

UN COP26 Glasgow: The Home Appliance recommendations

26 October 2021

Summary

In view of the UN Climate Change Conference of the Parties (COP26) in Glasgow from 31 October to 12 November 2021, several industry associations representing the home appliance industry in different parts of the world would like to remark the home appliance recommendations to achieve the goals set by the UN in the fight against Climate Change.

The home appliance industry has **4 key messages** that would like to emphasize for the discussion that will take place during the COP26 in Glasgow.

1. Energy Efficiency First principle

The Energy Efficiency First principle builds on the notion that the world's most important and biggest available energy source is energy efficiency, as it decisively contributes to reduce the rate of carbonisation and the urgency to introduce new, replacement generation capacity. It is a principle addressed to policymakers in Member States of the EU, and it states that when national authorities draw their decarbonisation plans, measures to reduce energy demand should be prioritised and implemented in the first place. The goal is to reduce the total decarbonisation effort needed: the less energy demand via increased energy efficiency, the less CO₂ that will need to be abated by policy measures. The EEF principle is therefore a key leverage to decrease the total cost of the energy transition and ensure its cost-effectiveness.

COP26 is the right place to claim the need to expand this principle beyond the EU and make it a guiding tool for global efforts to tackle climate change. The [guidelines](#) on the principle recently approved by the European Commission, in which home appliances are portrayed as a key sector to contribute to decarbonisation, can be used as a blueprint on this. The climate and energy transitions need to ensure that, without giving away any of the needed ambitions, vulnerable households can still afford to pay their energy bills. A realistic implementation of the EEF principle can achieve this.

Home appliances are the cost-effective solution for policymakers to ensure a cost-effective energy transition. The increased energy savings that can come from public policies promoting the replacement of old and inefficient home appliances by highly energy efficient ones will not only help national authorities reach their goals, but will also increase the welfare of households around the globe. Additional energy savings might be achieved by appliances with smart functionalities, as demand response and demand side flexibility will be key in unleashing the mutual benefits of the energy and digital transitions.

Finally, the relevance of home appliances as an enabler of the energy transition is especially significant for vulnerable households, and moreover in the current context of soaring electricity prices. Increased energy bills in Europe and beyond are putting vulnerable households under strain. Highly efficient home appliances can deliver significant reductions in energy bills and can make households more resilient to crises like the one we are witnessing now, and will be key to address energy poverty.

For the reasons stated above, the home appliance industry under APPLiA Home Appliance Europe invites members of the COP26 to take into consideration the global implementation of the Energy

Efficiency First principle. It will be the right choice to ensure citizens' welfare while keeping the necessary ambitions on track to succeed in the decarbonisation of the global economy.

2. Carbon pricing & affordability of finished goods

Carbon pricing instruments, particularly in the context of global negotiations in which coordinated action is possible, are a particularly important instrument to tackle global decarbonisation. The European Union has paved the way for these policies with the Emission Trading Scheme, which now is finding initiatives of its kind in Canada, China, Japan, New Zealand, South Korea, Switzerland and the United States. This is a promising pathway that, however, should be carefully assessed. We point out the key factors in our points below.

Firstly, a balance has to be made between higher CO₂ prices under tighter carbon pricing rules at the global stage and affordability of finished goods. This can be done by ensuring that the tighter carbon pricing rules do not result in a correlative increase of prices in goods and production inputs that are directly or indirectly dependent on sectors under carbon pricing. Ensuring the affordability of finished goods such as home appliances that are essential to the welfare of homes around the globe is critical, especially for vulnerable households. The current context of soaring energy bills makes the issue of affordability even more important. Furthermore, the affordability of finished products is essential to ensure a fair transition to a climate neutral society in line with the principle of leaving no one behind contemplated in the 2030 Agenda for Sustainable Development.

Additionally, when analysing impacts of increased carbon pricing, a special focus is needed on critical sectors and production inputs. Heavily traded intermediate goods and materials play a crucial role in the functioning of the supply chains of the home appliance industry, and therefore the impacts of more stringent carbon pricing on them should be carefully evaluated.

Thirdly, a careful assessment on potentially negative impacts of carbon pricing policies on global competitiveness has to be drawn. A level playing field across all global actors must be kept, ensuring that 1) Finished goods and the necessary intermediate inputs for their production are kept within affordable price ranges to citizens and manufacturers; and 2) Fair competition conditions between different actors at the global stage are preserved. For all this, the impact of an increased carbon price on finished product manufacturers needs to be carefully calibrated. The most suitable solution should be based on international standards such as those developed within IEC and ISO.

3. Fluorinated gases (HFCs)

In view of the development from the ENVI Committee of the European Parliament with regards to its Motion for Resolution with regards to the upcoming COP26 meeting, we would like to highlight that, the home appliance industry already heavily transitioned to lower Global Warming Potential (GWP)-HFCs, as well as non-HFC refrigerants in its refrigerators, portable and fixed (or split) type air-conditioners, dryers, etc. where technically, safely, energy-efficient, and cost-effective alternatives would be available. Also, the blowing agents/propellants used for the production of domestic refrigerators are mainly hydrocarbons (HC), or at least HFCs with a lower-GWP.

However, in order to reach the new EU climate targets, new and more advanced technology will need to be deployed on a large scale, like heat pumps, instead of remaining with the current conventional fossil-based technology. As such, it is important to understand that fluorinated gases are still needed for those equipment that will play a crucial role in reaching the new EU climate targets by 2030, and later on by 2050, like heat pumps providing heating, cooling, and sanitary hot water for homes.

Indeed, heat pump-based technologies' deployment is necessary for homes to ensure reliable thermal comfort and hot water while playing a central role in mitigating greenhouse gases (GHG) emissions in the European Union, as well as for the decarbonisation of buildings under the Green Deal, and the decarbonisation of the energy-infrastructures (e.g. demand side flexibility) as put forward in the Energy System Integration Strategy.

4. International Standards as key enablers to reach climate change targets

International Standards are widely recognised among all members of ISO/IEC. They are being developed in an inclusive way on a consensus basis and with all interested stakeholders taking part in the process. They represent the current state of art and could be used as a kind of “technical manual”, as well as the basis for harmonised calculation rules, to provide guidance on how to meet the requirements prescribed in the legal texts. They are market driven and are able to respond reasonably fast to the changing environment and challenges of the current world. International Standards are able to provide sound testing methodology that can be used by Market Surveillance authorities in order to detect non-compliant products placed on the market (e.g. consuming more energy than declared).

Co-signatories:

APPLiA, Home Appliance Europe ([APPLiA](#))

Association of European Businesses ([AEB – Russia](#))

Consumer Electronics Suppliers Association ([CESA - Australia](#))

China Household Electrical Appliances Association ([CHEAA - China](#))

Korea Electronics Association ([KEA – South Korea](#))

South African Domestic Appliance Association ([SADA – South Africa](#))