

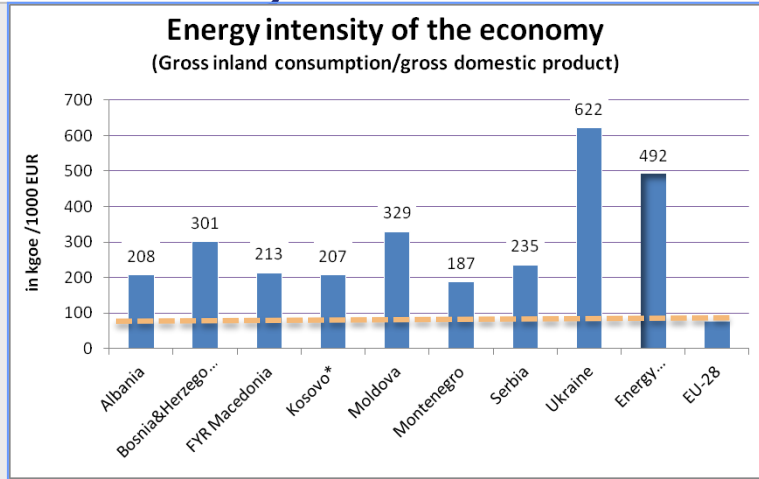


# *ENERGY EFFICIENCY IN THE ENERGY COMMUNITY*

Borko Raičević, Energy Efficiency Expert

1<sup>st</sup> Energy Community Civil Society Day  
Vienna, 21 June 2016

# ENERGY INDICATORS, EE POTENTIAL, BARRIERS



## Significant En. Saving Potential:

❖ **Buildings** (20 - 40%):

- Public sector (35 - 40%)
- Residential sector (10-35%)

❖ **Services** : 10 - 30%

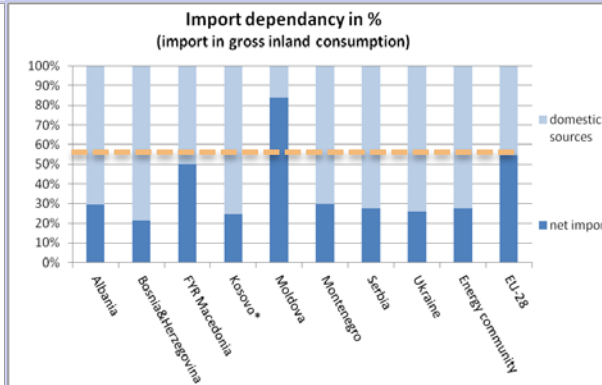
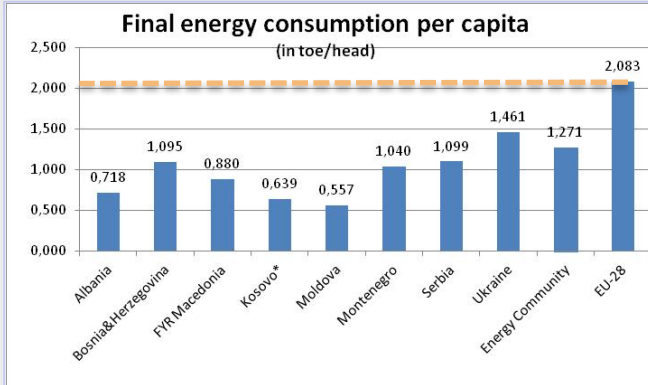
❖ **Transport**: 10%

❖ **Industry**: 5 - 25%

Source: World Bank

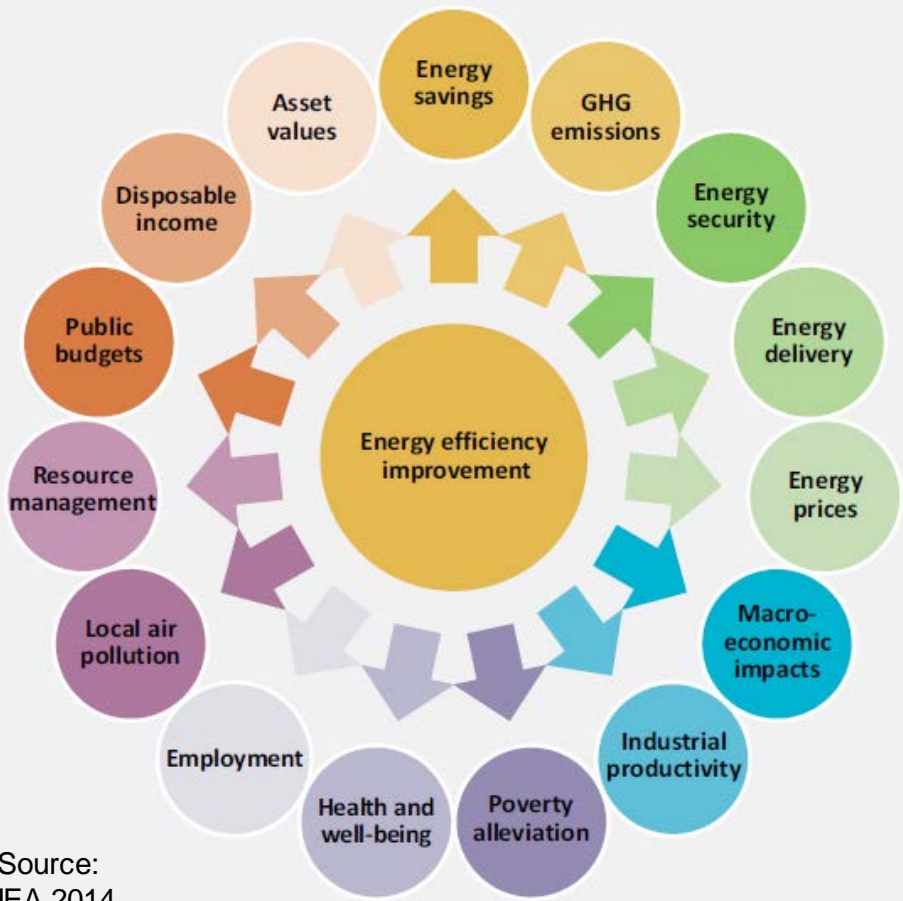
## Barriers:

