



**SECOND
VOLUNTARY COMMITMENT
ON REDUCING
ENERGY CONSUMPTION OF DOMESTIC
WASHING MACHINES
(2002 - 2008)**

31 August 2002

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1. BACKGROUND

The European Committee of Manufacturers of Domestic Equipment (CECED) represents the interests of domestic washing machines manufacturers in Europe. Its members are domestic appliances manufacturers and a number of national trade associations.

In April 1996 the European Committee of Manufacturers of Domestic Equipment (CECED) presented a first Commitment about energy saving to the European Commission. This Commitment was made on behalf of the European manufacturers of domestic washing machines and was aimed at a considerable reduction of energy consumption of washing machines. The proposal was negotiated with the EU Authorities and notified, in October 1997, to EC DG IV. The final approval followed on 9. December 1998, when the Commitment was published in the Official Journal.

Exemption according to Art. 81 of the EU Treaty was granted by decision of the Commission for the period up to end of year 2001.

The overall saving target of this Commitment was to reduce the specific energy consumption of domestic washing machines by 20% in the period 1994 - 2000. Practically, this targeted at bringing the average consumption value of 0.30 kWh/kg¹ down to 0.24 kWh/kg within 6 years. To achieve this goal, a catalogue of different technical and marketing related measures was set up, specifying so-called "hard targets" and also "soft targets".

In addition, CECED committed itself to monitor the progress and to report regularly - every year - to the European Commission on the basis of a notary report and the technical database of washing machines of CECED.

The targets of the Commitment were achieved at the end of 1999. The specific energy consumption was then calculated and reported with 0,228 kWh/kg. That way a saving of 24% had been achieved - without regulative measures and without adverse market distortion.

A recently completed study² came to the conclusion that in terms of energy efficiency of washing machines there is no real reason for a change in the present energy label. Other conclusions of this study have been taken on board in this proposal if considered as a support to contribute to energy savings in the future.

The successful fulfilment of this first Commitment prompted manufacturers to elaborate the possibility of a new - second - Voluntary Commitment, covering the period from 2002 to 2008.

The proposal of this new Commitment is described thereafter.

This Industry Commitment is developed at Community level as it aims to ensure that free circulation of goods is not hampered by diverging practices at national level. Its logical reference could be EC Treaty article 95.

¹ According to: - Study for the Commission of the European Communities on Washing Machines, Dryers and Dishwashers, carried out by Group of Efficient Appliances (GEA), (Final Report, June 1995)
- Sensitivity Analysis of Energy Efficiency Improvements for Washing Machines, carried out by Van Holsteijn en Kemna (NL), (Final report, April 1996)

² SAVE II study on 'Revision of energy labelling & targets washing machines (clothes)', NOVEM, NL, March 2001

2. BASIC CRITERIA

The present Commitment is based on the following criteria.

Representativeness

At present, the Community market share of CECED washing machine manufacturers amounts to more than 90%. This is a very strong basis for the implementation of this Commitment. However, to increase the energy savings further, and not to harm the competitive situation of the European industry, it is important that as many actors as possible are committed to this proposal. This scheme is open to any producer, importer, distributor, etc., which has its own brand names on the Community Market. Implementation of this Commitment will not eliminate competition in the sector. Prices and performances remain strong competitive factors. As a consequence, neither a significant increase in price nor a deterioration of performance nor a reduction in choice may occur. From the consumer's standpoint, lower expenses for energy will compensate for a possible slightly higher purchase price.

CECED will contact the most relevant non European manufacturers to encourage them to join the present Commitment.

Quantified and staged objectives

In the definition of the present Commitment, manufacturers have taken into account the conclusions drawn by the SAVE II study on "Revision of energy labelling & targets washing machines (clothes)", NOVEM, NL, March 2001".

As this Proposal is the follow-up of a first Commitment on washing machines in 1996, the present status in terms of energy efficiency of washing machines is already transparent and clearly defined. Since 1996 the development of energy saving and the respective picture of the market have been reported regularly to the Commission by CECED.

The targets in this proposal are well defined, quantified and unambiguous. One part is the so-called "hard target" with a ban of the least efficient appliances. The affected appliances can be clearly identified on the basis of the energy labelling scheme. The other part is the well-quantified improvement of the European production energy consumption weighted average, calculated by a notary.

The development during the time-span of the proposed Commitment can be measured in a transparent and credible way on a yearly basis. Therefore it will be easy to follow the progress and to assess the degree of fulfilment of the Commitment.

