



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 649905

**Report**

*Labelpack A+  
Advisory Meetings*

*The sole responsibility for the content of this publication lies with the authors. It does not necessarily reflect the opinion of the European Union. Neither the EASME nor the European Commission are responsible for any use that may be made of the information contained therein.*



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 649905



#### **PUBLICATION DATA**

**Title:** *Report: Labelpack A+ Advisory Meetings*

**Date of publication:** *Brussels, July 2018*

**Authors:** *Pedro Dias, Solar Heat Europe/ESTIF*

**Available at:** [www.label-pack-a-plus.eu](http://www.label-pack-a-plus.eu)

**Deliverable:** *Deliverable D6.3 Advisory Board Report*

**Dissemination level:** *PU: Public*



## Contents

<b>1. Introduction</b> .....	3
<b>2. First meeting: July 2016</b> .....	3
<b>3. 29 &amp; 30<sup>th</sup> November 2017, Brussels</b> .....	5
<b>4. 22 February 2018, Brussels</b> .....	9

### 1. Introduction

In order to provide support to the project, namely input to its activities and outputs, the Label Pack A+ planned from the beginning of the project to involve relevant stakeholders in Advisory Activities.

The main purpose was to promote the interaction between the Labelpack A+ project and experts at European level. These included experts from industry, trade associations at national and European level and other entities potentially involved in the consultation regarding the energy labelling and eco design measures for Lot 1 ‘Space and Combi heaters’ as well as well as for lot 2 “Water heaters and Storage tanks”.

Three advisory meetings took place:

- 8th July 2016, Berlin
- 29 & 30th November 2017, Brussels
- 22 February 2018, Brussels.

The following sections will provide an overview of the discussions in each of the referred meetings.

Nevertheless, both ESTESC and the Solar Keymark Network expressed their interest in being updated on project activities at their meetings.

### 2. First meeting: July 2016

During 2016 it became evident that the package label roll-put in the market was below expectations and facing some hurdles. Therefore, it was decided to have a meeting with representatives from non-project countries in order to have an assessment of the situations regarding the implementation of the package label in their countries. Besides the project partners, there were participants representing trade associations from six countries: Germany, Greece, the Netherlands, Poland, Spain and Sweden.

#### Developing tools

The meeting started with an overview of the activities of Labelpack A+. Some emphasis was given to the tools and materials being developed by the project partners. Several participants expressed their concern about the available tools. On one side the fact that there are relevant gaps in terms of access to information on the products



and components of a system, for which a database of products, as implemented in Germany would be relevant. Project partners informed that there were efforts carried out in that direction, including trying to cooperate with VdZ and extend the tool to other countries, though it was not feasible because the business model required was not compatible with the European project Labelpack A+. The idea of establishing a user area instead of a full product database was presented, with positive feedback.

Some pointed out some issues regarding the excel tools made available by the European Commission, to which the project partners reported on some of the comments they had already done. It was also discussed how to address the issue of the calculation for solar devices, with some alternative tools being debated. The ongoing discussion about a new SOLCAL method was also addressed, with interest and expectation from the participants regarding potential developments in this method.

The participants were also informed about the activities of the National Pilot Projects and the developments in the implementation of the package label in those countries:

### **Germany and the Heizungs Label**

One of the participants in the meetings, representing VdZ, presented their experience with the Heizungs Label initiative. This initiative was quite successful in Germany, gathering support from a large majority of manufacturers. They have experienced a lot of interest in the last months before the coming into force of the regulations (September 2015) and in the consecutive months, the first months of implementation. Since the first quarter of 2016 the number of package labels printed has been decreasing. This fact can be attributed to several potential reasons: a reduced interest or concern regarding the need to issue the package label, an increasing number of alternative solutions for issuing package labels, from different manufacturers (system suppliers) and a reduced need of issuing new labels, as previous labels could be reprinted in case the combination used was the same.

The Labelpack A+ partners have also informed the representatives of national trade associations about the materials being developed, for training and for communications activities. These participants showed interest in having access to such materials, so that they could be used in their own countries. This was part of the discussion about the cooperation between the Labelpack A+ project and the entities represented.

