



## CEECAP – Implementing EU Appliance Policy in Central and Eastern Europe

### Summary of state national compliance and of the government activities

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- **National appliance labeling and efficiency legislation, comparison with the EU**

During the 1990s and early 2000s, the Czech Republic was undergoing the process of legislation adoption to the EU standards. Since becoming a full member of the EU in the year 2004, its legislation has been fully updated to the EU levels.

#### *Energy efficiency legislation*

On January 2001, the Energy Management Act (No. 406/2000), creating a framework for energy efficiency policy in the Czech Republic, has come into force. The law states the rights and obligations for all actors in the field of energy efficiency and focuses also on energy labels and energy efficiency standards.

This act includes mandatory labelling according to EU Directive 92/75/EEC and energy efficiency standards for appliances according to EU Directive 96/57/EC. Furthermore, the act has adopted some

of the SAVE Directive (93/76/EEC) requirements and is even more stringent regarding certain installations and appliances.

#### *Energy labelling and standardisation in the Czech Republic*

Article 8 of the Energy Management Act concerns the energy labels of electric appliances. Details of labelling energy appliances with labels and elaboration of technical documentation are defined in a special decree of the Ministry of the Industry and Trade (No. 442/2004) that came into force in August 2004. This decree, that “*Specifies the approach towards the marking of energy appliances by energy labels and the use of technical documentation and details regarding energy efficiency for appliances introduced on the market*”, specifies for what appliances energy labelling are mandatory and specifies minimum efficiency standards for some appliances.

Annexes to the decree specify the energy labelling procedures for different groups of appliances:

- Washing machines
- Tumble dryers
- Combined washer-dryers
- Refrigerators, freezers and their combinations
- Dishwashers
- Electric ovens
- Electric water heaters
- Household lamps
- Ballasts for light sources
- Air-conditioning units

Even before the Czech republic joined the EU, there was a formal compliance of Czech legislation with EU Directives regarding energy labelling and standardisation since the year 2001, except the requirements for air-conditioners. This was included in the update of the decree in the year 2004.

#### *Enforcement of the law*

Article 7 of Directive 92/75/EEC states that “Member States shall take all necessary measures to ensure that all suppliers and dealers established in their territory fulfil their obligation under this Directive”.

In the Czech Republic, the State Energy Inspection is authorised to sanction any party that does not fulfil the requirements of the Energy Management Act. According to officials from the State Energy Inspection, the Energy Inspection closely co-operates with the Czech Trade Inspection regarding the enforcement of energy labelling.

#### *Legislation connected to energy labelling and standardisation*

There are several other laws that are closely connected to the energy-labelling scheme. These are:

