



## eu.bac comments on the eco-boiler review study

### Restore a level-playing field for temperature controls

- **Summary**

Members of eu.bac were involved in the consultation process for the initial development of the ecodesign and energy labelling regulations for space heaters and supported the concept of a package label for use by space heater producers and for dealers. This was both to recognise the efficiency benefits of installing temperature controls alongside a space heater, and, importantly, to ensure that these benefits could be consistently recognised on an energy label, irrespective of whether the control was provided as part of a 'package' with the boiler or placed on the market separately.

While it is still relatively early days, there are concerns that the dealer label is not being recognized and used in the market. On the other hand, the producer label is used widely, so that the objective of avoiding market distortion is not met. In addition, both the definitions of temperature control classes and the scores attributed to them need to be reviewed to ensure they are clear, up to date and robust.

The preferred option of eu.bac is to amend the space heater energy labelling regulation: controls should be taken out of its scope. **Appropriate product policy for temperature controls should be considered within the preparatory study for Lot 38 (Building Automation and Control Systems)**. This would allow the temperature control classes to be reviewed in a holistic policy approach, including incorporation into the implementation of the Energy Performance of Buildings Directive in line with its recital 26.

- **Background to the producer/dealer package label – avoiding market distortion**

The energy labelling regulation for space heaters requires a package label to be produced by a space heater supplier or a dealer when temperature controls are combined in a 'package' with a space heater. The efficiency of the package will be better than the efficiency of the space heater on its own because an efficiency improvement of 1% – 5% is added based on the class of the temperature control.

Because of the nature of the supply chain for space heaters, the installer will regularly be responsible for selling the space heater to the end customer and therefore takes on the role and responsibilities of the 'dealer', which includes the delivery of the 'package label.'

Temperature controls can be supplied with a space heater, forming a ready-made package, but in many EU markets the predominant market approach is for the installer to select a space heater and a temperature control that have both been placed on the market separately. In theory these are then combined into a 'package' when sold and installed and the installer can then produce the "dealer package label".

In practice the label means that an offer of a certain combination of a space heater and controls provided separately from the boiler would get the same efficiency score as equivalent controls provided by a space heater manufacture together with the space heater. **A key aspect for having a dealer and a producer package label was to ensure that manufacturers of controls placed separately onto the market would not be negatively affected as a consequence of market distortion.** The



intention was to ensure a level playing-field manufacturers and transparency for consumers, and was noted in the impact assessment as below:

*“The energy labelling measure proposes a label for the heat generator. But in order to address the concern of component manufacturers (often SMEs) and consumer organisations, a “dealer label” is proposed in addition to the label for the heat generator. This means that based on data provided by the manufacturers of the various components, the dealer/installer can establish the energy efficiency of the product package (heat generator plus components) as this combination is what the consumer is buying and this combination determines the energy efficiency.”*

- **The current situation – market impacts**

While there is no quantitative data on use of the package label, there is a widespread understanding that the package label is not being applied by installers, and is not covered by market surveillance due to the difficulties of assessing this at point of installation.

From the installer perspective the difficulty is in preparing the label itself and getting it to the customer. Even in the rare event that an installer does produce a package label it is likely to be post-installation rather than, as intended by the labelling, to provide pre-sale efficiency comparisons to customers.

Where the label is being used is by space heater manufacturers providing a control with their boiler and indicating the package label score in their marketing material. The reason for this is because a space heater manufacturer who is already producing a label for the appliance will have the skills and resources to easily produce a package label.

The unforeseen consequence of the package label regulation is therefore to create a two-tier approach where space heaters ‘bundled’ with temperature controls when placed on the market are getting an efficiency score, but equivalent combinations placed on the market separately are not getting this efficiency score because installers are not using the dealer label. As a result, **the ‘level playing field’ that the package label was introduced to maintain is actually being eroded by its presence.**

The options to directly address this would be one of the following:

1. Amend the space heater labelling regulation, taking temperature controls out from its scope.
2. Ensure that there is increased market surveillance at point of installation to drive installers to comply – however, in practice dealers cannot be “forced” to apply the dealer label.
3. Simplify the approach for installers – however, despite efforts to support application of dealer label, market take-up of support tools is minimal.

It is the view of eu.bac that option 1 is the only effective way forward. Option 3 has no guarantee of working without market surveillance and the impact would remain in doubt, while option 2 is probably unrealistic given the current limitations in resources devoted to eco-design and energy labelling at Member State level.



- **The current situation – temperature control classes**

The efficiency scores attributed to the temperature control classes, as well as the definitions themselves were set nearly ten years ago. Eu.bac believe that these **need to be reviewed urgently** for the following reasons:

- Control products for residential applications have moved on significantly in the last few years, particularly with the advent of 'smart' and 'connected' controls. At the very least it is necessary to ensure that the defined control classes remain applicable to the real world and to iron out any areas where there is a lack of clarity as to what control types fall into each class.
- The initial efficiency scores were agreed with industry but there was an insufficient evidence base relative to the eco-design calculation methodology to define these with any confidence. Subsequent research and evidence is available from which to review these scores and potentially to commission research to fill any gaps. It is essential that these scores are based on robust evidence.
- The general temperature classes and scores are used regardless of whether the space heater is a boiler or heat pump. The applicability of these to heat pump systems needs to be reviewed.

- **Proposed way forward**

The inclusion of temperature controls within the energy labelling of space heaters makes sense from the perspective of recognising the efficiency benefit that they can deliver. In principle the package label was a good approach to ensuring that temperature controls could be assessed without unfavourable market distortion.

However, **the dealer package label does not work in practice**. The consequence is market distortion and consumer confusion, in contradiction to the energy labelling framework.

At the same time, there have been developments in the EU policy framework that provides the opportunity to create a sound, fair and effective approach to delivering the energy saving benefits of temperature controls.

**The current Preparatory Study on Building Automation and Control Systems (BACS) is the appropriate framework for developing an appropriate approach for temperature controls**, alongside other building automation and control functionalities. The current approach of including temperature control within space heater energy labelling has failed and should be discontinued.

It is expected that final regulation for BACS will be intertwined with the energy performance requirements defined for technical building systems within the Energy Performance of Buildings Directive. This makes it the best opportunity for temperature control technologies to be incorporated within a policy framework that drives real, positive change.