

## **EXPLANATORY MEMORANDUM FOR EUROPEAN UNION LEGISLATION WITHIN THE SCOPE OF THE UK/EU WITHDRAWAL AGREEMENT AND WINDSOR FRAMEWORK**

Commission Regulation (EU) 2023/826 of 17 April 2023 laying down ecodesign requirements for off mode, standby mode, and networked standby energy consumption of electrical and electronic, household and office equipment, pursuant to Directive 2009/125/EC of the European Parliament and of the Council and repealing Commission Regulations (EC) No 1275/2008 and (EC) No 107/2009

Submitted by Department for Energy Security and Net Zero on 22 May 2023

### **SUBJECT MATTER**

1. On 17 April 2023, the Commission adopted Commission Regulation (EU) 2023/826 which replaces Commission Regulations (EC) No 1275/2008 and (EC) No 107/2009. The Regulation requires reduced electricity consumption of electrical, electronic, and household and office equipment products when they are in low power mode. This is because most electric appliances continue to use electricity even when turned off or in “standby” mode.
2. The Commission started off the process by undertaking a review of Regulations (EC) No 1275/2008 and (EC) No 107/2009. It analysed the technical, environmental, and economic aspects of the energy consumption of these appliances in low power mode, as well as real-life user behaviour. The review showed the benefits of continued and improved requirements, adapted to technological progress, regarding the energy consumption of these products in these modes.
3. The review also estimated that in a business-as-usual scenario, energy consumption was projected to decrease in the EU by 2030, mostly because of the gradual application of ecodesign requirements introduced under Regulation (EU) No 801/2013 which added requirements for networked standby energy consumption. However, that decrease was expected to slow down unless the energy efficiency requirements were updated.
4. Following this consultation exercise and scrutiny from the European Parliament and the Council, on 17 April 2023 the Commission adopted Regulation (EU) 2023/826 which introduces new requirements to reduce the energy consumption of electrical and electronic household and office equipment when they are operating in these modes. It also bans any artificial “performance enhancers” designed to get the product through the testing regime and any software upgrades that would mean the product was no longer able to comply with these ecodesign requirements.

5. The changes take into account technological and market developments in recent years and extend the scope of the Regulation, for example to including products with a low voltage external power supply such as small network equipment (including Wi-Fi routers and modems) or wireless speakers. Products that the Regulation covers include tumble dryers, radios, video cameras, musical instruments, media streaming devices and games consoles.
6. The Regulation is due to be reviewed no later than 4 years after it enters into force in 2025. The scope of the review includes the appropriateness of broadening the scope of the Regulation to include other relevant product groups, such as those used in the services sector, and setting requirements for the battery maintenance mode of battery chargers.

### **SCRUTINY HISTORY**

7. This is the first time the Commission has published this Regulation so there is no scrutiny history.

### **MINISTERIAL RESPONSIBILITY**

8. The Secretary of State for Energy Security and Net Zero has overall responsibility for existing Ecodesign Regulations.

### **INTEREST OF THE DEVOLVED ADMINISTRATIONS.**

9. Ecodesign is a reserved matter under the UK's devolution settlements. Directive 2009/125/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for the setting of eco-design requirements for energy-related products ("the Ecodesign Directive") is listed in Annex 2 to the Windsor Framework and EU regulations made under it continue to have direct effect in Northern Ireland.

### **LEGAL AND PROCEDURAL ISSUES**

10. The Regulation is an implementing measure made under Article 15 of the Ecodesign Directive. The Ecodesign Directive was itself based on Article 95 of the Treaty establishing the European Community (now Article 114 TFEU) which is to be used for measures aiming at the establishment and functioning of the internal market.
11. The voting procedure is the regulatory procedure with scrutiny in accordance with Article 19 (3) of the Ecodesign Directive.
12. The Regulation was adopted by the Commission on 17 April 2023 and came into force on 9 May 2023. It will apply 2 years after entry into force which gives

manufacturers a 2-year transition period to adapt their products. However, some limits will be applied in two stages, with the final rules applicable after 4 years (i.e., from 2027).

13. The Windsor Framework provides that limited areas of EU law will continue to apply to and in the UK in respect of Northern Ireland. This EU implementing measure was made under the Ecodesign Directive which is listed in Annex 2 to the Windsor Framework. The implementing measure has direct effect in Northern Ireland (“NI”). The Ecodesign for Energy-Related Products Regulations 2010 will be updated in respect of NI to enable the NI market surveillance authorities to enforce it.

## **POLICY IMPLICATIONS**

14. The Regulation will not apply in GB but only in NI. This introduces regulatory divergence between GB and NI and any goods manufactured in GB for the NI market will have to meet the tighter regulation introduced by the EU. Products meeting these EU rules will also meet existing GB rules and have access to the GB market.
15. The Government is committed to increasing the environmental performance of energy-related products through greater energy efficiency and resource efficiency and in November 2021, BEIS published the Energy-related Products Policy Framework. This sets out how we plan to push products to use less energy and other resources in order to help achieve Carbon Budgets 5 and 6 and to save consumers money on their energy bills. The Framework set out the priority products requiring amendments to ecodesign regulations, focusing on areas offering the most carbon abatement potential. Off mode, standby mode and networked standby energy consumption regulations have not been included as a GB priority at this stage but will be considered in any future reviews.

## **CONSULTATION**

16. The review stage of Commission Regulations (EC) No 1275/2008 and (EC) No 107/2009 began in 2015 and was concluded in 2017 when the UK was part of the EU. HMG officials and UK industry and consumer stakeholders took part in that process.

## **FINANCIAL IMPLICATIONS**

17. The Commission Impact Assessment suggested that more stringent ecodesign requirements and the inclusion of new product groups may require manufacturers to invest in re-designing some of their products, and to carry out the necessary conformity assessment processes (e.g., laboratory testing, more complete technical documentation, etc.). However, these costs were preliminary assessed

as being marginal compared to the estimated sales. We agree with this assessment.

**MINISTERIAL NAME AND SIGNATURE**

A handwritten signature in blue ink, appearing to read "Martin Callanan". The signature is written in a cursive style with a long horizontal stroke at the end.

**Lord Callanan**