

13th ENERGY EFFICIENCY COORDINATION GROUP MEETING - MINUTES AND CONCLUSIONS

Energy Community Secretariat, Vienna

Thursday, 9 March 2017, 09:00 - 17:15

The Energy Efficiency Coordination Group (EECG) meeting was attended by representatives of all Energy Community Contracting Parties (EnC CPs), the European Commission – DG Energy and DG NEAR, Regional Cooperation Council, Donors' community (EBRD/ REEP Plus, Finance in Motion / GGF, European Investment Bank, GIZ, KfW, UNDP and the World Bank), as well as representatives of IFI and donor's Coordination Office, SEE Change Net, EU4ENERGY and consultants assisting countries on energy efficiency (ECA, Tractebel Engineering), and the Energy Community Secretariat (ECS).

The List of participants is available online on the Energy Community website ("[Events](#)" section).

ECS (Ms. Violeta Kogalniceanu) welcomed participants and introduced the meeting agenda. ECS (Mr. Borko Raičević) presented the EECG Work Programme 2016-2017.

Conclusions:

1. EECG adopted Work Programme 2016-2017 and elected new EECG Co Chair in the person of Mr. Ihor Horovykh from the State Agency on Energy Efficiency and Energy Saving of Ukraine.
2. Work Programme includes 4 Core Areas and 10 Core Topics (CT), and the following Core Topic leaders were nominated:

EED / CT 1: Energy Efficiency Directive - Transposition and Implementation - MONTENEGRO	EED / CT 2: Progress Monitoring and Reporting, NEEAPs - FYR MACEDONIA, GEORGIA	EED / CT 3: Promotion of the Exemplary Role of the Public Sector (Targets) - SERBIA, MOLDOVA
EED / CT 4: Energy Services, Audits and Management System - UKRAINE, TURKEY	EED / CT 5: Efficiency in Energy Supply, CHP and Heating/Cooling - SERBIA, MONTENEGRO	EED / CT 6: Funds and Financing for Energy Efficiency, Building Renovation - ALBANIA, ARMENIA
EPBD / CT 7: Energy performance requirements/ cost-optimal level / nZEB - KOSOVO*, MONTENEGRO	EPBD / CT 8: Certification of Buildings and Inspections of systems - SERBIA, BOSNIA AND HERZEGOVINA	ELD / CT 9: Analysis and development of regulation on labelling of energy-related products - UKRAINE, KOSOVO*
ELD / CT 10: Implementation Practices - FYR MACEDONIA, BOSNIA AND HERZEGOVINA	HORISONTAL AND CROSS-CUTTING ISSUES Coordinators: Energy Community Secretariat in cooperation with the European Commission and Donor Community	

2. EED Core Topic 1 - transposition and implementation of Directive 2012/27/EU in the Energy Community; Core Topic 2: EEAPs and monitoring

EECG members reported on progress in transposition of EED and EED targets, as well as on implementation roadmaps developed under 3rd EEAPs. All EECG members also reported on progress with adoption/implementation of EEAPs (presentations are available on [event page](#)).

Ukraine is working on new EE Law in cooperation with ECS; Working Group is active with several meetings held recently; consultations are ongoing with state institutions, including the Regulatory Office. The forthcoming Parliamentary energy days (in spring) will include a presentation of the EE law, Law on Metering in DH and Water Supply, the updated ESCO law, Law on EE Fund etc. The implementation of 1st NEEAP (Ukraine has another EEAP timeline) is ongoing; state incentive programme for households has been extended and first EPCs for public buildings produced in 2016; there are ongoing activities to establish energy managements system and to report on targets under NEEAP and EED.

Montenegro transposed most of EED requirements through new EE law adopted in 2014. The 3rd EEAP was adopted in June 2016. Ministry now focuses on its implementation (incl. the 1% renovation target) with support provided by KfW, IPA and REEP. The 3rd EEAP includes a roadmap for full transposition of EED, and in 2017 there is a plan for certain amendments of EE law, to make it fully compliant with EED.

Georgia: the 1st NEEAP was developed following EED requirements. The timeline proposed by ECS for the adoption of NEEAP (31 December 2017) is acceptable to Georgia, that still needs to ratify the Treaty.

Albania: after adoption of the EE Law at the end of 2015, the EPBD Law was adopted in November 2016; there is ongoing work on the establishment of EE Agency. The 2nd EEAP (covering reporting requirements of 2nd and 3rd EEAP) is in the finalization phase but not yet adopted. Despite that, measures implemented in the power sector resulted in significant savings. EE Implementation regulations are being developed by MEI, including licensing for energy auditors, while training procedures are expected to be adopted by the Government in March 2017.