### **Roll-out of the package label**

The remainder of the meeting was dedicated to the discussion about the situation regarding the roll-out of the package label in the different markets. Several participants referred that the solar thermal sector was disappointed with the methodology and the way solar thermal was considered. Some criticised that the label does not provide the most relevant information for the consumers, for instance, regarding the quality of the installation.

Some referred that the concerns were not only about the package label but also about the product label, namely the solar water heaters, which were very relevant in the South though their real efficiency in such countries was not reflected by the label, creating a problem in the market.

Additional remarks were done regarding the use of the label as a commercial tool. It was not clear that the package label would be much used in that regard, though there were expectations that the product label could play a more relevant role in that regard. There were some doubts about the use that could be made of the package label for retrofitting. This was clarified by the project partners, though it was considered that, by not allowing to include the labelling in retrofits, it would reduce the commercial relevance of the package label for solar thermal.



In some countries, such as Sweden, the fact that the biomass boilers were (not yet) covered by the energy labelling was creating difficulties.

In several of the countries present, many manufacturers were not yet including the energy label in their products and finding this information was not always easy. This was considered to be a temporary issue, as in some countries manufacturers were not prepared in time for the new regulations and have „woken up” late for the requirements, including in terms of testing, which has created some bottlenecks for solar thermal products.

In the case of the Netherlands, a new investment scheme for RES-H&C is in place since the beginning of 2016, for small scale systems. These should be at least A+ bonus for label. The possibility of using the label as a criteria for support schemes was debated, with very different opinions about the benefits and risks.

### **3. 29 & 30<sup>th</sup> November 2017, Brussels**

The second meeting was divided in two parts. On the first day there was a meeting of national associations, following up on the discussions held in the first meeting. During the second day a broader consultation meeting took place, with more stakeholders present.

These two meetings addressed the Lot 1 & Lot 2 review process; the status of implementation of the Package Label, at European and national level, interesting examples of application of the Package Label in EU countries and how to improve the package label.

#### **The package label in national markets**

The meeting with national associations confirmed some of the previous discussions and additional information gathered in the meantime regarding the issues with the implementation of the package label. Some referred that there is more information in the market about the package label, including in manufacturers catalogues. Though, even if these are shown as pre-defined combinations by some manufacturers, most installers still buy separately.

The overall opinion is that the packages were not reaching the consumers and installers were not interested in promoting it, as it was regarded as an extra-burden, even if there were tools available. Furthermore, there were concerns regarding the effectiveness of the label, both product and package. It was possible to find in the market very different products, with very different performance (and quality), within the same class. It was also pointed out the fact that it is common to see a combination of a gas boiler with a control being sold as a package, with a class A+, when a condensing gas boiler should not go above A. This case in particular was damaging for solar thermal solutions, which in several cases would only provide the same improvement in terms of class, even if with much higher efficiency.

#### **Status of implementation**

In both meetings, the status of implementation was discussed. The provisional results of the work carried out by the project, namely the joint SWOT analysis on the implementation of the package label at EU level.



In terms of strengths, it stood out that:

- The energy label is perceived by professionals as a valuable tool to communicate with the end-consumer, namely on the added value of solar thermal systems;
- Governmental services, responsible for defining incentives that support the acquisition of efficient heating systems acknowledge the added value of the package label, since it allows quantifying the expected savings of a new heating solution and rank solutions on a cost-benefit analysis;

On the weaknesses side:

- The package label assumes all actors are aware of the existence of the individual label what is not always the case;
- Professionals associate the package energy label to administrative procedures and do not perceive it as a way to positively distinguish their solutions;
- Installers feel no pressure for labelling due to inactivity of surveillance and only limited activity of consumer protection agencies;

As opportunities, partners identified that:

- Stronger implementation of product label would improve the implementation of package label;
- Associate the heating package label to national legislation like the buildings energy performance system, introducing the indicative labelling for existing systems and the new label in the energy efficiency measures;
- Associate the heating package label to national/regional and local incentives to the implementation of energy efficiency measures;
- Clarify market surveillance procedures for assessing compliance with the package label and promote synergies between MSO's and knowledgeable entities in this topic;
- The package label should include the expected energy consumption of the water heating system;
- Endorse a wider professionals/consumers communication campaign;

Finally, on threats:

- Most ST systems are sold once a conventional heater is in place, so the package label does not cover a large fraction of the market;
- Lack of clear procedures regarding the market surveillance of custom packages;
- Enforcement of the labelling can also lead to more installers choosing to install only standard packages with the label already provided by the manufacturer.



## Relevant examples

Some relevant examples in terms of implementation were presented.

- **Portugal:**

The Energy Efficiency Fund operated in 2016 an incentive scheme supporting up to 65% of the acquisition of new water heating systems:

- A: Fully new heating solutions (heater+solar thermal);
- B: New solar thermal (to work with the existing heater);
- C: New conventional heater.

For all the incentive typologies the package/product label was demanded. More than 1000 proposals were received, 300 rejected for not having a proper package label.

- **France:**

Reflections are in progress for the tax reduction for the year 2018, it could be granted for solar thermal, on the condition that the solar package (included one combined with an existing boiler) has a minimum performance for space and water heating.

- **Italy:**

The Italian Label PackA+ consortium participated in *Energymed*, one of the main Italian exhibitions about renewable energy and energy saving. A free training course about package labelling was organized and received 40 trainees. Held a presentation at a workshop dedicated to "efficient heating and cooling", with 50 participants. Legambiente also had a stand at the exhibition, where flyers have been distributed and the project roll-up exhibited. An expert was available on site for those installers wishing to calculate labels.

- **Germany:**

The VdZ-platform is a performant and easy to use platform that enables the installer to reduce the risk of wrong labelling and to operate with up to date data. It fairly diminishes the effort of the installer and enables him to use the software he is used to. The label for old boilers increases the awareness for efficiency and demonstrates the gap between old and new systems. It has a huge potential for increasing customer awareness.

## **Rethinking the Package Label**

The Labelpack A+ was carrying out an assessment of different recommendations regarding the package label, taking into account the perspective of different stakeholders.

On the energy label perception, most installers and dealers believe it is a crucial tool to compare solar thermal and traditional solutions, though for installers it is also considered an additional burden. Also, there is a perception that products are nearly all A-rated, thus there is no distinction on the market. Additionally, some energy classes are too large and prevent from distinguishing between high and less efficient products. Finally, as a high share of solar systems is installed keeping the existing heat generator, there is no package label required.

For national authorities, the label is useful to positively distinguish solutions, but the monitoring is an additional burden which often comes without additional resources. For consumers, some reported that it is a recognized tool, others that there is still a huge lack of awareness. On the industry side, there is the issue that the label might advantage companies offering standardized packages.

## Recommendations

On LPA+ recommendations on how to improve the package label, the first recurring issue is connecting the label to support mechanisms. To this, installers do not agree, while public authorities are more neutral, being positive on



the awareness effects, but negative on the additional burdens to access the scheme. Consumer associations are more favourable.

The second recommendation would be to connect the label to energy performance of buildings. On this point, national authorities are again neutral, as on one side heating technology is already included in the calculation method, therefore no big change would be necessary, but on the other side some Buildings Energy Performance Codes do not consider the same data for the characterization of the heating systems as presented in the energy label.

The third recommendation is to better enforce market surveillance. This issue is seriously linked to a matter of resources, so national authorities are rather negative. It was added that an additional problem is also the fact that authorities do not know how to do market surveillance on the package label in concrete terms.

The fourth recommendation is on improving communication and awareness. Lack of awareness is attributable to the fact that there is no institutional communication that explains to citizens the instrument and its benefits. Consumers still need more information and support to understand the label, while manufacturers should implement communication activities in parallel to public initiatives.

The final recommendation is to establish a EU product database, which has been effectively created in the revision of the energy labelling framework. Some manufacturers complained about additional burden, but this has been now approved anyway.

