European Heat Pump Association AISBL

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EHPA reply to the EC Open Consultation on the Sustainable Products Initiative (SPI) – Annex document

The European Heat Pump Association (EHPA) has created an annex document to support its answers to the Open Consultation on the Sustainable Products Initiative. The creation of the annex was necessary as contrarily to the EED and RED Consultation, the SPI consultation does not allow for explanation of the different answers. There are only few boxes where it is possible enter paragraphs.

For the sake of time and to ease your reading, you will find below only the questions and answers to which we wanted to provide some explanations.

Finally, it is important to remind you that as EHPA, we have answered the questionnaire from the heat pump industry perspective.

1. Challenges to making products sustainable

1.A To what extent do you agree that the following market-related statements explain why products sold in the EU are not more sustainable?

Questions	Answers	Explanations
b. Products such as electronics become obsolete quickly because of technological innovations	Strongly disagree	Heat pumps are long lasting products
c. Some products are designed for shorter term use due to changing fashion trends	Strongly disagree	This is not the case for heat pumps.
d. Many products are not designed to be easily repaired or upgraded	Strongly disagree	Heat pumps are reparable products.
f. Materials used in products are more and more complex and difficult to recycle	Agree	All the push for improving energy efficiency and at the same time have more competitive products results in more and more searching for alternatives as well as trying to make products smaller/denser/compact/multifunctional, thereby material proliferation is a side effect – and both imply more challenge to recycle.
i. The cost of repairing a product is too high, in comparison with buying a brand-new product	Strongly disagree	It is known that heat pumps are reparable and are most of the time repaired rather than replaced.
k. The quality of secondhand goods cannot be guaranteed or is difficult to assess	Strongly agree	This is not possible for heat pumps, as it requires installation by certified personnel and handling of refrigerants, and tailored installation to the building.

1.B To what extent do you agree that the following policy-related statements explain why products sold in the EU are not more sustainable?

Questions	Answers	Explanations
a. There is no harmonized set of requirements to foster the sustainable design of products placed on the EU market	Disagree	There is Ecodesign requirements for the ErP product groups which push industry to provide sustainable products.
b. There is no harmonized set of requirements to foster the sustainability of services provided in the EU	I do not know/no opinion	What is implied with "sustainability of services" and how does it relate to SPI? EHPA is not covering services.
c. Voluntary approaches, such as labelling, do not provide sufficient incentives for businesses to offer more sustainable products	Disagree	Energy labelling is mandatory for certain ErP product groups and ensures a strong incentive to push industry to provide sustainable products.
d. Diverging national rules and lack of a harmonized set of EU rules discourage large businesses, which operate across various EU Member States, from offering more sustainable products	Agree	There are many national initiatives that are not aligned and that are setting sustainability requirements that create a barrier for a single market. Furthermore, market surveillance needs to be improved to ensure compliance of products with the relevant requirements. For example, EPBD and use of part load data which hasn't been accepted in all countries while at the same time sustainability passports (e.g. Profil Environmental Produit fiche in France) are required and a huge effort is asked from industry with little added value. Discordance needs to be solved. National approaches should be avoided.

2. Measures to make sustainable products the norm

2.A Design for sustainability - sustainability requirements for products

In your view, how effective would the following measures be in achieving these objectives? Please rate the choices below from 1 to 5, with 1 denoting low preference and 5 high preferences.

Questions	Answers	Explanations
a. Set binding rules detailing, at product group level, what actions producers are obliged to take to improve their products' durability, reusability, upgradability and reparability (for example, for electronic/ICT products, setting a minimum number of cycles during which the battery must function properly)	2	Ecodesign requirements on spare part availability and information on disassembly are already being introduced in the newer Regulations and could also be taken up in existing Regulations. Regardless of which requirement, it should be enforceable by market surveillance and proportional to the effort. Heat pumps contain refrigerants, that can be flammable, for those reasons such information should not be made available to non-trained/non-certified personnel.

