

**The future of Energy Labels in Europe
A consumer and stakeholder approach to
the revision of the EU Energy Label**

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www.barenergy.eu**

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Energy	Washing machine
Manufacturer Model	
More efficient Less efficient	
Energy consumption kWh/cycle <small>(based on standard test results for 60°C cotton cycle) Actual energy consumption will depend on how the appliance is used!</small>	1.75
Washing performance <small>A: higher G: lower</small>	A B C D E F G
Spin drying performance <small>A: higher G: lower Spin speed (rpm)</small>	A B C D E F G 1400
Capacity (cotton) kg	5.0
Water consumption	5.5
Noise (dB(A) re 1 pW)	Washing 5.2 Spinning 7.8
<small>Further information contained in product brochure</small>	

Best before June 2009:

- Because it is still uncertain what the result will be of the ongoing revision process.
- There are disagreements between the member countries
- There are disagreements between the EU-Commission and the EU-Parliament
- There are different opinions among stakeholders

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- The European Union's mandatory labelling of electric appliances has been an attempt at changing behaviour of consumers as well as of producers/importers.
- Appliances in the market should be labelled for their energy efficiency, rating from A to G, with A being the best.
- Rather quickly, and according to the intentions of the legislator, the inefficient appliances seemed to disappear, and As and Bs started to dominate the market (for nearly all product categories)
- From 2004 this led to a change, where for fridges and freezers the A category had to be subdivided into three classes: Standard A, A + and A ++. Some A ++ machines are as much as 60 % better than Standard As in terms of energy efficiency
(<http://www.energylabels.org/eulabel.html>)

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- This means that the mandatory EU energy label has been hit by its own success, and needs a *revision*. A scale where letters lower than B are not in use, seems rather inefficient as a market tool.
- There has been a common understanding among relevant stakeholders and political authorities on national and European level that a revision is necessary.
- There is also an agreement that the new label has to be more *dynamic*, in order to include future technical innovations, without having to restart the bureaucratic revision process.
- The stakeholders have so far not been able to agree on how this dynamic dimension might be included in the scheme. The revision of the Energy label is the theme of this paper.

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The framework for our analysis is the BAREENERGY project, funded by the ENERGY part of the 7FP. We have identified the following barriers for change in energy consumption among households and consumers :

- 1) Physical and structural barriers,
 - 2) Political barriers,
 - 3) Cultural-normative or social barriers,
 - 4) Economic barriers,
 - 5) Knowledge based barriers and
 - 6) Individual-psychological barriers
- This paper deals mainly with the relationship between the *political barrier* (or level) – the EU energy label – and the *knowledge based barrier*: consumers' knowledge, trust and use of the label as information tool for purchase behaviour

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- **The debates between the relevant stakeholders; political authorities, businesses, NGOs, science, constitute the data for this paper**
 - Documents and web-sits from the stakeholders
 - Interviews with stakeholders
- **Our main objectives are:**
 - *What are the main dimensions and positions of the actors in the revision of the EU energy label, and how may these different positions be explained?*
 - *Will the new label contribute to overcome barriers for individual behaviour and households practices?*

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Theoretical contributions

- In many ways it is easy to place labels as relevant tools within the paradigm of various rational choice theories,
- However, labels may also play a significant part within other models of consumer behaviour.
 - Symbolic meaning of consumption (Veblen, Baudrillard)
 - Ordinary consumption (Gronow&Warde)
 - Theory of Practice (Bourdieu, Reckwitz)
 - Politics of Consumption (Micheletti)

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Our main focus is the revision of the well-known Energy label.

We are not in this paper addressing important topics such as:

- **The common agreement among to expand the label to other product categories such as televisions and non-households energy-using products, such as electrical motors.**
- **The agreement to extend the labels to non-energy using product, such as windows and tyres.**
- **Various discussions on**
 - **control regimes,**
 - **testing methods and**
 - **enforcement practises**

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The EU Commission has been working with a revision, and the need for radical changes was announced both in the Energy Efficiency Action Plan in 2006 and in the Sustainable Consumption and Production Action Plan from 2008.

The Commission used a stakeholder dialogue in the development of the revision of the Council Directive 92/75/EEC. The consultation process included three elements:

- Web-site input between December 2007 and February 22, 2008**
- Workshop on February 8, 2008**
- Written answer from various stakeholders**

Based upon these feedbacks the EU Commission developed their proposal for a revision of the directive for the European Parliament and the Council in November 13, 2008 (COM (2008) 778 final).

