

## ARCE, Romanian Agency for Energy Conservation

### **CEECAP - Implementing EU Appliance Policy in Central and Eastern Europe** **Romania National Market Introduction Plan - List of problems and their potential solutions**

#### Introduction



The *Intelligent Energy Europe (IEE)* project *CEECAP – Implementing EU Appliance Policy in Central and Eastern Europe* has the objective to facilitate and organize national and regional activities to improve the implementation of *European Appliances Energy Efficiency Policy* with the main focus on creating suitable conditions for implementing the energy labelling. *Romania is participating in this project.*



*The aim of CEECAP project is on the one side to increase experience of the government experts, energy agencies representatives, other institutions regarding the implementation of legislation, the control and verification on the market introduction aspects, and on the other side to increase the interest of manufacturers, importers and retailers regarding the promotion and sales of the energy efficient appliances.*

*Main activities of CEECAP project are:*

- the identification of the national contacts groups (the representatives of the governmental and decision maker experts, authorities responsible with the implementation of appliances policies, manufacturers, importers, dealers, consumers organizations, NGO-s);
- organize the seminars and training of the targeted groups on energy labeling;
- design and preparation of national actions to improve the implementation of energy appliances policy;
- exchange experience, dissemination the best practices, cooperation opportunities and knowledge transfer.

*The results of the CEECAP project will be a significant increase in **the energy efficiency of the appliances sold** (improved policy infrastructure for appliances labelling and efficiency, increase control and verification on the market on retailers' compliance, a good consumer's response to labels) and in **the energy and carbon emissions savings.***

**This document** – *the proposal of the National Market Introduction Plan*, lists the main issues related to the energy labeling of appliances from the retailers' and manufacturers' point of view. The discussions of the main current issues with them are conducting to the proposal of a plan with solutions to the problems observed.

It's goal is to introduce possible solutions, practical advice and best practice experience related to these problems and provide assistance on behalf of the *CEECAP project* to all involved partners with the goal to promote energy labelling and more energy efficient appliances.

*In the year 2008 this document will be followed by an Implementation Document, which will list concrete activities undertaken by CEECAP partners, manufacturers and retailers institutions and other market players.*

**Note:** *For further information about the situation in the Romania please consult the „Summary of state national compliance and of the government activities – Romania” document, available at: [http://www.ceecap.org/img\\_assets/File/D4\\_Romania\\_ARCE.pdf](http://www.ceecap.org/img_assets/File/D4_Romania_ARCE.pdf)*

## ***SUMMARY TABLE***

The following table summarizes the problems and activities suggested by *CEECAP project on the market introduction point of view*:

<b><i>Target activity or target group</i></b>	<b><i>Goals (of CEECAP and in general towards labels promotion)</i></b>	<b><i>Proposed activities</i></b>
Appliances should be labeled in the shops	Ensure that labels are used properly in all shops and on all appliances categories	<p><i>Contact and help the retailers to be sure that they have knowledge about the legislation that impose the obligation to put on the market only labeled appliances</i></p> <p><i>Retailers trained on appliance energy efficiency issues and sales arguments</i></p> <p><i>Providing information about energy appliances labeling: legislation, model of label, list of appliances labeled</i></p> <p><i>Providing information on annual report on verification and control program</i></p> <p><i>Organization of training and repeated this several time over a two years.</i></p>
Proper information on labels	Ensure organization of controls and checks	<p><i>ARCE inspectors trained in compliance checking in shops and of appliances energy efficiency declarations:</i></p> <ul style="list-style-type: none"> <li><i>- visiting shops inspections</i></li> <li><i>- checking products compliance (conformity declaration in the technical documentation that is in the responsibility of manufactures, importers)</i></li> </ul> <p><i>Biannual analysis of control activity with ARCE inspectors regarding products compliance on the market.</i></p> <p><i>Inform about results of annual controls program (see annual report of ARCE activities, published on <a href="http://www.arceonline.ro">www.arceonline.ro</a> )</i></p>
Promotion energy labeling towards the public	Increased involvement in promoting efficient appliances and energy labelling to customers	<i>Preparation of the promotion materials and sustain education campaigns and training for the retailers use</i>
Change the consumers behavioral regarding the more efficient appliances	Ensure consumers information related the benefits of using more efficient appliances	<i>Increased consumer awareness on appliance energy efficiency characteristics, labels and the costs and</i>

