

CEECAP – Implementing EU Appliance Policy in Central and Eastern Europe

National Market Introduction Plan – Czech Republic – List of problems and their potential solutions

SEVEN, The Energy Efficiency Center

www.ceecap.org

Introduction

The CEECAP – Implementing EU Appliance Policy in Central and Eastern Europe project was developed with the aim of supporting Central and Eastern European countries, including the Czech Republic, in creating suitable conditions for implementing appliance labelling and efficiency policies in accordance with EU Appliance efficiency legislation and programmes.

CEECAP aims to increase expertise and experience the verification and enforcement, market introduction aspects, strengthen relationships between stakeholders and the start up of national actions to improve energy efficiency.

Main activities are the identification of the national experts and decision maker leaders, their training, design and preparation of national appliance labelling and efficiency actions, set-up of a national multi-disciplinary committees as a forum for discussion about best practices, cooperation opportunities and knowledge transfer.

The results will be an improved policy infrastructure for appliance labelling and efficiency and the future EU policies; a verification infrastructure for product and retailer compliance; collaborative activities to increase the consumer response to labels; and the establishment of a platform for information exchange and transfer.

This document – the proposal of the National Market Introduction Plan, lists the main issues related to the energy labelling of appliances from the retailers' and manufacturers' point of view. It discusses the main current issues at stake and proposes solutions to the problems observed. Its 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, manufacturer and retailer institutions and other market players.

Note: For further information about the situation in the Czech Republic please consult the „Summary of state national compliance and of the government activities – Czech Republic“ document, available at:

http://www.ceecap.org/img_assets/File/D4_CZECH_SEVEN.pdf

SUMMARY TABLE

The following table summarises the problems and activities suggested by CEECAP project organisers to handle these problems within the system of energy labelling in the Czech Republic (from the market introduction point of view):

<i>Target activity or target group</i>	<i>Goals (of Ceechap and in general towards labels promotion)</i>	<i>Proposed activity</i>
Product labelling in shops	Ensure that labels are used properly in all shops and on all product categories	Contact target groups and explain rules and inform how it can be achieved, initiate training
Proper information on labels	Ensure organisation of controls and checks, incl. tests	Inform about results of controls and ask for corrections
Promotion towards the public	Increased involvement in promoting efficient appliances and labels as such to customers	Preparation and initiation of education and trainings for retailers, use media etc.
Interaction with state and public organisations	Early adoption to new or problematic legislation	Feedback to activities of these groups by manufacturers and retailers

MAIN DISCUSSION POINTS

- **Legislation:**

Current situation

Already before joining the EU, the main part of the energy labelling legislation was in force in the Czech Republic. After joining the EU in 2004, the Czech Republic has adopted formally the full scope of the EU legislation, including the energy labelling of appliances.

One major difference in comparison to the EU appliance labelling system, however, is the fact that also electric water heaters should be labelled in the Czech shops. This results in low degree of labelling compliance of electric water heaters in the shops.

Also, other appliances, which are relatively new to the system, such as the air-conditioning units, show lower level of labels' presence in the shops.

Before joining the EU, the electric ovens had to be labeled already (with another type of label, showing only two concrete figures and no energy class). These appliances therefore also had low grade of appliance labelling.

Proposed improvement

The current legislation in place is in line with the EU energy labelling legislation and similar to the legislation of other EU member states. This relates to the list of labelled appliances, institutions enforced to control the mechanism of labelling, system of potential actions to be taken to enforce the labelling.

The only exception is the usage of energy labels for the electric water heaters. The legal consequence from this situation is that only producers of water heaters from the Czech Republic and from outside the EU are obliged to attach labels to their products in shops.

Activities to be taken

Similarly to the situation in other EU countries, appliances which „join the list“ of labelled products as the last ones show lower presence of labels in the shops. In addition, for some types of appliances, mainly the cooling ones, the share of A labelled appliances is very high and the original intention to distribute appliances evenly among the A to G classes is being lost.