Each manufacturer, when entering the Commitment, will have the possibility to best adapt its technology to reach the optimum balance between energy consumption (within the target limit) and overall working performances taking into consideration the different markets' configurations and consumer's expectation in terms of models segmentation and return on investment.

Incentive compatibility

CECED has supported the energy labelling scheme according to the directive 92/75/EEC from the very beginning. This Proposal is linked to the energy labelling scheme. Both measures complement one another.

To give further support we suggest co-ordinated incentive measures as already recommend by the ECCP (European Climate Change Program) working group such as :

- ❑ financial incentives to foster market transformation;
- ❑ consumer rebates for early replacements of old appliances;
- ❑ development of research initiative, training and education on changing the consumer behaviour towards the correct use of the appliance.

In the co-ordination of these initiatives, due consideration should be given to the specificity of each market in order to push a homogeneous energy efficiency improvement. This also to avoid opposite signal to consumers as a result of national initiatives for rebate schemes, de-taxation and similar non co-ordinated incentive actions.

Consultation with interested parties

CECED intends to notify the Commitment to DG Competition with a view, inter alia, of submitting the Commitment to a public enquiry.

Publication

CECED will give full evidence of the results achieved by the present Commitment as well as of the monitoring of the results. For this purpose a detailed report of the Commitment is made available to the EU Commission and made public to all the interested parties.

Monitoring and reporting

This Voluntary Commitment contains effective compliance control. This responds to expressed members expectation and should fulfil the requests from Authorities.

A well-designed monitoring system including independent verifiers is part of the present Commitment (see chapter 7 "Monitoring", 8 "Reporting" and 9 "Verification"). On request of the EU Commission a steering Committee will be established to check the Commitment.

Enforceability

Actions to be taken in case the Commitment fails to deliver the targeted results are detailed and clearly indicated in chapter 10 "Reaction to non-compliance".

Arbitration

CECED is appointed to monitor and resolving different views between Manufacturers to avoid conflict of interest.

3. PARTIES

The present Commitment is made by manufactures of washing machines (hereinafter referred to as the participants), as enumerated in Annex 1, and by CECED. Any manufacturer, importer or retailer using its own brand is welcome to participate on a voluntary base.

4. DEFINITIONS

For the purpose of this Commitment, specific definitions are as defined in the Directive 95/12/EC, "energy labelling of household washing machines".

5. PRECONDITIONS

The energy labelling has influenced the market considerably, i.e. in fostering the competition between manufacturers for more efficient appliances. In order to be able to assess properly the possible energy saving potentials and the necessary investment and to be able to commit to targets, manufacturer must have a predictable and stable basis. Therefore this Commitment is based on the precondition, that the present energy label scheme stays in principle as it is today for the period covered by this Commitment. This refers especially to the number of and borderlines between efficiency classes and the criteria required.

Presently the geographical scope of the Commitment covers only the current extent of the European Union with its 15 Member States.

Participants commit, as a first step, to enlarge CECED technical model database to accession countries, taking into consideration their respective effective alignment to the energy labeling directive. This shall allow to get a clear picture of markets levels and convergence conditions.

Not later than end 2003, a detailed proposal will be tabled with terms and conditions for the enlargement of this Voluntary Commitment to these countries.

6. COMMITMENT

By signing this document participants commit themselves to reduce the total energy consumption of domestic washing machines and thereby CO₂ emissions caused by power generation. To reach this objective participants will stop producing for and importing in the Community Market less efficient washing machines, as described hereafter, and will improve the average energy consumption of washing machines produced for and imported in the Community Market

The resulting energy consumption reduction will amount to at least 33% related to the figures of 1994, as they are calculated in the mentioned GEA and Kemna studies³, respectively 12,3% related to the average energy consumption in 1999 as recorded in the notary reporting to the European Commission.

Furthermore, the participants will actively promote consumer awareness to save energy when using a washing machine. It is difficult to estimate the percentage of energy savings achieved by this. But it is essential to motivate the consumer to take his share in this process.

³ Calculated by taking as basecase the 'business as usual' scenario of the GEA study

A - The Participants therefore commit to:

“Hard targets”:

- By 31.12.2003⁴ participants will have stopped producing for and importing in the Community Market domestic washing machines which belong to energy efficiency class D

“Fleet target”:

- Each participant will commit himself to contribute to the Commitment overall objective of achieving a European production weighted average of 0.20 KWh/Kg for the year 2008. Each participant will provide to the CECED notary consultant, as specified in part B of this clause, and according to the procedure specified in annex 2; production weighted energy consumption data for the previous calendar year.