		<p><i>benefits of more efficient products</i></p> <p><i>Support development of communication strategy for consumers – message, logo, media activities, web site, etc.,</i></p> <p><i>Provide promotional material for information corner in retailer shops, municipal information points and ARCE territorial branches info point.</i></p>
Good interaction between manufacturers and retailers groups with state and public institutions	Adoption of new or problematic legislation	<p>Feedback to legislative activities of the state and public institutions by manufacturers and retailers groups</p> <p><i>When the MEF draft a new legislative proposal launches on website the proposal to be submitting of the public consultations and receive the feedback to improve it.</i></p> <p><i>Provide by the ARCE website the new or updated legislation</i></p>

## ***MAIN DISCUSSION POINTS***

### **• LEGISLATION:**

#### ***Current situation***

The Romanian Government has paid utmost attention to harmonizing the Romanian legislation with the Directives of the European Commission on household appliances energy efficiency. Government decisions for harmonizing the Romanian legislation with the Commission Directives have been issued for:

- *refrigerators, freezers and combination thereof;*
- *washing machines;*
- *combined washer-driers;*
- *household lamps;*
- *electric tumble driers*
- *dishwashers;*
- *electric ovens;*
- *ballasts for fluorescent lighting;*
- *air conditioner;*
- *boilers*

The Romanian Standardization Association has also adopted the specific European standards on methods for the energy performances measurement of appliances.

*All these Government decisions specify that:*

- *Only the household appliances that have a label informing about their energy consumption in a visible place and are accompanied by an EU harmonized form including different information, can be marketed.*
- *The supplier is responsible for the appliance labeling and for providing the label and all the information that is needed.*

*All Energy Labeling Appliances Government Decisions are in force.*

### ***Proposed improvement***

In Romania, the current legislation in place is in accordance with the EU energy labelling legislation and similar with the legislation of other *EU member states*. (*the list of labeled appliances, institutions enforced to control the implementation of energy labelling, potential actions to be taken to enforce the energy labeling*).

Taking into account of the *EU Commission* position related the ***appliances and equipment labelling and minimum energy performance standards***, in *Action Plan for Energy Efficiency to the Directive on Energy End-Use Efficiency and Energy Services*, the priorities regarding the future energy efficiency policy, will include the necessity to setting dynamic energy performance requirements for a wide range of products. For this, *EU Commission* will revise the *Framework Directive 92/75/EC* on labelling to reinforce its effectiveness. *The existing labelling classifications will be upgraded* and re-scaled every 5 years or when new technological developments justify it, based on eco-design studies, with a view to reserve A-label status for the top 10 – 20 % best performing equipment.

The *EU Commission* will ensure that appropriate measuring methods will be developed on time through *CEN/CENELEC* or other appropriate means. *Products that do not meet the agreed minimum requirements may not be put on the market.*

In this context, *Romania* should update the legislation in according with the *new EU legislation* on the requirements on energy efficiency follow the progress and dynamic of energy performance requirements for appliances taking account the justifiable technological developments.

### ***Activities to be taken***

*Romania* as new *EU member state* beginning to 1 January 2007 should have an energy efficiency policy in according with the *EU policy*. Already before its accession in the *EU member states*, the energy labelling legislation was in force in *Romania*.

*Romania* legislation imposes the introduction on the market only of the *appliances and equipment labeled in respect with the minimum energy performance standards*.

In present, on the market the majority of the appliances are of energy class *A to C*, the percent of *A and B class* appliances various on the market between 40-60% for different types of appliances. *On going* should sustain the activities that conduct to the increasing sales of energy efficient appliances: legislation, information campaigns, active monitoring and control on the market.

***Target:*** *ensure proper usage of energy labels, increase understanding and acceptance by retailers and manufacturers.*

***Within the CEECAP project we will:***

- *Support the upgrade of energy classes*
- *Support the inclusion of new appliances into the legal label system*
- *Support and assist with the control of the legal requirements to the state organizations*

- *Help retailers and manufacturers to undertake relevant activities*

- **APPLIANCE PRODUCERS:**

***Current situation***

**ARCTIC** is the most famous Romanian brand, reaching 99% brand awareness in two words: tradition and quality and the only Romanian manufacturer.