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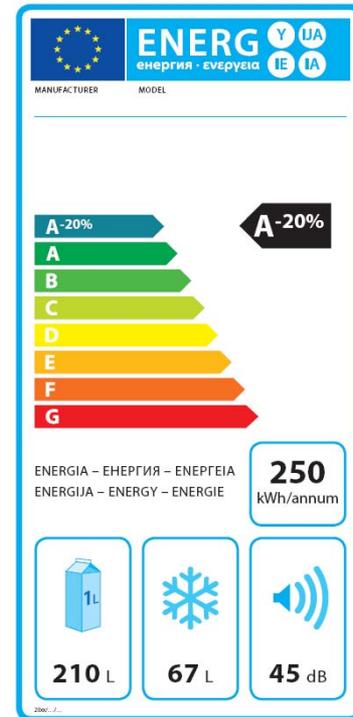
Three positions in the revision of the A-G scale

- **We are able to identify three main positions in this discourse, held by the following agents:**
 - **The European Commission**
 - **The European Household Appliance Industry**
 - **European Consumer organisation and Environmental NGOs**

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The European Commission

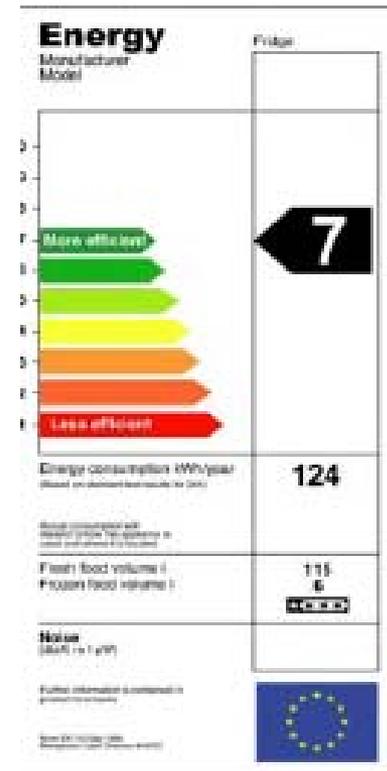
- The new Energy label proposal has kept the A-G scale, but has at the same time introduced the possibility to label products beyond the A criteria.
- The A+ and A++ labels are replaced with a percentage showing the additional savings they provide when the product is compared with a standard A classification. A -20%, means that the product is 20% better than the A class



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The European household appliance industry

- In the stakeholder consultation in January/February 2008, CECED proposed to replace the A-G with a numerical open ended scale starting at 1.
- A direct translation will mean that A-G becomes 7-1, where 1 is the poorest quality.
- When technical innovation takes place it is easy to expand the scale from 7 to 8 or 9 without any bureaucratic problem.



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The European consumer organisations

- **BEUC/ANEC has the last year defended the existing A-G label.**
- **The reason for this is that the label has been a success; it has functioned as a communication tool in the market.**
- **Consumers know the label, and they trust the system. There are no reasons to make radical changes.**
- **BEUC/ANEC is also in favour of a flexible and dynamic label. This could be taken care of by periodic changes in the criteria:**
 - 2010 - 2012



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- **The EU Parliament have not supported the Commission proposal for the new energy label.**
- **In the May voting the EU Parliament were more in line with the position of the Consumer organisation:**
 - **The A -20% is difficult for consumers to understand, they may even misunderstand the label**
 - **The position of the industry was not supported, neither by the Commission nor the Parliament,**
 - » **The industry ended up supporting the Commission's proposal**
- **The Commission have to come up with a new proposal, but this will be delayed by the election: we will soon have a new Commission and a new Parliament**

Conclusions

- **Technical barriers and innovation.** During the last decade most of the producers were able to meet the A standards This is an indication that the label not any longer functioned as a platform for technical innovations With the new labelling scheme the Commission probably will re-establish it as platform for change.
- **Political barriers.** The way the EU-commission has run the revision process may have influenced the political legitimacy of the label. Both the consumer organisations and the industry associations have proposed alternative solutions to the revision, but they will probably continue to support the label.
- **Knowledge barriers.** This is more problematic. Studies have shown that consumer preferred the old label, and a new design may confuse large consumer groups. The use of the label has been a routinised practise for large consumer groups and the label will probably survive the current European political disturbances.