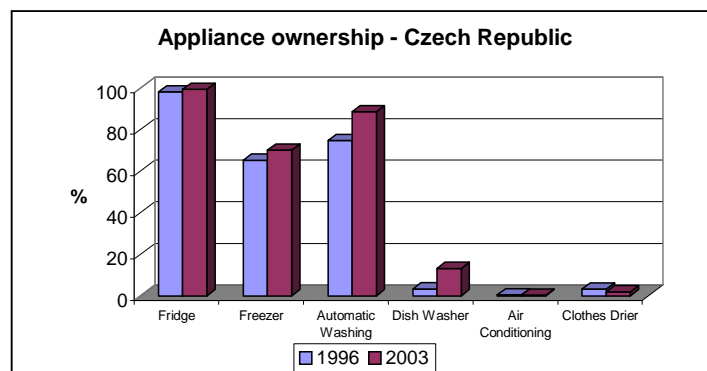
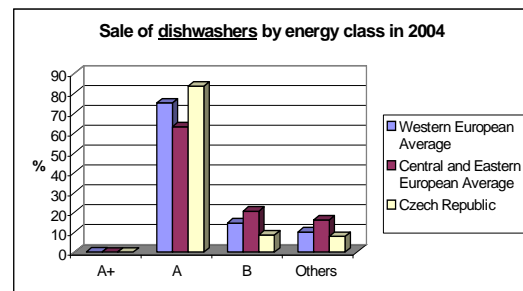
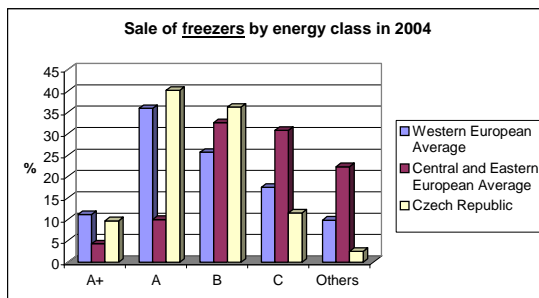
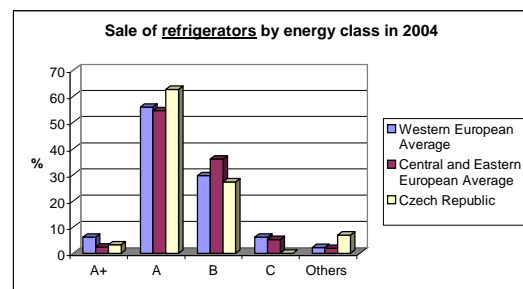
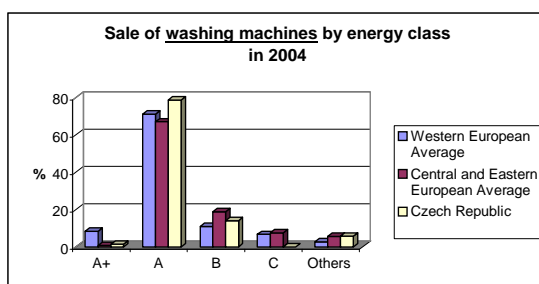
- Act on consumer protection (No. 634/1992 – updated in Act no. 64/2000), stating the right of consumers during purchase of services and goods. This law explicitly forbids the use of deceiving information about products and services.
- Act on the Czech Trade Inspection (No. 64/1986 – updated in Act no. 145/2000). This inspection is authorised to inspect retailers and other sales people in the framework of the Act on Consumer Protection. However, the Czech Trade Inspection has no specific competence regarding the Energy Management Law and energy labelling.
- Act on technical requirements for manufactured goods (No. 22/1997), regarding Czech technical norms and certification of electrical products.

- **Importance of the energy class at the point of sale of the main appliances**

As can be seen from the graphs below, the rate of A labeled appliances is not significantly behind the EU average, in some appliance types the most efficient energy classes do even have a higher share than is the EU15 average.

The main reason for this is that most of the appliance manufacturers are the same, as they are active also in the other EU countries and therefore in the Czech Republic they distribute similar types of appliances.

Nevertheless, other problems related to labeling (appearance in shops, testing, consumer awareness, etc.) are not reflected in these charts and still need to be resolved. In addition, due to the increased ownership of appliances by households in the Czech Republic, the persistent attention to energy labels is continuously important.



(Note: The A+ and A++ officially only exist for the cold appliances.)

- **Main features of the national appliance label system (organizational system of verification, enforcement, market introduction, etc.)**

The main feature of the appliance labeling controlling mechanism is the cooperation between the State Energy Inspectorate, which is responsible for controlling the accuracy of information on the labels, and the Czech Trade Inspection, which controls the presence of labels in the shops.

The distribution of labels to the shops takes place in the traditional form. The labels are mostly distributed by manufacturers and placed on the appliances under the responsibility of the retailers. However, due to the large number of manufacturers in some type of appliances, this mechanism is not always working properly and some retailers do have problems to obtain labels, specially for the newly labeled appliances. Naturally, the problem also exists the other way round, when the retailers do not always show labels on (all) appliances in their premises.