**ARCTIC** has almost 30% share on appliances market, with 40% share on refrigerators segment, 20% on washing machines segment (3rd place) and 20% on gas cookers segment (2nd player on the respective market).

**ARCTIC** is part of the **ARÇELIK A.S.** corporate group that became major **ARCTIC** stockholder of the company in 2002.

**ARCTIC** products are intended for both the domestic markets (50%) and the export markets (50%), the main ones being Great Britain, France, Spain and Germany.

**Brands available at national level, grouped by manufacturers:** the majority of the appliances manufacturers on the Romanian market are from abroad, European brands: for refrigerators: *Indesit, Whirlpool, Zanussi, Electrolux, Gorenje, Ariston, Beko* and for washing machines: *Indesit, Whirlpool, Arctic, Ariston, Beko, Zanussi, Bosch.*

Since the interest of the consumers for energy efficient appliances increase, are many appliances **A class** labeled on the market and producers are interested to use labels for the promotion of their efficient appliances.

***Proposed improvement***

Furthermore, increased general involvement of manufacturers in the promotion of energy labeling would be very welcomed and beneficial for the general public.

***Activities to be taken***

Ongoing the monitoring and control of the manufacturers related the implementing of the energy labeling system.

The manufacturers should be more active in the promotion of labels towards the retailers and the consumers. Their distribution network could be used to distribute the information widely and effectively on *appliance energy efficiency characteristics, labels and the costs and benefits of more efficient products.*

**Target:** *increase involvement in the promotion of energy efficient appliances, to be able to organize the system of distribution of labels towards all retailer groups and for all appliance products.*

***Within the CEECAP project we will:***

- *Support the improvement of the usage of labels by working with manufacturers and retailers*
- *Involve manufacturers into the labelling system by motivating them to use labels as a marketing tool*

- *Ensure that manufacturers within all product groups fulfill their role in the system of labelling, including the distribution of labels to retailers*
- *Motivate them to take part on educating retailers with respect to energy labelling of appliances*

● **RETAILERS AND INTERNET SHOPS:**

***Current situation***

We include in this section all market actors that are involved in day to day trading and purchasing of appliances importers, retailers.

*ARCTIC* has its own chain of retailers which sells only *ARCTIC* brand products. Also the *ARCTIC* brand is sold in every appliances store because of the brand public awareness and low price.

The largest retailers in Romania are:

- **FLAMINGO-FLANCO** (ca. 20% of market share) **85 stores**
- **DOMO** (20 % of the market share) **104 stores**
- **ALTEX (MEDIA GALAXY GROUP)** (30% market share) **120 stores**
- **COSMO** (5% of the market) **63 stores**
- **SELGROS + METRO** (5% of the market) **12 + 23 stores**
- **CARREFOUR ROMANIA** (1% of the market share) **5 stores**
- **CORA ROMANIA** (1% of the market share) **2 stores**
- **Independent retailers** (18% of the market share)

*Because we don't have hard data about the market share of the main actors on retailers market, we can only estimate this share.*

Publicity is organized at both the retail shop and manufacturers' level. Commercials are mostly on TV, Radio, newspapers and magazines, especially regarding prices of products.

Retailers show various responsiveness towards energy labelling of products which they sell.

In general, the large chains of shops have presence of labels in their shops. The system of delivery of labels on the chain of retailers has sometime problems with the sending of labels to the shops.

Internet shops show also the class labels of appliances when they publish the dates on the web.

In the internet shop catalogues, could meet sometime the same products with different energy consumption at the limit of *A class* to *B class*, and in this case the product are considered from *A class*, that is not true. Often, not all requested information about appliances are published in the catalogues.

***Proposed improvement***

Proposed improvement would means higher degree of presence of labels in shops, more pro active promotion of labels towards the customers.

***Activities to be taken***

Contact retailers and ask them to compliance for existing the energy labels at the points of sales, create an information corner for consumers in retailer shops, prepare concrete training for retailers on the importance of proper label usage.

