

ceced

Making energy efficiency work for household appliances

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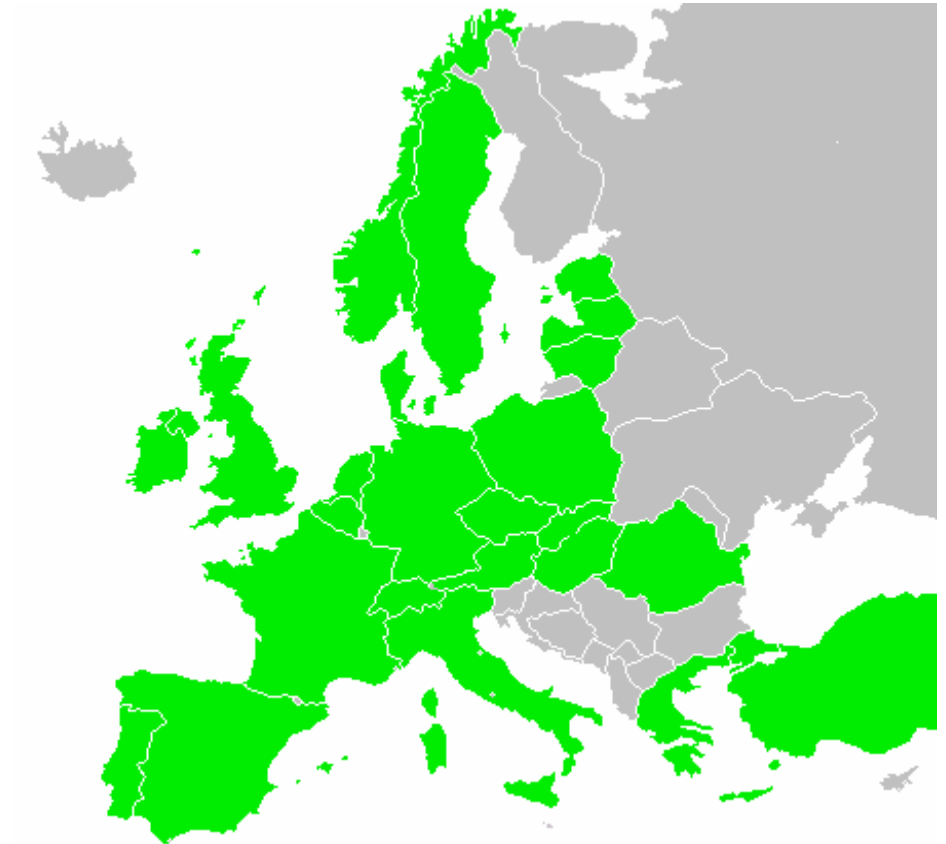


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15 company members

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Merloni Termosanitari
Philips
Saeco
SEB
Whirlpool

26 national associations



Investments have given impressive result

- ❑ €10 billion invested over the last 10 years mostly in energy efficiency.
- ❑ Refrigerators: 75% savings on energy consumption vs. 1990.
- ❑ Washing machines:
 - 40% savings on energy consumption vs. 1985
 - 60% savings on water consumption vs. 1985
 - improved washing performance.

Appliance manufacturers' focus is twofold

- Diffusion of super-efficient energy using products as a key factor in any Energy Strategy.

- Overcoming the current divergence of international policies in terms of measurement standards and efficiency references .

Three pillars for energy efficiency policies

- ❑ Performance requirements for new products.
- ❑ Increase of consumers' awareness.
- ❑ Diffusion of state of the art technology, in first installations and in replacement of old inefficient appliances.

Obsolete stocks at work = huge energy waste

- ❑ In EU 27 Member states about 30/40% of the installed stock is energy-wise obsolete.
- ❑ 44 TWh/year demand could be avoided by replacing 188 million energy obsolete appliances in European households.
- ❑ This is equivalent to 22 MTons of CO₂ = 6% of original Kyoto targets for the EU.

