



Fan Ecodesign Regulation: cascading principle needed

In view of the vote of the Regulatory Scrutiny Board (RSB) on Fan Ecodesign Regulation 327/2011¹, the European Air Movement & Control Association (European AMCA) remarks its strong support for the cascading principle, a key pillar for the success of the regulation in delivering energy savings.

Regulation 327 applies to all fans with an electric input power between 125 W and 500 kW, including those integrated into other products (cascading principle). Anti-cascading groups are advocating strongly against this key principle, potentially jeopardizing the benefits in terms of energy savings already delivered by regulation 327, but also endangering the competitiveness of EU fan manufacturers and the level-playing field in the European market, incentivizing the movement of production outside of Europe.

For the following reasons, European AMCA supports the continuation of the cascading principle in the draft revision of regulation 327.

Regulation 327 proved to be effective in delivering energy savings

Regulation 327 sets minimum energy requirements for fans. It was approved in 2011, and it has been applied since 1 January 2013, with an increase of the energy efficiency limits in 2015. The regulation has been successful in transforming the market. European fan manufacturer's product portfolio have changed to more energy efficient products. In this short time span, the regulation has delivered astonishing energy savings, amounting to 46,800 GWh from 2012 to 2017, according to EVIA².

It also successfully excluded non-compliant, inefficient fans from the market, giving the right signal to fan manufacturers and market operators. It is therefore difficult to argue against the success of this regulation: a cautious approach to the revision would therefore be preferable, above all when a key pillar such as cascading is at stake.

¹ Regulation 327/2011 setting Ecodesign requirements for fans driven by motors with an electric input power between 125 W and 500 kW

² https://www.evia.eu/wp-content/uploads/EVIA-Position-Paper-The-impact-of-Regulation-327_2011-eco-design-requirements-for-fans.pdf



The elimination of the cascading principle will give a negative signal to the market

A change in the principle goes against the need to decrease energy consumption, and will be against the spirit of the Paris agreement.

The effectiveness of market signals in delivering energy savings per se must not be underestimated. During the past five years, the EU fan market has experienced an increasing drive towards the adoption of fans which are largely exceeding the ErP requirements. This is happening also on applications which are not subject to any additional application-specific “cascading” regulation, and where less-expensive but barely-compliant fans could still be legally used.

Clearly, this is not a universal trend: there is still a consistent, price-sensitive part of the market which is adopting the “minimum-legal” level, but the awareness of the economic advantages of using energy-saving components, and particularly fans, is spreading due to the regulation.

EU manufacturers in particular have reacted to regulation 327 investing significantly in R&D and production to deliver advanced, highly energy efficient fans. The elimination of cascading will translate to a less ambitious regulation and will negatively affect the competitiveness of the European manufacturers who invested their resources in these new, advanced, and energy efficient products.

With the elimination of cascading, technologies which were marked as obsolete or even forbidden would be allowed to come back to the market. Overall, it would clearly compromise the credibility of EU institutions in the HVAC sector.

The elimination of cascading will be an incentive to move production outside of Europe

Right now, as a result of the success of regulation 327, all fans sold in Europe comply with, and some significantly exceed, the regulation. There is therefore almost no European production left of cheap, inefficient fans not complying with the fan regulation.

The removal of the cascading principle will have the effect of splitting the EU fan market in two: one market for fans used in products not covered by eco-design regulation, with fans obliged to comply with 327, and one for fans used in products covered by eco-design, where any fan could be incorporated, no matter how efficient.

EU fan manufacturers invested heavily in the first market, while non-EU companies still have production lines for cheap, inefficient fans currently serving non-EU markets. These non-EU companies will clearly have a strong advantage in the fan market for eco-design-covered products.

European manufacturers of products incorporating fans will be incentivized to rely on non-EU fan producers, resulting in a loss of jobs, producers, investment, and an overall reduction of the size of the HVAC industry in Europe.



Selective application of the cascading principle will result in market fragmentation, with negative effects for SMEs

A common proposal of anti-cascading group goes in the direction of a fragmentation of the market, with a reduction of the scope of the regulation to specific classes of products. This proposal goes way beyond the splitting of the market in two different legal requirements and has clear negative consequences for the EU HVAC market, favouring in particular larger companies over SMEs.

Larger manufacturers have the capabilities and resources for the production of customer-specific components (bespoke products), and therefore the proposal to exempt these products from the regulation will be an advantage for these manufacturers.

On the other hand, smaller or start-up players, having to rely on commercially-available “catalogue” components, will have to comply with the regulation, and will be put at a cost disadvantage.

The final effect will be the freezing of the advantaged position of the larger and established players, against newcomers and small companies. This fragmentation will have a negative effect on the EU market and industry in terms of openness to competition, but also in terms of technological development, as this move will freeze both the product technology and the commercial advantage of some major players.

For these reasons, European AMCA highlights the need to support the revision of Regulation 327/2011 without modifications to the cascading principle.

About European AMCA

The European Air Movement and Control Association is the European branch of AMCA International, a not-for-profit association of manufacturers of fans, louvers, dampers, air curtains, airflow-measurement devices, ducts, acoustic attenuators, and other air-system components. AMCA has 75 members (all fan manufacturers) either based in Europe or controlled by European entities.

AMCA is a truly global association, with operations in Europe (Brussels), Asia, North America, the Middle East, and Latin America, and almost 400 member companies.

The AMCA mission is to advance the knowledge of air systems and uphold industry integrity on behalf of its members worldwide.

AMCA provides global services for verification of compliance, development of standards, and advocacy for model codes, regulations, and utility incentive programs promoting efficiency and life safety.