- **Main issues and problems**

The main issues related to the appliance labeling are to a large degree very similar with that of the issues and problems in other countries of the EU 15 region. In addition, due to the enlarging of EU in the year 2004, the experiences from the transformation process are also interesting for the countries yet to join the EU.

- The process of implementing and updating the legislation related to energy labels took place in several steps. Therefore the newly labeled appliances always appeared problematic in terms of the presence of labels in the shops.
- Some appliances (el. ovens and el. water heaters) have been labeled in the Czech Republic even before the general EU requirement. This has also resulted in low presence of appliance labels at the points of sale.
- Similarly to other countries, appliance labeling is more problematic in small shops (many of them with no central information distribution and difficult education possibilities), kitchen studios (concern about the design of mostly build-in appliances), and due to significant change of the personal occupancy by the shop assistants.
- The retailers very often show limited interest in using the labels in their own marketing promotion campaigns and consider them only as a legal requirement.
- The budget and staff capacities of the responsible government institutions is not high, due to lower priorities allocated to labeling and appliance efficiency on the central level and at the time of preparing annual budgets for these institutions.
- While the introduction of the energy class A+ has given an opportunity for a renewed promotion of energy efficiency in the appliance usage sector, the question remains open if it should not be only the A graded appliances which will be the very best ones (as can be seen from the graphs above, the share of A labeled appliances is substantial in all shown categories).
- The first 7 months of the EU membership have been accompanied by a legislative vacuum, when formally the EU legislation was already valid in the Czech Republic, but the Czech appliance decree only entered force on August the 1<sup>st</sup>, 2004.
- Individual promotional campaigns make profit from the knowledge of the appliance labels and use them for different purposes (individual logo for some efficient appliances in collaboration with an electric utility as a time-limited advertising campaign; A class of a “baking” performance of electric ovens of one manufacturer; the volunteer usage of labels for electric circulation pumps).

Some of these problems are widely recognized all along the EU, others are specific to the Central and Eastern European region, resulting from the late adoption of the legislation. They are being addressed by the CEECAP project activities, both nationally and as a part of the international collaboration of partners taking part on the Ceecap project.

- **Experience with cooperation so far**

The current experience shows sufficient interest in cooperation with the government institutions responsible for the implementation of the labeling legislation, on the basis of an exchange of information about their responsibilities and needs.

Manufacturers show substantial interest in cooperation, if the activities organized could help to promote their efficient appliances (or at least the A labeled appliances, which is a majority of some appliance types).

Among the retailers, the interest is very individual, depending on the personal interest of their staff, responsible for the technical and logistical issues of labels distribution, or those responsible for the education of their shop assistants. Large retailer chains tend to show higher interest, due to better personal capacities. However, the interest for increased usage of labels in the marketing campaigns is generally low (since labels are not new for some appliances, or they on the contrary may be problematic for the other new appliances, that most appliances are A labeled anyway, or because the purchasing price sensitivity of customers is more important than their energy efficiency and running costs).

Other institutions, such as consumer groups and environmental organizations show an interest in the promotion of information about energy labels, however this is only based on free information supplied and on occasional basis. Similarly, it is only possible to involve electricity utilities to partial promotion campaigns, if these are in line with their own presentation objectives.

Also the general media has a partial interest in the issue, but only if some new aspects of the labels are introduced (new appliances, new classes, etc.)

#### *References:*

The data of energy class importance for various appliances was taken from:

Matilde SOREGAROLI, GfK, Italy: “*Overview of sales and trends for main appliances in year 2004*”, Proceedings from JRC workshop, Tallinn 2005

<http://energyefficiency.jrc.cec.eu.int/pdf/Proceedings-worshop%20Tallinn2005/3%20Presentation%20Soregaroli-GfK.pdf>

Appliance ownership graph: Energy Consumption in Households of the Czech Republic, Czech Statistical Office, Prague 2005

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