Therefore, on the local level, it would be desirable to use the force of the legislation and to increase the degree of controls in the shops, test appliances and take further consecutive steps.

On the other hand, it is also desirable to enlarge the list of appliances labelled by new appliance types and to revise the norms for the A to G energy classes so that only the 10 – 20% of best appliances could be A labelled.

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 organisations**
- **Help retailers and manufacturers to undertake relevant activities**

- ***Appliance producers:***

Current situation

Over 90 % of the market coverage of appliance sales in the Czech Republic are covered by members of the Czech CECED association. These brands show good interest and responsiveness to the energy labelling of appliances. No major problems are reported in the field of label distribution to shops. The only exception to same degree are the air-conditioning units and electric water heaters.

Since many appliances are A labelled, producers are interested to use labels for the promotion of the labels. It is therefore good to use this mood for the common promotion of energy labelling and of energy efficient products.

Proposed improvement

Further improvement in the field of labelling of air-conditioning units would be desirable. This is mostly related to other producer companies and different shops, than is the case of white appliances. Furthermore, electric water heaters should have higher label presence, since these should have labels in the Czech Republic, if the manufacturer is a Czech or non-EU based company. 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

Contact direct air-conditioning and electric water heaters and request the presence of energy labels in shops, contact retailers and ask for energy labels at the points of sales, prepare concrete educational programmes for manufacturers on the importance of proper label usage.

Involvement of manufacturers in the promotion of labels towards the retailers and the general public is of highest importance. Their expertise and distribution network can be used to distribute the information widely and effectively.

Target: increase involvement in the promotion of energy efficient appliances, to be able to organise 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 for air-conditioners and electric water heaters 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 fulfil 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

Retailers show various responsiveness towards energy labelling of products which they sell. In general, the large chains have high degree of presence of labels in their shops. Degree of labelling in smaller shops varies, but also shows high level in general. Internet shops do now show labels as such, but have to provide with information from them. Since many products are A labelled, this information is often used for the marketing purposes. If a product has lower energy class grade, it is also more often not published properly.

Also, within the internet shop catalogues, the same products can have different energy related information, due to mistakes in electronic databases. Often, not all requested information is published in the catalogues.

Proposed improvement

Proposed improvement would mean even higher degree of presence of labels in shops, more pro active promotion of labels towards the customers, and giving full attention to the reproduction of information from the energy labels into the retailer catalogues.

Activities to be taken

Work with concrete retailers (both classic shops and internet ones) to increase the presence of labels in their shops, use labels for active promotion of their products, select the most energy efficient products to be sold by them. Prepare concrete tips on how to promote energy labelling and efficiency aspects of appliances to customers, help

following the market with giving attention to the best or the most problematic types of appliances etc. Also work with the state control institutions on forcing them to do concrete action and/or to get their support in further action towards the retailers.

Target: ensure that labels are properly placed on all products and also properly described within internet and other catalogues, to use labels highlights 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 state control bodies about the results**
- **Organise random control of the content of energy labels and its method of publication and inform retailers and the state control 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 organisations:

Current situation

Czech consumer rights protection organisations are interested in the issue of energy labelling and energy efficient appliances. They are interested to promote the energy labels through their magazines and websites. However, they do not have sufficient funds for testing appliances on their own.

Proposed improvement

Continued support to providing information about the energy labelling and efficient appliances and an effort to initiate national testing of appliances would help to further increase the general knowledge of consumers about this topic and it would also help to further increase the attention of retailers and manufacturers to this topic.

Activities to be taken

Continued support for the consumer groups in their public information campaigns. Also further organisations, 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:

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

- ***EU Flower***

Current situation

The logo of the Flower (for environmentally friendly products) can be used on energy label for selected environmentally friendly products. Currently, however, no product sold in the Czech Republic which should have the energy label, has the right to use the Flower logo at the same time.