Bosnia and Herzegovina: EE law in FBiH was adopted in February 2017 (still has to be published in OG and to enter into force); the draft EEAP for the reporting period 2010-2015 was finalized and includes EED roadmap and elaboration of building renovation strategy. EED will be transposed through entity laws, while strategy and policy document will be developed on state level.

Serbia presented update of activities related to EED (since last meeting); 3rd EEAP was adopted and includes chapter with EED policy measures; energy management system is advancing based on adopted regulation, with new trainings, examinations and issued licenses. Working Groups are active in transposition of EED Article 7 and 5 with support of REEP, GIZ etc.

Moldova: SIDA supported drafting of EED Law (incl. regulatory impact assessment on business environment); public consultation process is ongoing. Regarding cogeneration SIDA will support comprehensive assessment. The 2nd NEEAP analyzed achieved savings and reported on 50% target achievement; statistical system needs to be improved to enable better TD reporting.

Former Yugoslav Republic of Macedonia: the Ministry of Economy's nominated EEGC member was not present at the meeting (ECS will follow up on this issue); the Energy Agency representative reported on the status of transposition of EED provisions, as well as the current political situation; this has negative impact on energy efficiency reforms process, including the adoption of 3rd EEAP. EED transposition has been initiated with USAID support; ECS is supportive of the development of an EE Law, out of the scope of the current Energy Law, but this option will be further discussed within the Government. Energy management in industry is advancing, with the support of UNIDO. National EE fund is under preparation, but its establishment will depend on the support of Government.

Kosovo* established a WG and drafted a new EE Law (with EU/IPA support); the first draft was sent to ECS, and it will be improved based on received comments. The 3rd EEAP has been finalized and in the process of adoption; Minister of Economy is pushing for establishment of EE fund under the EE Law. There is an ongoing joint work with EU office and the World Bank for the development of EE Fund, relevant article(s) in EE Law, and informing/getting support of other state institutions. Currently EU - IPA, GIZ are providing support for EED transposition.

Some common barriers and areas for improvement identified during the discussion on EEAPs, include: proper data collection and better use of tools for monitoring and evaluation of implemented measures (MVP), better cooperation between responsible institutions, etc.

This session was followed by the **Interactive mini workshop** with focus on Article 7 of the EED. This was moderated by ECA Consultants and ECS, explaining EED targets and presenting NEEAP measures for meeting EED targets, eligibility of certain measures, including eco-design policy, energy management system, EE fund, as well as other typical EEO measures were discussed.

ECS reminded CPs on reporting obligations under EED, including certain deadlines that are set earlier than the overall transposition and implementation deadline.

GIZ ORF EE (Ms. Jasna Sekulović) informed that, as part of the continued cooperation with beneficiaries, following the preparation of NEEAPs, its consultant might support reporting on EED targets (including 2020 target, in accordance with EED annex XIV).

All WB6 countries expressed satisfaction with possibility to apply for TA (REEP, GIZ ORF), which will significantly support EED transposition and implementation efforts on national level. This will also enable exchange of best practices and replication of good results.

European Commission, DG Energy (Ms. Claudia Canevari) presented the EU Winter Package "Clean Energy for all Europeans" focusing on new EE measures. Creating of jobs and growth, bringing down greenhouse gas emissions and securing energy supply are main goals supported by this proposal. New Energy Union governance rules help streamlining energy and climate regulation and enabling integrative reporting. The proposed amendments of the EE and RES directives have various objectives, including empowering, protecting and informing consumers. Regarding the EED, the EC proposed amendments are to support reaching the 2030 objectives; Article 7 obligations are extended to 2030, including the yearly savings of 1,5%, some rules are simplified and the links with the EPBD and the attention to the social dimension are strengthened; Regarding the EPBD, the Commission has proposed to move the long-term renovation strategy (EED Article 4) to the EPBD. The proposal also includes a reference to the Smart Finance for Smart Buildings initiative, which is also part of the Clean Energy for all European package. The proposal aims at increasing the renovation rate of buildings in the European Union and includes an innovative approach consisting of new provisions to promote e-mobility and the inclusion of smartness indicator (details were left to delegated acts).

Conclusions:

- 2.1 ECS thanked EECG members for the presentation of progress in transposition of EED, setting targets and EED implementation roadmaps, as well as the progress with adoption/implementation of EEAPs. EECG noted that the progress of EED transposition is ongoing, while support by bilateral and regional TA is very beneficial (incl. REEP Plus, IPA, GIZ ORF EE, UNDP, USAID etc.).
- 2.2 ECS reminded CPs on reporting obligations under EED, including deadlines that are set earlier than the overall transposition and implementation deadline, such as the notification on EEO policy measures, and the setting of 2020 targets (March and June 2017). EECG will further work on this, including EECG reporting on these, as part of June EECG meeting's Agenda.
- 2.3 EECG welcomed the idea of having in-depth discussions on certain articles of EED and endorsed the proposal of having a half-day workshop on the most complicated articles, back to back with the EECG meeting in June.
- 2.4 EECG thanked the European Commission, DG Energy for the presentation of a package of EE measures under EU Winter Package "Clean Energy For all Europeans".

