomaterials.

(**comment 18**) The consultants should give their perspective on how to approach the question of **accessibility of products** in the Ecodesign preparatory studies (notably in relation with the wide but inconsistent range of standards governing the accessibility of products). For instance, the question of how easy-to-use vacuum cleaners are was indirectly tackled by the European Commission in its proposal to consider “head-movement resistance” in the calculation of the annual energy consumption of vacuum cleaners. In future product groups (e.g. tapware, heating controls), there might be a **trade-off between efficiency and accessibility**. The consultants’ views on how to approach and possibly avoid this trade-off situation should be included in the MEErP.

END.