Other points emerged regarding proposals on modifications of the current energy labelling:

- Introduce data on economic benefit brought by the choice of high efficiency classes system. Consumers associations are convinced this would be more interesting for users. It would motivate them in investing more, giving a clearly understandable figure of the advantages.
- Review scale of energy efficiency classes system. Manufacturers, installers and public authorities rather agree on this point. Options could be an automatic bump of one level with the inclusion of solar or a super script or subscript to denote solar is included.
- Include different energy classes according to location for solar water heaters and heat pumps.
- Include expected energy consumption of the water heating system (package).

The last topic addressed was the introduction of new labels in the market. The first example would be the labelling of existing boilers, as it is already happening in Germany and Austria. It would be a way to promote planned replacement of heating systems, provided that an adequate framework and a simplified methodology are defined. The second case would be a label for new solar thermal systems. A high share of solar thermal systems is installed keeping the existing heat generator: in such situation no package label is required. Some considered that a collector label would partially solve this problem.

### **Scenario building: which future for the package label**

The final part of the discussion was dedicated to different approaches that are emerging from the analysis carried out by the Labelpack A+, as presented before. On the basis of the improved regulation, those scenarios try to identify what could be the uptake of the package label. The first scenario is the current regulation as it is, the second one includes main changes to the current regulation, and the third option would be skipping the package label completely. The most important point is what would be the impact in the market, and on consumers behaviour, if the package label is withdrawn. It is important also to consider how this would impact manufacturers strategies, and competitiveness of solar thermal against other technologies.





## 4. 22 February 2018, Brussels

The final advisory meeting provided an update on the status of implementation of the package label and on the rethinking of the package label, which had been addressed at the previous meeting. Though most of the discussion was focused on the Scenario building exercise, looking into the future for the package label.

### **Status of implementation**

This point included a description of the current situation of the implementation of the package label (PL). From the manufacturers point of view, the preparation for the implementation of the product and package label was effective, but the perception is that package label implementation is below expectations. The overall views are mixed, with some being indifferent, some want stronger push and pull, and others prefer the current situation of poor implementation. As for the reasons of poor implementation, manufacturers see lack of market surveillance (MS) and installers "approach" as the main reasons.

As for the available tools to calculate the PL, a clear trend has been noted, as these tools have been used less over time. This is probably due to the effect of reusing the same PL. The calculation tools available on the market are either open and brand neutral, as the Labelpack A+ LPA and the German Heizungs Label, or brand specific from system suppliers, some requiring registration. The tools use databases of products and components connected to the calculation, and information on packages, which can be brand specific in case of system suppliers.

From the installers point of view, there is an overall positive feedback on product label, which is considered easier to show to consumers and compare products. But a more negative opinion on package label prevails. Installers generally prefer using ready-made options, where package labels already available, thus avoiding calculation. There is also a limited interest for training, even the LPA+ free and short trainings showed a reduced interest overtime.

For public authorities, the main problem has been a limited market surveillance, generated by both a lack of procedures on MS for PL, and of resources for MS actions. There has also been a lack of efforts to bring awareness on the PL to the general public. As for the issue of connecting PL to support schemes, some limited examples requiring PL in connection with subsidies are available: Portugal requires the submission of a package label with the application to the support scheme, while in the Netherlands the package label is not demanded, but impacts the level of support, as all products are listed with the level of support, based on their energy label.

### **Overview of Labelpack A+ scenarios**

The starting point for this discussion was the presentation of possible scenarios for the future of the package label, where the variables are:

- Keeping the current regulation / revising the current regulation
- Current uptake measures and market surveillance / stronger uptake measures and market surveillance
- Keeping the whole system in place / withdrawing the package label



In order to improve the uptake measures, several actions could be foreseen:

- Strong Communication, both from Public Authorities and from Industry
- Improved Market Surveillance, with simpler procedures, reinforced measures, and greater media impact
- Flanking measures, such as links to support schemes, or to other regulations

In order to improve the current regulation, several measures could be foreseen as well:

- Procedures for the package label, be it on the calculation of package, the components of package or the reference to standards & methods
- Implementation in the market, reinforcing market surveillance procedures, and interconnections with other regulations (EPBD).
- For both product and package label, better information & communication, such as the availability of information (products/components), as well as clarifications on packages/products/components, and primary heater / secondary heater / components.