Worldwide picture is more concerning

**High penetration
countries**

Huge stock of obsolete appliances

**Countries with
more limited
installed stock**

**Limited problem for the past
Huge challenge for the future**

Refrigerator example

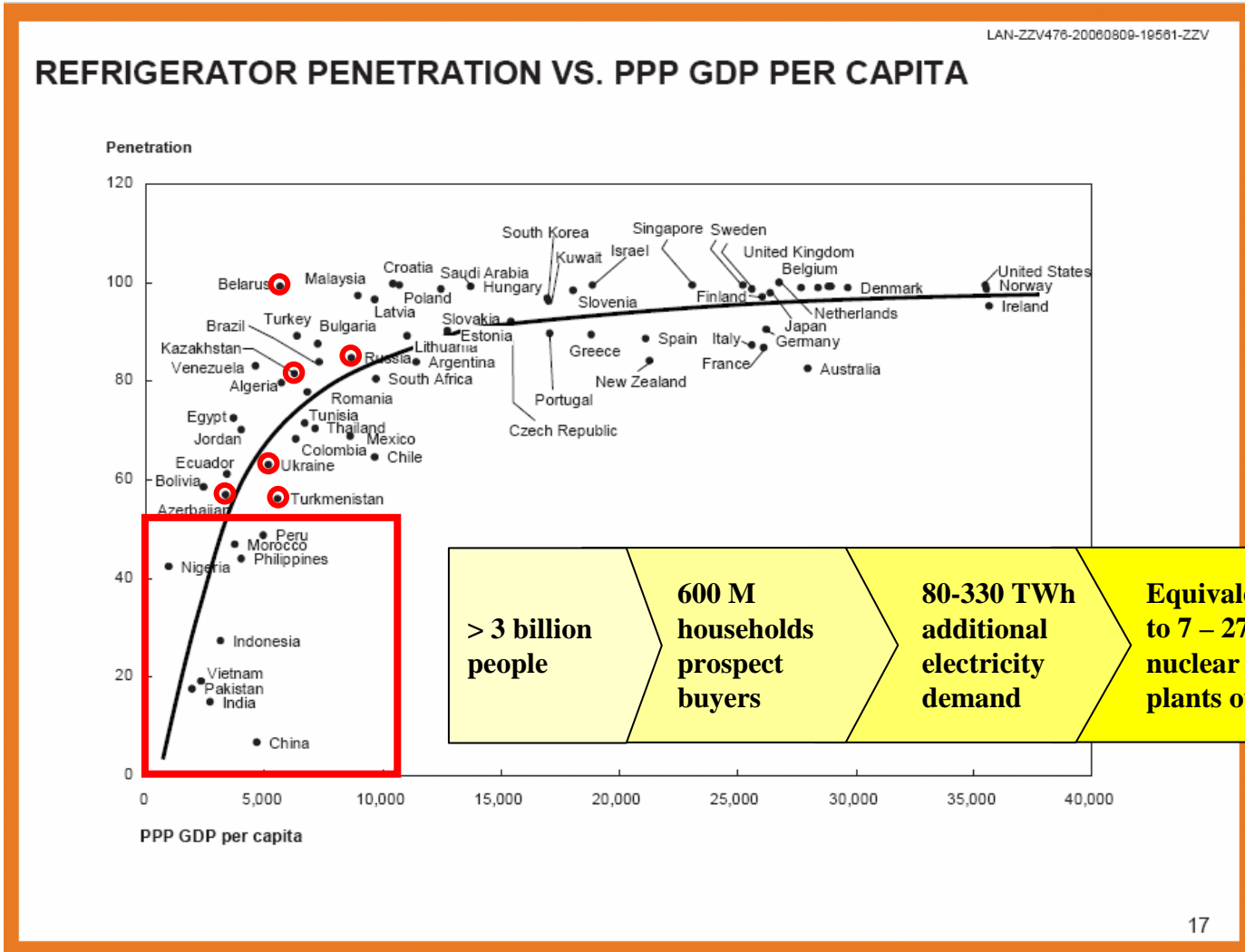


Chart source:
McKinsey Institute

Are refrigerators important for the future?

More than 600 million households will demand for refrigerators in the countries with lowest penetration in the coming years.

This may happen on the basis of

**available
consumers
income**

**best
available
technology**

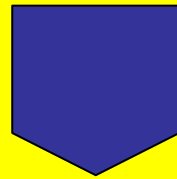
**The
annual gap
is worth
260 TWh.**

Income dependence is the worst scenario

- ❑ Likely high share of inefficient products within the 600 millions future installations.
- ❑ Mix of second hand and low efficiency new products.
- ❑ Life expectation of some 13 years and more.
- ❑ Annual demand of some 330 TWh, for the next 15/20 years.
- ❑ 80% will be energy wasted to feed obsolete energy using products and not delivering any benefit to the consumer.

Better to invest to avoid energy waste

Potential electricity waste 260 TWh.



20 1GW Nuclear power plants (40 -80 B€)

or

144 Sleipner CO₂ sequestration plants (50 B€).

Cost evaluations are based on internet information and refer only to construction.

Transport /distribution infrastructure costs are not considered.

Equivalences on the basis of IEA evaluations(P.Waide presentation to IEA workshop 28/2/2008).

It is time to act

- ❑ 50 B€ would be enough to invest up to 75 € for each super efficient refrigerator placed on the new markets.
- ❑ It is worth that international financial institutions and organisations pay attention to the demand side of durable consumer goods.
- ❑ The investment would be not to produce better power plants but to avoid having to build them.

Eight priorities

- International measurement standards.
- Dynamic label systems that foster innovation and international comparison.
- Investment in replacement of appliances in parallel to investment in energy supply.
- Custom duties brought to zero for energy efficient appliances.
- Prevention of international trade or refurbishment of obsolete inefficient second hand products.
- State aid only for factories producing efficient appliances.
- Enforcement of legislation.
- Involvement of stakeholders in international work.

Thank you for your attention

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