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ANNEX II

Method for setting specific ecodesign requirements

(referred to in Article 15(6))

Specific ecodesign requirements aim at improving a selected environmental aspect of the product. They may take the form of requirements for reduced consumption of a given resource, such as a limit on the use of a resource in the various stages of an product's life cycle, as appropriate (such as a limit on water consumption in the use phase or on the quantities of a given material incorporated in the product or a requirement for minimum quantities of recycled material).

In preparing implementing measures laying down specific ecodesign requirements pursuant to Article 15, the Commission must identify, as appropriate to the product covered by the implementing measure, the relevant ecodesign parameters from among those referred to in Annex I, Part 1, and set the levels of these requirements, in accordance with the regulatory procedure referred to in Article 19(2), as follows:

1. A technical, environmental and economic analysis must select a number of representative models of the product in question on the market and identify the technical options for improving the environmental performance of the product, keeping sight of the economic viability of the options and avoiding any significant loss of performance or of usefulness for consumers.

The technical, environmental and economic analysis must also identify, for the environmental aspects under consideration, the best-performing products and technology available on the market.

The performance of products available on international markets and benchmarks set in other countries' legislation should be taken into consideration during the analysis as well as when setting requirements.

On the basis of this analysis, and taking into account economic and technical feasibility as well as the potential for improvement, concrete measures must be taken with a view to minimising the product's environmental impact.

Concerning energy consumption in use, the level of energy efficiency or consumption must be set aiming at the life cycle cost minimum to end-users for representative product models, taking into account the consequences on other environmental aspects. The life cycle cost analysis method uses a real discount rate on the basis of data provided from the European Central Bank and a realistic lifetime for the product; it is based on the sum of the variations in purchase price (resulting from the variations in industrial costs) and in operating expenses, which result from the different levels of technical improvement options, discounted over the lifetime of the representative product models considered. The operating expenses cover primarily energy consumption and additional expenses in other resources, such as water or detergents.

A sensitivity analysis covering the relevant factors, such as the price of energy or other resource, the cost of raw materials or production costs, discount rates, and, where appropriate, external environmental costs, including avoided greenhouse gas emissions, must be carried out to check if there are significant changes and if the overall conclusions are reliable. The requirement will be adapted accordingly.

A similar methodology may be applied to other resources such as water.

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- 2. For the development of the technical, environmental and economic analyses, information available in the framework of other Community activities may be used.
 - The same applies for information available from existing programmes applied in other parts of the world for setting the specific ecodesign requirement of products traded with the European Union's economic partners.
- 3. The date of entry into force of the requirement must take the redesign cycle for the product into account.