Ongoing work with retailers to increase the presence of labels in their shops, use labels for active promotion of their products and select the most energy efficient products to be sold by them.

Also work with ARCE inspectors to perform their activity on monitoring and supporting the retailers to do concrete actions in implementing the energy labeling system.

**Target:** *ensure that labels are properly placed on all products and also properly described within internet and other catalogues, to use labels for active promotion of energy efficient products (in accordance with the legislation).*

**Within the CEECAP project we will:**

- *Undertake random shop inspection controls and inform retailers and the authorities bodies about the results*
- *Organize random control of the content of energy labels and its method of publication and inform retailers and the authorities' bodies about the results*
- *Increase the capacity of retailers to understand the system of energy labels and use it properly within their selling activities*
- *Motivate retailers for participating in marketing activities by using the energy labels for promotion of efficient appliances*

• **CONSUMER ORGANIZATIONS:**

**Current situation**

Consumer rights protection organizations are interested in the issue of energy labelling and energy efficient appliances. The NGO consumers association are enough active and visible on the market. They do not have sufficient funds for testing appliances on their own funds.

**Proposed improvement**

Continued support to providing information about the energy labelling and efficient appliances and to help to further increase the general knowledge of consumers about this topic.

**Activities to be taken**

Continued support for the NGO consumer groups in their public information campaigns. Also further organizations, such as the energy utilities, could be involved in informing their clients about the energy efficiency aspects of appliances.

**Target:** *motivate them to take their role in the control of proper labeling and testing of appliances, and informing customers about the advantages of orientation by labels*

**Within the CEECAP project we will:**

- *Provide information for further publishing, advising and promoting activities*
- *Motivate their orientation towards energy labelling and energy efficient appliances*
- *Involve other organizations, such as environmental groups, to be proactive in the promotion of energy efficient appliances through the energy labels*
- *Initiate testing of appliances if possible*

- ***Eco Flower logo***

***Current situation***

The *Eco Flower logo* (for environmentally friendly products) can be used on energy label for selected environmentally friendly products. For this logo which could be put on the energy label, the manufacturer has the right to use the *Eco Flower logo* only in the case in which obtains the authorization in according with the legislation.

The Ministry for Environment and Water Management, which is responsible for promoting the *Eco Flower logo*, is active in promoting environmentally friendly products. It is also interested in promoting energy labels and energy efficient products.

***Proposed improvement***

Information campaigns to sustain the *Eco Flower logo* and environmentally friendly products promotion.

***Activities to be taken***

Publishing and distribution of materials promotional to inform the consumers, focused on energy labels and environmentally friendly products.

***Target: exchange information between energy labels and the Eco Flower logo to promote energy efficient and environmentally friendly products towards clients, retailers, manufacturers and large purchasers***

***Within the CEECAP project we will:***

- ***Support common marketing and promotion efforts of the environmentally friendly products and the energy label for household appliances***

- ***Media:***

***Current situation***

Media representatives and journalists show interest in the energy efficiency, including the energy labelling and in the promotion of energy efficient appliances. This is a way to inform and increase the interest of the consumers related the energy efficient appliances.

***Proposed improvement***

More attention to this item would be of course beneficial. In addition, joining together with other potential partners would increase the impact, as more activities could be organized.

***Activities to be taken***

Always react upon concrete requests from journalists and provide information to them about energy labels and energy efficiency implications.

Ongoing to prepare and publish materials focus consumers' attention to this topic.

***Target: motivate for further promotion of energy efficient appliances***

***Within the CEECAP project we will:***

- ***Initiate publishing materials explaining and supporting the usage of energy labels***

- *Try to involve other partners to be more proactive in media publishing (including retailers, manufacturers, energy utilities, consumer and environmental groups, etc.)*

- ***Control organizations:***

***Current situation***

The Romanian Agency for Energy Conservation and the National Authority of Consumers Protection are the two authorities which are in charge with the control and enforce the proper implementation of energy labelling and the content of labels. During the last 3 years their control activities conduct to the improvement of the system of energy labelling of appliances.

***Proposed improvement***

The control activities will be ongoing targeted to introduction on the market only of the energy efficient appliances.

Further improvement of human resource capacity towards energy labeling would be also beneficial. The annual or biannual training of the inspectors from these authorities on this topic will be important.