“Soft targets”:

In addition to the above commitments, all participants commit themselves to strengthen their overall activities to achieve further energy savings and to educate consumer on the way to save energy, in particular, they commit to:

- Support the introduction of a new 'quality mark' on the present energy label, identifying and promoting super efficient machines at a level of 0,17 kWh/kg by giving additional public awareness.
- Support at EU or national level, rebates schemes aiming at fostering the introduction of efficient washing machines, e.g. by replacing old and inefficient machines as long as the balance between energy and washing performance is maintained (minimum class B for washing performance)
- Co-operate preferably at national level in setting up targets and measures for achieving a high level of spinning efficiency for markets where tumble drying is relevant
- Inform in their brochures about the advantages of a high spin speed washing machine when tumble drying is preferred
- Promote the energy efficient use of washing machines by giving information in the user manual
- Co-operate with detergent industry on new energy saving detergents and promotion of an energy saving consumer behaviour
- Push the development of a new standard for testing washing machines taking into account the change of consumer behaviour towards lower wash temperatures and not using always full load. This development will be done in close co-operation with CENELEC and consumer organisations and testing institutes if actively supported by member states and/or the European Commission and is targeting to be used as a basis for a revised label in 2008.

⁴ Models of classes E,F and G were already eliminated by the first negotiated agreement

B - CEDED commits to:

- entrust an independent consultant (hereinafter referred to as the Notary) to monitor on a notary base⁵ the production weighted average energy consumption;
- being responsible for the contacts and the costs related to the Notary
- establish a list of participants and keep it updated. It will provide the updated list to the European Commission. The list of participants will be available to the public free of charge.
- Continue to operate a database for washing machines. This database contains an analysis of all models of washing machines placed on the Community market by all the participants and is updated yearly. For each single model all those data will be given which are mandatory on the energy label. The database is available to the European Commission, national authorities and, for study purpose, to experts appointed by them. The copyright is owned by CEDED.

7. MONITORING

The monitoring system of the present commitment will supervise both the fulfilment of the conditions described in Point 6 and the progress in energy saving achieved by this commitment.

The compliance with the targets defined in Point 6 of the present Commitment is based on data which have to be declared on the energy label for washing machines according to the Directive 95/12/EC. This constitutes the basic condition for a homogeneous and transparent market surveillance. It is in the responsibility of Member States to check the correctness of the energy label declaration according to the requirements of the directive.

The Notary will monitor on an annual basis the results achieved by the commitment, in terms of production weighted average energy consumption.

Participants will be responsible for the accuracy of the data declared on the label and communicated to CEDED, which will ensure that the information is passed consistently in the Database, and for the data communicated to the Notary.

The participants acknowledge that the European Commission may charge an independent consultant, different from the Notary, to monitor the progress in energy saving caused by the Commitment on an annual basis, on the base of sales data produced by external statistical sources and the technical database produced by CEDED. Taking into consideration the different nature of the statistical and technical data, CEDED is ready to co-operate with the external consultant to ensure that the proper co-relations are made.

The selection of the independent consultant as well as the relations and costs associated with it are outside the responsibility of CEDED.

⁵ The Notary service consists in consolidating the elementary data provided by participants and in releasing the results. The notary will never disclose the elementary data provided by the participants

8. REPORTING

Based on the data provided, CECED will submit each calendar year starting from 30. 9. 2002 to the European Commission a report including the following information.

- on the base of the Notary report;
 - an overall production weighted energy consumption of domestic washing machines
 - a histogram of production weighted energy consumption of each energy efficiency class;
- on the base of the CECED technical data Base
 - the distribution of energy efficiency and performance classes
 - the evolution of the washing performance
 - a histogram of share of each water extraction efficiency classes;

The annual report will be made available to the public free of charge.

9. VERIFICATION

Each participant checks regularly its products to make sure that the declaration on the energy label of its product is correct as required by the EC-Directive 95/12/EC. Measurement methods and verification procedures are as described in the European Standard of the European Committee for Standardisation EN 60456 and the Code of Appliance Testing for washing machines.

Any complaint by third parties or Participants about the production and import of banned products shall be addressed to CECED. CECED will notify immediately the European Commission.