b. Require producers/importers to prove that the design of their products respects the following prioritization: (first preference) that the product is capable of being reused /repaired/shared; (second preference) that the product is capable of being remanufactured / refurbished / upgraded; (third preference) that the product is capable of being recycled	1	The prioritisation might be different depending on the product concerned. What is valid for heat pumps might not be valid for textile etc. Heat pumps are always long lasting and reparable products. How would such measure be verified? Requirements should only be introduced if they are enforceable.
c. Require producers/importers to prove that they have assessed possible causes of failures and addressed them, with a view to optimising product durability	1	This is manufacturing best practice anyway. But how would such a measure be checked and enforced? This can be achieved by FMEA (Failure mode and effects analysis), which is a standardized method to address potential failure modes. Manufacturers may do FMEAs, but are reserved and confidential documents.
d. Require producers/importers to prioritise modular design of their products, so as to facilitate repair, remanufacture, upgrade and disassembly (for example, for ICT products, batteries, screens and back covers should be removable in less than a defined number of steps).	1	This is product specific. For HVAC products, repaired by professionals and containing refrigerants, the trade-off with safety and quality should be carefully considered. Furthermore, how to define 'modular design' and how to assess this? Outdoor and indoor units and different combinations is modular design?
e - Require producers/importers to ensure information on repairability is provided on or with a product	No opinion	Heat pumps are only to be repaired by trained personnel/installer, therefore the information given with the product can only point to the respective producers/importer and their respective service network/representative in the EU. What is implied with repair network? Could be a single person anywhere in the world?
f. Require producers/importers to ensure information on access to repair services is provided on or with a product	No opinion	Heat pumps are only to be repaired by trained personnel/installer, therefore the information given with the product can only point to the respective producers/importer and their respective service network/representative in the EU. What is implied with repair network? Could be a single person anywhere in the world?
g. Require producers/importers to offer product guarantees, which could include "commitment to free repair as first remedy" in case of failures and a "commitment to upgrade the product periodically"	1	This is commercial offers. This is already regulated under relevant consumer laws.
h. Require producers/importers to display a repairability score on their products, in line with harmonized requirements at EU level, to facilitate comparison of product repairability	1	Not always applicable to more complex products that are always repaired by professionals. A repair score can lead to a subjective assessment of different parameters which are then summed up into 1 score. National initiatives on such matter should be avoided to ensure the good functioning of the Single market. On which basis, on which methodology? How to provide the right amount of information to consumers? Especially in case those products

		are not sold in shops but via dealers/installers for heat pumps.
i - Require producers/importers to establish a repair network for their products	5	A repair network composed of qualified personnel is fundamental. Heat pumps are only to be repaired by trained personnel/installer, therefore the information given with the product can only point to the respective producers/importer and their respective service network/representative in the EU. What is implied with repair network? Could be a single person anywhere in the world?
j. Require producers/importers to ensure information on a product's average expected lifespan is provided on or with a product	1	What is average product lifetime? How to measure it? What happens in case this number is not achieved? This makes no sense. Heat pumps are any way long lasting products.
k. Require producers/importers to ensure information on the chemical content of a product is provided on or with a product	1	How to define 'chemical content'? What is the tangible benefit of this measure?
I. Ban the use of a substance or substances in a given product, should such substances be found to inhibit product recyclability	1	This is **already** covered by product chemical legislations, that ensure sufficient legal certainty for producers (such as in RoHs or REACH).
n. Require additional information to be made available on material sources, e.g. content in the product of critical raw materials and minerals from conflict-affected and high-risk areas	No opinion	What is the tangible benefit? What is the level of detail / drilling down into the supply chain supposed to go to? It is in the producers interest to avoid critical raw materials whenever possible. And there is already a conflict minerals regulation.

2.B Responsibility for information, including Digital Product Passport

In your opinion, what information should be collected as part of such a digital 'product passport'?

Questions	Answers	Explanations
a - Economic actors at the origin of information (Manufacturer/Service provider/Retailer /Distributor/Recycler/ Providers of Repairability services)	Neutral	The origin of the information is important for responsibility reasons. Without this information there would not be any source/originator as go-to person to clarify questions or to be responsible if the data provided is found to be invalid.
b. List of materials and substances present in the product	Disagree	What is the added value? How to ensure fair competition? What about overlap with existing databases? What is meant with 'substances'? What is meant with 'chemical content'? This needs to be defined. What is the tangible benefit? What is the level of detail supposed to go to, i.e., what is the definition of "material" – for example the composition of any plastic component down to which chemical formula?

c. Quantities of materials and substances present in the product.	Strongly Disagree	This is sensitive information. what is the tangible benefit? What is the level of detail supposed to go to, i.e., what is the definition of "material" – for example the composition of any plastic component down to which chemical formula?
d. Recycled content of each material present in the product	Strongly Disagree	This is an information difficult to obtain. Furthermore, how will this information be verified by market surveillance? What is the tangible benefit? What is the level of detail supposed to go to, i.e., what is the definition of "material" – for example the composition of any plastic component down to which chemical formula?
e. Presence in the product of hazardous chemicals, and if so, their location	Strongly Disagree	Overlap with SCIP database and in i4R platform.
f. List of legislation and standards that the product complies with, or the technical specifications that it fulfils	Agree	This is already done for the relevant legislation or standard concerning Heat Pumps and their components.
g. Results of compliance tests against legislations, standards or technical specifications	Strongly Disagree	This is already done for the relevant legislation or standard concerning Heat Pumps and their components. However, what is the target audience of a DPP? Results of compliance tests should not be shared with anyone. Those information are meant for market surveillances and not the consumers. Checks are done against declared data not tested data. Those documents contain highly competitive information thus cannot be shared.
i. Information relevant for testing, dis-assembly, maintenance, repair or re-assembly (e. g. test protocol, disassembly process and instructions, etc.)	Disagree	Heat Pumps are only to be repaired etc. by trained personnel/installer, therefore this information should not be shared outside the professional channels to avoid potential harm. How will this product passport be managed?
j. Information on safe use and instructions, where applicable	Agree	Heat Pumps are only to be repaired etc. by trained personnel/installer, therefore this information should not be shared outside the professional channels to avoid potential harm. How will this product passport be managed?
k. Information relevant to re-manufacture and spare parts (e.g. CAD technical drawings, 3D-printing files)	Disagree	Heat Pumps are only to be repaired etc. by trained personnel/installer, therefore this information should not be shared outside the professional channels to avoid potential harm. How will this product passport be managed? This information is sensitive, therefore should be shared exclusively with the producer's after-sales service
m. Social conditions along the value chain (e.g. working and pay conditions; respect of human rights)	Neutral	What is the tangible benefit? What is the level of detail supposed to go to, i.e. what is the definition of "along the value chain" ? Where does this stop, for example the Lithium or Cobalt for a battery control provided with the product?