3. EED Core Topic 3&4 – Role of the Public sector and Energy Services

Regional Energy Efficiency Programme - REEP PLUS (Mr. Toivo Miller, Mr. Nigel Jollands - EBRD) explained the transition of REEP to REEP Plus, and presented the new 2017-2019 programme. REEP Plus is a combination of new focus areas (e.g. residential sector) and moving from policy and legislating to implementation. Areas of support include: ESCO enabling legislation and projects, buildings (EPBD, EED Art. 4 and 5), heating/cooling (EED Art. 14), EEOs (EED Art. 7), M&V and reporting (EED Art. 24) and institutional capacity building in all areas. Support will be provided for legislative framework development, rules and codes, capacity building for implementation, data management support, knowledge transfer, and pilot project development.

Policy Dialogue Theme 1 - next activities: Providing ESCO legislative analysis and support for the remaining countries (Albania, FYR Macedonia, Kosovo*), rolling out EPC in street lighting, buildings and district heating, and market development support.

Policy Dialogue Theme 2: Official letters were sent to all WB countries, initial country "expressions of Interest" received, and priority-setting missions conducted. Definition of prioritisation criteria and identification and scoping is ongoing.

Conclusions:

1. EECG thanked EBRD, ECS and REEP consultants for update on REEP Plus programme, and the planned activities. EECG will continue to be actively involved as regional steering group, in the promotion and implementation of REEP Plus activities.

4. Update on Ongoing Regional Programmes and Initiatives

The World Bank (Mr. Jari Vayrynen, and the Consultant) presented Efficient Biomass Heating Study - draft final report and recommendations. The Study's objective was to identify viable investment options and policy measures to increase the efficient use of biomass for heating in the Western Balkans region in a sustainable manner. Consultant presented overview of biomass use in the region, demand and technologies, results of economic, financial and barrier analysis, as well as roadmap and recommended actions. Financing should be coupled with TA related to barrier removal. According to the study, many barriers still exist, but can be gradually addressed through implementation of a long-term road map of proposed actions, starting with improving the legal framework conditions, increased awareness, and gradually scaling up investment from pilots, to country and regional level projects and programs.

The European Commission DG NEAR praised the good results of the study and focused discussion on next steps. The results look promising in terms of potential, price competitiveness. 36 green banks with green financing are active in the region and make use of the existing financing facilities REEP/GGF; ECS recommended that the findings and recommendations should be prepared and presented at the next WBIF Steering Committee in June 2017.

GIZ-ORF Energy Efficiency (Mr. Joachim Gaube) presented the planned activities of the new programme cycle and another dimension of GIZ ORF EE support, namely extending it to include climate policy and climate protection measures, as an umbrella topic. The 3rd ORF-EE phase will start in May 2017. Possible broadening of the scope of work includes support on GHG Monitoring Mechanism Regulation (MMR), Nationally Determined Contributions (NDCs), etc. The beneficiaries include line ministries, parliamentarians, and municipal administrations.

ECS presented the Sustainability Charter, an initiative introduced recently under Western Balkans 6 Initiative. The idea is to "green" the connectivity agenda with new measures in EE/RES/Climate area and provides additional visibility. ECS developed roadmap (with sub-measures, milestones, responsible entities) and reported in December 2016 on progress achieved in WB6 countries; reporting will be done on regular basis (next planned is in April); The Sustainability Forum is planned for 9 June 2017, as a multi-stakeholder platform to discuss the best ways to shift towards a sustainable, low-carbon Energy Community region.

Conclusions:

- 2.5 EECG thanked the World Bank and consultant for the presentation of the Efficient Biomass Heating Study (final report) and the recommendations;
- 2.6 EECG thanked GIZ ORF EE for the presentation of planned activities and the extended support to climate protection.
- 2.7 EECG thanked ECS for the update on activities under WB6 Sustainability Charter.
- 2.8 EECG will provide further coordination and support in implementation of the regional programmes (REEP Plus, GGF, GIZ ORF EE) as well as to the existing and new regional EE programmes and initiatives.

The next EECG meeting is planned for 28 June 2017 in Vienna and will be combined with the half-day EE Workshop planned for 27 June 2017, and the MultiEE workshop, planned for 29 June 2017.