The participants discussed potential impacts of the regulation changes for the package label. The main impacts may concern the following points:

- Procedures & Calculations
  - Class range
  - Technology performance
  - Ponderation of factors
- Information quality and availability
  - Third party certification
  - Quality assurance
  - Available data (EU product database)
- Market surveillance measures
  - Reporting obligations (installers)
  - Connection with regulations and support schemes

Combining these factors, it was argued that with strong uptake measures and current regulation, would lead to

- Enhancing effect of regulations, as they are currently.
- Risk of installers opting for ready packages.
- In general, supported by systems suppliers.
- Concerns by solar specialists.

Whereas strong uptake measures under a revised regulation would lead to

- Some potential for confusion between frameworks (previous/new regulations).
- Impact on market depending on effect of changes on the contributions/comparison between different technologies.
- Impact of changes on market surveillance processes to be assessed.

On the other side, weak uptake measures combined with the current regulation would maintain the current situation, while weak uptake measures combined with revised regulation would lead to

- Strong potential for confusion between frameworks (previous/new regulations).
- Effect of simplified calculation working by itself (no MS) in market to be assessed.
- Impact of changes on market surveillance processes to be assessed.



Finally, last scenario was discussed, which was the possibility to completely withdraw the package label, considering how this would potentially affect the market, going back to relying exclusively on the product label. Such option should be considered taking into account the following points:

- Consumer information
  - o Consumers access to information?
  - o Consumers choices/behaviour?
- Technology's competitiveness
  - o Change status in the market?
  - o Harm or benefit some technologies?
  - o Affect switch to EE and RES?
- Industry's options
  - o Affect new product strategy?
  - o Affect communication strategy?
  - o Change channels to market?

It was stated that the current package label system clearly is not delivering as expected, and has a limited value to consumers. The problem is identifying what has to change. The feedback from the German market is that most heating solutions are labelled A, so there is not much added value for going to the ++ levels, and there is little idea of how this jump is correlated to money and savings. Consumers cannot interpret the label without connecting it to clearer numbers or linking it to support schemes. Moreover, there is insecurity for installers: if the market surveillance is increased, they will opt for prepared PL from system suppliers to avoid legal issues. Calculating the PL is an additional effort for many installers, where they do not see an actual reward.

Some argued that if the PL gets linked to support schemes, it would give a big push and visibility to it, as it is rather disappointing to see that RES sources are not so promoted, and that a simple combination of boiler plus controls gets an A+. Furthermore, the absence of market surveillance is a problem.

As reaction, it was stated that time was needed. It took time for white goods also: the system took several years to become powerful, and more time is needed to assess PL. The issue is not necessarily a lack of information, while actually too much information might not be constructive, but if the label is changed without serious information to consumers, the result won't be significantly different.

One of the strong statements was that completely withdrawing the PL could be dangerous as it would set a precedent, and it is important to safeguard the good results of the energy label framework. It was also noted that the package label is supported by the product label, and if this one doesn't work, the former won't either.



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 649905

\*\*\*

End of Document

\*\*\*

## About the Labelpack A+ Project

*The 'Label Pack A+' project aims at supporting the implementation of the energy labelling of heating appliances while boosting its impact, the focus being on the "package label" and its potential to push for the uptake of renewable technologies, in particular solar thermal, in combination with more efficient conventional technologies.*

*The project addresses one of the main challenges related to this particular energy labelling process in relation to other Energy-related Products : the issuing of the package label by installers. This challenge involves the preparation of the industry, retailers and installers for this process, including the communication to the final consumer.*

More information at:

[www.label-pack-a-plus.eu](http://www.label-pack-a-plus.eu)