The governmental organisation Cenia, which is responsible for promoting the EU Flower, is also active in promoting environmentally friendly products. It is therefore also interested in promoting energy labels and energy efficient products.

Proposed improvement

Further coordinated action to promote energy labels as a part of the general promotion of environmentally friendly products.

Activities to be taken

Publishing and distribution of materials focused on energy labels.

Target: exchange information between energy labels and the ecoflower 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 on-going interest in the energy efficiency advice, including the energy labelling and in the promotion of energy efficient appliances. It is therefore good to use this opportunity to wider promote energy labels to the general public. And while the general promotion campaign is not a primary target of the Ceecap project, and media coverage to this issue will indirectly support the action of the government organisations and of retailers and manufacturers.

Proposed improvement

Even 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 organised (consumer competitions etc.).

Activities to be taken

Always react upon concrete requests from journalists and provide information to them about energy labels and energy efficiency implications. Also connect various partners (state agencies, retailers, manufacturers, energy utilities, consumer groups etc.) to prepare publishing materials and to focus general 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 organisations:**

Current situation

The State Trade Inspection and the Czech Energy Inspectorates are the two organisations which should control and enforce the proper shape of energy labelling and the content of labels. The Trade Inspectorate should control the presence of labels in the shops, and the Energy Inspectorate should control the correct data on labels. While both organisations recognise their duties and responsibilities, very little concrete actions take place in the field of energy labelling of appliances. If any, it is a reaction to queries submitted by individual citizens or other involved organisations. Part of the explanation of the problem

is that no extra financial resources are being attributed to energy labelling verification and enforcement from the state budget to these organisations.

Proposed improvement

The desired improvement would be to increase the level of political priorities given to energy labelling by these two organisations and by the ministries (mainly the Ministry of Industry and Trade), which make decisions about the strategic orientation of these organisations. Further improvement of human resource capacity towards energy labelling would be also beneficial.

Activities to be taken

Throughout the Ceecap project its representatives are in contact with the personnel of the above mentioned organisations and give guidance and offer help on further actions. This includes the overview of the situation of presence of labels in the shops, where the main problems are, what is the best practice in other countries and what would be the simplest methods of their adoption in the Czech Republic.

Since this is the crucial part of the project, any further improvement in this field will be very beneficial.

Target: make sure that they take 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

According to the information from the state control organisations, 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 undertaking these tests. This is a result of the lower political priorities given to the energy labelling.

Proposed improvement

Within the Ceecap project, an option was discussed that the results of appliance tests undertaken in individual EU member countries 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.

On the national level, the desired improvement to be taken would include the start up of testing of selected appliances. Individual negotiations will be undertaken to promote such move.

Activities to be taken

The decision to start testing of appliances would require allocation of financial resources for such a move and a methodology on which ones to choose. Most notably the financial barrier is seen as a crucial one.

Therefore either information on tests from other countries or other organisations could be at least very beneficial to be shared also with the inspectorates, if no own funds will be allocated in the future.

It was announced by the EU manufacturer association CECED that they will conduct their own cooling appliances tests in 2007. If any results will be also applicable for the Czech Republic, these will be wider 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 organisation of appliance tests by both state bodies and the consumer groups**
- **Be involved in publicising the results of the tests and in organising consecutive actions**

- ***Synergy effects***

Current situation

The general increase of energy prices, raising attention to the negative environmental impacts of energy usage, energy security issues etc. – this all supports the ever wider usage of energy labels.

Proposed improvement

It is possible to reach synergic effects by adding label and appliance information to other projects, organisations and institutions, within public procurement etc.

Manufacturers are highly interested in the speed up of replacement of the old appliances and in introducing financial mechanisms to promote purchasing new, more efficient appliances. This effort could also help to speed up market penetration of energy efficient appliances, which would be promoted by energy labels.

Activities to be taken

Follow the market and constantly initiate effort to increase the profile of energy labelling.

Target: ensure that energy labels will contribute to the increase of energy intensity of household energy usage 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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