***Activities to be taken***

Continue to give guidance to the *ARCE* inspectors to perform their control actions include the overview of the legislation in force, the control procedure, the best practices in others countries. *ARCE* inspectors will be trained in compliance checking in shops and in the area of manufacturers or importers relate to conformity declarations of them with the energy efficiency requirements : *for visiting shops inspection*: check lists, how to carry out the shop visit, practical advise, checking mail order catalogues and internet offers, sales, reporting the results; *for checking products compliance* in according with conformity declaration and technical documentation: what and how to check, information in the product fiche, how to identify the appliances that may not comply with the energy efficiency declaration

***Target: make sure that they fulfill their role in controlling proper labelling system and support and instruct retailers and manufacturers about proper usage of labels***

***Within the CEECAP project we will:***

- *Support them in undertaking their roles more proactively*

- ***Tests:***

***Current situation***

The government develops some activities and support for set up testing labs through research programmes as follows:

- Ministry for Economy and Commerce “Programme for increasing the products’ competitiveness” - GD 1247/2005 (budget financing to fit out and/or arrangement testing labs, products’ compliance and/or receiving Eco-label)
- Ministry for Education and Research – Excellency research – Programme 4

Only the *ARCTIC* producer has the possibility to undertake consistent testing activities for refrigerators and freezers.

NGOs, private and non-profit service organizations and educational facilities have no test facilities that can be used for appliance performance testing, or to be transformed or adapted for testing the performance of appliances.

No appliances are being currently tested to verify the information on their labels. The main reason for this is the lack of public financial funds for these tests.

### ***Proposed improvement***

Because the majority of the appliances on the Romanian market are European brands, it will be useful to access a public *EU web site* that contains a list with the results of the tests made by *CEECEC* association or other authorized European laboratories related to the energy efficiency appliances performance. In this way it is not necessary for each country to have a lot of testing laboratories for all of appliances that should be labeled and the financial effort will be low.

Within the *CEECAP project*, an option was discussed that the results of appliance tests undertaken in individual *EU member states* should be shared among the member countries.

While such initiative should take place on a general *EU level* among all member states, *CEECAP* partners would do their best to promote and support such move within its territories.

### ***Activities to be taken***

The decision to start testing of appliances would require allocation of financial resources for such a move. It will be more expensive to test the appliances in own laboratories because these don't exist, will be more low to test it abroad, in the existing authorized laboratories. Also should set up a methodology on which ones to choose by the type of appliances, display on the market, and reclamations from the consumers, etc.

If the information on tests from other countries or other organizations could be shared, it will be beneficial to be shared with the *ARCE* inspectors, if no own funds will be allocated in the future. If test results will be accessible for the Romania, these will be promoted to the relevant target groups.

***Target:*** *initiate undertaking of independent products tests and exchange information on the results*

***Within the CEECAP project we will:***

- ***Support the organization of appliance tests by both state bodies and the consumer groups***
- ***Be involved in publicizing the results of the tests and in organizing consequent actions***

### ***• Synergy effects***

#### ***Current situation***

In the general context, increase of energy prices, the negative environmental impacts of energy usage, energy delivery security issues, there is a need for improved energy end-use efficiency by undertaking actions and measures at the level of end users. One of action should be focus on increase the energy performance of appliances and equipment.

#### ***Proposed improvement***

It is possible to reach synergic effects by encourage the public sector to fulfill its exemplary role in the energy efficiency improvement. The requirement to purchase appliances and equipment based on lists of energy-efficient product specifications taking into account the classification by energy class of different categories of equipment and appliances is most important.

The promotion of labeled appliances in the public procurement should be a priority.

Manufacturers should be co-interested to sustain the replacement of the old appliances and purchasing new, more efficient. Their effort could also help to speed up market penetration of energy efficient appliances, which would be promoted by energy labels.

***Activities to be taken***

Monitor constantly the market to increase the market introduction of energy labeled appliances.

***Target:*** ensure that energy labels will contribute to the increase of energy efficiency of household appliances and other environmental benefits

***Within the CEECAP project we will:***

- ***Support any multiplication effect of various related activities, initiate such steps and promote them among the project target groups.***

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