The participants will commit themselves to collaborate with the European Commission in resolving any problem connected with the implementation and fulfilment of this Commitment.

10. REACTION TO NON-COMPLIANCE

The following procedures will be followed in the case of non-compliance:

1. If a participant produces or imports a washing machine belonging to a banned energy efficiency class, CECED will immediately issue to the participant a written warning of non-compliance and will request the participant to take prompt appropriate corrective actions within one month, which might consist in either modifying the product or withdrawing it from the market after receiving the warning.

If the participant fails to reach compliance within the deadline set by CECED, the participant would be deemed not to take part any longer in the Commitment and accordingly CEDED will delete it from the list of signers. CECED will immediately issue a press release indicating that the participant no longer takes part in the present Commitment and at the same time CECED will reissue the list of signatories.

2. If the annual overall production weighted energy consumption of domestic washing machines as reported by the notary should cause doubts of whether the target of 0.20 kWh/kg could be achieved in time, CECED will elaborate the reasons by analysing the notary figures of the production weighted energy consumption figures of each participant. If a participant obviously fails to contribute adequately to the aspired European production weighted average of 0.20 kWh/Kg CECED will issue to the participant a written warning and will request the participant to take appropriate corrective actions.

If - in this way- a participant is identified of having clearly failed sequentially for two years to contribute adequately to the aspired average target value this participant would be deemed not to take part any more in the Commitment and accordingly CEDED will delete it from the list of signers. CEDED will issue a press release indicating that the participant no longer takes part in the present Commitment and at the same time CEDED will reissue the list of signatories.

11. REVISION

This Commitment is based on the actual state of technology and products. Participants agree to review the target in consultation with the European Commission and Member States if:

- the balance between energy efficiency and washing performance alters significantly the profile of consumer choice criteria (energy efficiency, washing performance, spinning speed, costs, etc.);
- the present standard washing cycle does not reflect any longer the consumer's behaviour and a new standard cycle therefore has to be evaluated.

12. DURATION

The present Commitment starts on 1.10.2002 and will last until 31.12.2008.

13. PUBLICATION

The Commission has indicated its intention to publish the present Commitment and to report to the Council and the European Parliament on the results achieved.

Appendix 1

CECED members within Voluntary Commitment

ARCELIK - Turkey
BOSCH SIEMENS - Germany
CANDY - Italy
ELCO-BRANDT - France
ELECTROLUX - Sweden
FAGOR - Spain
GORENJE - Slovenia
MERLONI Elettrodomestici- Italy
MIELE - Germany
WHIRLPOOL Europe- Italy

Appendix 2

Calculation of the overall production weighted energy consumption of domestic washing machines.

Starting from 2002 each participant will provide the notary, not later than the 31st of March, with data to enable him to calculate the per class and overall production weighted energy consumption of domestic washing machines produced for or imported in the Community Market for the previous calendar year.

To this purpose, each Participant will deliver:

- the total number of washing machines produced or imported in the previous year, per energy class
- the production weighted mean energy consumption value per energy class (hereinafter called fleet consumption), expressed in kWh/kg load.

Example: Calculation of the fleet consumption of manufacturer X, for the appliances with a B energy consumption index:

washing machine	number of pieces produced (n)	energy consumption (a) of this type (kWh/kg load)	n x a
Type 1	100 000	0,20	20 000
Type 2	5 000	0,21	1 050
Type 3	25 000	0,22	5 500
	130 000		26 550

In this example, the class B production weighted energy consumption (fleet consumption) of manufacturer X amounts to: $26.550 / 130.000 = 0,205$ kWh/kg load. This figure will be delivered to the notary together with the weighted energy consumption and the total number of pieces produced/imported per each class.

In the same way, the notary calculates the per class and overall production weighted energy consumption of all participating manufacturers.

Example: Calculation of the overall production weighted energy consumption of three manufacturers, in energy class B

Manufacturer	total number of pieces produced (n)	fleet consumption (b) of manufacturer	n x b
X	130 000	0,205	26 650
Y	50 000	0,221	11 050
Z	222.512	0,216	48 063
	402.512		85 763

In this example, the class B production/imported weighted energy consumption of all washing machines produced by the Participants amounts to: $85,763 / 402,512 = 0,213$ kWh/kg load. This figure will be part of the report to the European Commission. On request, the notary may examine manufacturers' calculation of the fleet consumption.