

Ensuring a cohesive Single Market for heat pump technology in Europe. EHPA response to Single Market Strategy ‘Have your say’.

The European Heat Pump Association (EHPA) appreciates the opportunity given by the European Commission to provide our feedback in the “Have your Say” for the upcoming Single Market Strategy.

The European Heat Pump Association (EHPA) highlights key areas where potential single market disruptions could arise, urging the European Commission to take proactive measures to maintain consistency and predictability in regulations. The heat pump sector and heat pumps are already heavily regulated equipment and industries, both at EU and national levels. Over the years, we have seen an increase in regulations both at EU level and national levels, often addressing similar or adjacent issues, without considering coherence, compatibility or extra additional burden created on the industry, without extra benefits for consumers and EU’s decarbonisation targets. We often see attempts at EU level to harmonise aspects without ensuring the national barriers created prior or after the legislations are removed.

1. High uncertainties in the revision of Ecodesign Lot 1 and Lot 2

The delay in the publication of the revised Ecodesign and Energy Labelling regulations for space and water heaters (ENER Lot 1 and Lot 2) has been causing disruptions in the heat pump market. The revision is crucial for providing manufacturers with the clarity and certainty needed to plan and develop compliant products. The current lack of updated guidance creates several challenges:

- **Regulatory misalignment:** the uncertainty about the content of the new Ecodesign requirements, the sector faces difficulties aligning product designs with other critical legislative frameworks, such as the **F-gas Regulation**, which has already entered into force. This misalignment risks creating regulatory conflicts and further complicates compliance processes for manufacturers, who will need to bear the costs of reviewing their development plans for heat pumps on a permanent basis.
- **Increased costs:** the uncertainty surrounding future product regulations and standards forces manufacturers to permanent review, adjust and delay investments in new product lines and technologies, while also incurring additional costs to prepare for multiple potential scenarios. This worsens the already delicate situation that the heat pump sector in Europe is currently going through. EHPA’s most recent data shows that sales in the **first half of 2024 were down 47%** compared to the same period in 2023, which is mainly due to changing and incoherent national policies, and lack of ambitious signals from EU policies.

- **Stagnation in innovation:** further delays and high uncertainties on final content of crucial regulations hinder the industry's ability to bring new, energy-efficient products to market, slowing progress toward decarbonization targets and the EU's climate neutrality goals. The 24 million heat pumps currently installed in Europe avoid 5.5 billion cubic metres of gas, corresponding to 1.6% of the EU's total annual gas consumption. The heat pumps are avoiding 45 megatonnes of carbon dioxide emissions in Europe every year. This is around 4.9% of total EU emissions for buildings – and the same amount as Hungary's annual output. If the EU meets its 2030 ambition of 60 million installed heat pumps¹, we will be avoiding 112 megatonnes of carbon dioxide emissions and 13.7 billion cubic metres of gas per year. For this reason, it is vital for EU policy makers to pay closer look at the heat pump sector.

2. Increasing diverging national regulations for heat pumps

Market fragmentation: Member States increasingly introduce their own regulations or interpretations, leading to fragmented markets and uneven playing fields across Europe. There are multiple examples fragmented market in the EU for the heat pump sector specifically. A prime example of this burdensome fragmentation is the additional testing points required by some Member States to qualify for national building regulations calculation or subsidies schemes. Other examples include National additional packaging requirements and the different national Environmental Product Declaration (EPDs), and the different “eco-passports” developed at national level. This fragmentation also complicates compliance processes for manufacturers, who will need to bear the costs for the multiple non-aligned requirements. This slows down the rollout of heat pumps due to the fragmented and increased requirements.

3. Fragmentation in safety standards for flammable refrigerants.

Safety standards for flammable refrigerant with low environmental impact, are inconsistent across Member States. Fragmentation complicates the safe installation and handling of heat pumps. Several Member States have set fire safety obligations or building codes on flammable refrigerants, creating barriers for the roll out of heat pumps relying on flammable refrigerants. It is important that if the EU legislation pushes in this direction with the F-gas, at EU level the removal of those barriers is discussed with national authorities to facilitate the transition. It is key to remove national barriers for installation of products using flammable refrigerants following latest relevant CEN/CENELEC standards and align other aspects not covered by CEN/CENELEC standards or health and safety regulations with EU Guidelines, for instance such as the ones developed in the [EHPA's SKILLSAFE EU project](#).

4. Fragmentation in grid integration (Grid Connection Code)

The inclusion of heat pumps as products within the Grid Connection Codes (GCC) framework, which is a non-product-specific legislation aimed at ensuring energy security, has placed significant burdens on the sector. This approach risks introducing excessive costs and could necessitate major revisions to product architecture without fully considering the impact on the heat pump industry or the Single Market. Requirements for heat pumps should instead be addressed through product policies such as Ecodesign and Energy Labelling or the Code of Conduct (CoC), which are better suited to the nature of the technologies. The industry has consistently called for voluntary harmonized requirements across the EU to ensure a level

¹ *The figure of 60 million heat pumps by 2030 is included in the [European Commission's PRIMES energy modelling, for the 2040 climate target](#).*

playing field. EHPA reiterates the importance of aligning grid requirements to support the Single Market and urge consideration of industry input.

- **Fragmentation in flexibility**

Flexibility is a key asset for heat pumps, allowing the technology to reduce grid investment needs while offering financial benefits to consumers through lower energy bills. However, flexibility has not been addressed at a harmonized level as well. Delegating this to national authorities undermines the potential to unlock flexibility today. Existing technologies and solutions could be implemented, given appropriate financial benefits to consumers are ensured, but the lack of EU-wide standards risks imposing fragmented national requirements, creating barriers to the Single Market, and hindering the rollout of heat pumps. A common voluntary harmonised framework should be defined to ensure where appropriate electricity tariffs are defined, and demand respond can generate financial benefits to consumers.

- **Fragmentation in digitalization legal frameworks**

Manufacturers face an overwhelming volume of overlapping data-related and digitalization legal texts and initiatives. While this shows the EU's commitment to addressing urgent digitalization challenges, the lack of coherence and clarity leaves manufacturers unsure of their obligations. Companies are faced with challenges in trying to interpret the rules in the legislations. Even experts find it challenging to navigate this regulatory landscape. This complexity not only makes it difficult for new players to enter the market but also discourages existing players from continuing their operations, presenting a significant barrier to a well-functioning Single Market.

Call to Action

EHPA urges the European Commission to:

- Prioritize timely publication of key regulations with realistic transition periods.
- Ensure coherence across related policies to avoid conflicting requirements.
- Support harmonized European safety standards and workforce training initiatives.
- Align grid requirements in the EU to ensure a level playing field.
- Balance the requirements on product regulation with the need to quickly roll out the use of heat pumps – both for residential, commercial and industrial needs.

By addressing these issues, the European Commission can strengthen the single market for heat pump technologies, advancing the sector's role in achieving a carbon-neutral EU.

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The European Heat Pump Association (EHPA) represents the European heat pump sector. Our over 170 members include heat pump and component manufacturers, research institutes, universities, testing labs and energy agencies.

EHPA advocates, communicates and provides policy, technical and economic expertise to European, national and local authorities, and to our members.

We organise high level events and manage or partner in multiple projects.

We work to shape EU policy that allows the heat pump sector to flourish, and to become the number one heating and cooling choice by 2030. Heat pumps will be a central part of a renewable, sustainable and smart energy system in a future decarbonised Europe.