		How will this information be verified by market surveillance? Furthermore, this is something already required for the NFD (Non-Financial Disclosure) at Corporate level, but may be difficult to fulfil because suppliers are not always under the company's control.
n. Information on the origin of product components	Disagree	This implies that the bill of material has to be provided with all suppliers behind. Will sub-assemblies be treated the same way – otherwise this would be a great business model to outsource sub assemblies… What is the benefit of doing this and does this not start to fall under IP or data privacy aspects? Not only it is sensitive information, but it is also impossible to check the potential change of components during operation for manufacturing.
o. Information on material sources (e.g. conflict-free materials, responsible mining etc.)	Disagree	What is the tangible benefit? What is the level of detail / drilling down into the supply chain supposed to go to? It is in the producers interest to avoid critical raw materials whenever possible. And there is already a conflict minerals regulation. Furthermore, as explained before, this is something already required for the NFD (Non-Financial Disclosure) at Corporate level, but may be difficult to fulfil because suppliers are not always under the company's control.
q. Information on how the product should be recycled and/or handled at the end of life	Agree	This is already asked in Ecodesign. Heat pumps are only to be decommissioned by trained personnel/installers to prevent emissions of refrigerants and proper treatment.

2.E Incentives for circularity

In your view, how important are the following measures? Please rate the choices below from 1 to 5, with 1 denoting low preference and 5 high preference.

Questions	Answers	Explanations
a. Modulation of fees on the sustainability of products under Extended Producer Responsibility schemes (e.g. producers who place products that are more easily recyclable on the EU market pay reduced fees)	1	Requirements are also needed towards recycling companies. It depends on the sector as to whether a fee is needed or an incentive for the consumers to bring back the product at EOL. This depends on whether the cost of recycling is higher/lower than the cost of waste.
b. Recognizing voluntary commitments by producers to increase the sustainability of their products	5	How will this be done? By a voluntary label? E.g., Ecolabel?
c. Making better use of standardization to promote sustainability	4	Vertical product standards are needed to ensure accurate verification of material efficiency aspects per product group.

e. Better use and promotion of voluntary sustainability labels, such as the EU Ecolabel	3	A lot of national approaches with incentives, but better to have this on EU level. At the moment, not much success for EU Ecolabel.
f. Improving access to finance for the production and consumption of more sustainable products	5	This should follow Taxonomy.

Quick facts about heat-pump technologies:

- Heat pumps offer already today a variety of solutions for **heating, cooling, and domestic hot water production**, which are ready-to-use for the large majority of the residential and commercial building stock in Europe, as well as for industrial processes. Heat pumps use **renewable thermal energy from air, water, ground or sewage water**. They apply circular economy principles when recovering energy and waste heat. They create "**circular energy**".
- Heat pumps are **mature technologies**, among the most efficient ways to provide heating and cooling while **reducing total CO2 emissions**. They also contribute to **indoor and outdoor air quality**.
- When using electricity, heat pumps can provide heating and cooling, even in parallel. So, heat pumps are not only among the **most efficient solutions**, but they also embed the **"efficiency first" principle** by allowing for **"dual thermal generation"**. They expand the benefits of growing shares of decarbonised electricity in the European energy mix.
- Heat pumps also make **very efficient use of gas** through thermally driven systems (gas heat pumps). Hybrid systems using renewable and low-carbon gases during peak demand of electricity contribute to **system efficiency**.
- Industrial and commercial heat pumps improve the energy efficiency and contribute to the **decarbonisation of district heating, and cooling systems** and **industrial processes**.
- Heat pumps are part of **new business models and digital systems** that boost the use of **electric vehicles, renewable electricity and smart home appliances**. They facilitate **sector integration** and **thermal storage**.
- Heat pumps contribute to the **stabilisation of electrical grids** increasingly powered by energy from fluctuating renewable sources.
- The **heat-pump industry is growing every year** (by more than 10%) across Europe and is creating dozens of thousands of jobs.
- To ensure perfect competition, policy makers should provide **perfect information to investors on the multiple benefits of heat pumps and their potential to fulfilling several EU climate and energy targets**. They should **assess technologies based on all their merits**.