

## Promote innovation instead of double regulation

The issue of setting ecodesign requirements on components integrated in products that are already themselves covered by ecodesign measures is a priority concern for our industry. This recent practice, is endangering freedom to innovate without any benefit for either consumers or the environment.

We believe that this approach is flawed for the following reasons:

- Manufacturers should be able to choose the best combination of components whilst ensuring the ecodesign requirements for the final equipment are met
- Regulating components does not necessarily lead to a more energy-efficient products from a least life cycle cost perspective
- The proposal's effect on spare parts will endanger their availability, thereby hampering reparability and lifetime of the final product
- A "one size fits all" approach, when setting requirements for components used in a number of different applications, will not deliver the expected results in terms of energy savings

When a product is covered by an ecodesign measure, manufacturers will do everything necessary to meet the requirements imposed by the legislation. This entails investment and extra costs that often cannot be passed on to the consumer.

Imposing the choice/use of specific components in the design process would draw on resources that the producer could use to invest in innovative and more energy efficient solutions. By allocating resources where more efficiency can be achieved, the consumer receives an affordable and efficient product.

It is with this and the least life cycle cost perspective in mind that we firmly challenge the assumption that a regulated component leads to a more energy-efficient product. Dictating the selection of specific components, for products that already comply with ecodesign requirements, adds no extra benefit, whilst imposing constraints that will certainly add costs. In most cases, there is no return for the consumers and innovation is hindered. This also goes against the principle of Art. 15 of the Framework Ecodesign Directive stating that products addressed by regulations shall present significant potential for improvement in absence of other relevant Community legislation.

A critical point, in the approach of regulating products in products, is the disparity between the "typical" use of the component and its "real" use when operating in the final product. Setting requirements across the board, based on a hypothetical typical use, makes any assumptions regarding least life cycle cost ineffective. A component will deliver very different results on efficiency depending on which appliance it is installed in, how it is installed within the appliance, and how the appliance uses it.

Indeed, many of the components under discussion are produced for very specialised applications and in several cases, are not available to purchase as a standalone product on the common market. It should also not be forgotten that the saving potential of components (e.g. motors, lighting, pumps, fans) used in products covered by ecodesign requirements, which are only in use for a limited time, are negligible.

Another concern exists regarding the availability of spare parts for components integrated in products covered by ecodesign requirements. Given that the lifetime of certain products is often higher than ten years, the availability of original spare parts must be guaranteed to ensure the reparability of equipment without altering the conformity of the entire product, from a technical, as well as safety point of view. Therefore, spare parts should always be exempted according to the 'repair as produced principle' applied for instance in the RoHS Directive.

The reason identified by the Commission to set requirements on products integrated into other products – already covered by ecodesign regulations – is the fear of inadvertently creating a loophole. The Commission outlines its concern that a possible lack of appropriate market surveillances is a reason for imposing double legislation. They present two possible different cases: the first one would be the placing on the EU market of a finished product (washing machine, airconditioners, etc..) where there clearly is no loophole problem as all possible components are already integrated in the final product. The second case would be the placing on the market of the single component where loopholes could possibly occur.

A solution to this problem would be to clearly differentiate both cases. If the exemption for components integrated in products already covered by ecodesign regulation is clearly formulated in the regulation, market surveillance could be organized in a very targeted way, whereby ecodesign regulated products would fall out of scope. If compliance verification would be done on the component level being brought as such on the EU market, downstream supply chain tracking could be performed, like upstream supply chain tracking is already being performed today.

The Commission correctly says that products destined for third countries or those to be integrated in equipment intended for third countries are exempt from ecodesign requirements. If market surveillance works effectively in this case, it should not represent a problem exempting products intended to be part of equipment already covered by ecodesign measures.

Finally, when justified, "vertical" measures, addressing the performance of specific products, are preferred over "horizontal" regulations. This would also address the inevitable misalignment of the entry into force of vertical and horizontal requirements.

**We call upon the European Commission and Member States to avoid double regulation that would add unnecessary burden, increase costs and hinder innovation.**

## About CECED

CECED is a Brussel-based association representing household appliance manufacturers in Europe. Its members, European producers and non-EU companies that have operations in the EU, cover around 90% of the European market of household appliances. The products manufactured range from large (refrigerators, washing machines), small (vacuum cleaners, coffee machines) to heating, ventilation and air conditioning appliances (heaters, heat pumps). With a turnover of 35 billion euros and half a million employees, this is a major sector for the EU economy. CECED has 19 Direct Members and 26 National Associations covering 25 countries. [www.cec.eu](http://www.cec.eu)

## About DIGITALEUROPE

DIGITALEUROPE represents the digital technology industry in Europe. Our members include some of the world's largest IT, telecoms and consumer electronics companies and national associations from every part of Europe. DIGITALEUROPE wants European businesses and citizens to benefit fully from digital technologies and for Europe to grow, attract and sustain the world's best digital technology companies. DIGITALEUROPE ensures industry participation in the development and implementation of EU policies. DIGITALEUROPE's members include 58 corporate members and 36 national trade associations from across Europe. Our website provides further information on our recent news and activities: <http://www.digitaleurope.org>

## About EHI

EHI, the Association of the European Heating Industry, represents 90% of the European market for heat and hot water generation, heating controls and heat emitters, as well as 75% of the hydronic heat pump market. Our Members produce advanced technologies for heating in buildings, including: heating systems, burners, boilers, heat pumps, components (such as fans) and system integrators, radiators, surface heating & cooling and renewable energy systems. In doing so, we employ directly more than 120.000 people in Europe and invest more than half a billion euro a year in energy efficiency. [www.ehi.eu](http://www.ehi.eu)

## About EPEE

The European Partnership for Energy and the Environment (EPEE) represents the refrigeration, air---conditioning and heat pump industry in Europe. Founded in the year 2000, EPEE's membership is composed of 40 member companies, national and international associations. EPEE member companies realize a turnover of over 30 billion Euros, employ more than 200,000 people in Europe and also create indirect employment through a vast network of small and medium---sized enterprises such as contractors who install, service and maintain equipment. EPEE member companies have manufacturing sites and research and development facilities across the EU, which innovate for the global market. As an expert association, EPEE is supporting safe, environmentally and economically viable technologies with the objective of promoting a better understanding of the sector in the EU and contributing to the development of effective European policies. Please see our website ([www.epeeglobal.org](http://www.epeeglobal.org)) for further information.

## About JBCE

Created in 1999, the Japan Business Council in Europe (JBCE) is a leading European organization representing the interests of more than 70 multinational companies of Japanese parentage active in Europe. Our members operate across a wide range of sectors, including information and communication technology, electronics, chemicals, automotive, machinery, wholesale trade, precision instruments, pharmaceutical, railway, textiles and glass products. Together, our member companies represented in 2013 global sales of 1.4 trillion euros. Building a new era of cooperation between the European Union (EU) and Japan is the core of our activities. [www.jbce.org](http://www.jbce.org)