- Still weak institutional and regulatory framework
- Effect of economic and financial crisis (high public debt)
- Underdeveloped EE market and lack of private investments
- Low energy prices



\* This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence

# ENERGY EFFICIENCY, MULTIPLE BENEFITS

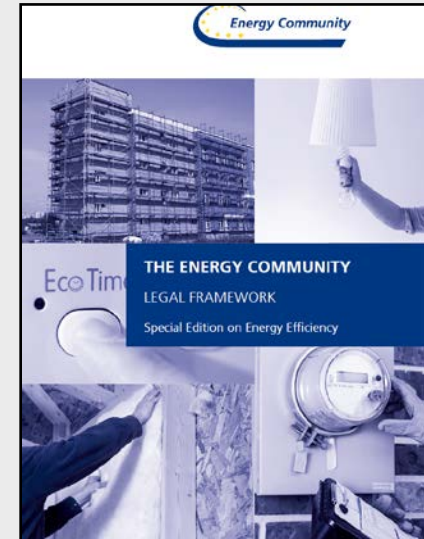


Source:  
IEA 2014

# ACQUIS ON ENERGY EFFICIENCY

*(Ministerial Council Decisions: Dec. 2009 - Oct. 2015)*

- ✓ **DIRECTIVE 2006/32/EC ON ENERGY END USE EFFICIENCY AND ENERGY SERVICES (ESD)**
- ✓ **DIRECTIVE 2010/31/EU ON THE ENERGY PERFORMANCE OF BUILDINGS (EPBD)**
- ✓ **DIRECTIVE 2010/30/EU ON LABELING OF ENERGY-RELATED PRODUCTS AND IMPLEMENTING DIRECTIVES/DELEGATED ACTS (ELD)**
- ✓ **DIRECTIVE 2012/27/EU ON ENERGY EFFICIENCY (EED)**



*Energy Community legal framework on energy efficiency (June 2016)*

# DIRECTIVE 2006/32/EC

## ON THE ENERGY END USE EFFICIENCY AND ENERGY SERVICES (ESD)



### ◆ *Key directive for creation of overall framework for EE:*

- ▶ *Indicative energy saving target* (min. 9%) for 9 years of implementation, with methodology for calculation, including intermediate ES target and Authority
- ▶ *Exemplary role of the public sector* (implementation of procurement measures from annex VI, guidelines, authority, exchange of information)
- ▶ *Obligation of the energy companies* (aggregated statistical information, energy services)
- ▶ *Financial instruments* for energy savings (remove barriers in national legislation, model contract for energy services)
- ▶ *Fund and funding mechanisms* to subsidize the delivery of energy services and EE improvement measures,
- ▶ *Energy audit schemes* conducted in independent manner in order to identify ES potential
- ▶ *Metering and informative billing*
- ▶ Procedures for *monitoring and verification of energy savings* , etc.
- ▶ *Energy Efficiency Action Plans (EEAPs)*

### ◆ *Key transposition approaches: preparation of general EE law or extensive chapter in energy law + changes in procurement law + package of secondary legislation*

### ◆ *EEAPs (based on the template)*

### ◆ *Transposition Deadline: 31 December 2011 (3<sup>rd</sup> EEAP by 30 June 2016)*



# **DIRECTIVE 2010/31/EU**

## **ON THE ENERGY PERFORMANCE OF BUILDINGS (EPBD)**

### ◆ **Focused on EE improvements in building stock:**

- ▶ **The common framework/ methodology for calculating the integrated EPB**
- ▶ **Minimum EP requirements for new and existing buildings, building units and technical building systems,**
- ▶ **Increasing the number of nearly zero energy buildings - national targets and plans**
- ▶ **Certification of buildings,**
- ▶ **Financial incentives,**
- ▶ **Regular inspection of heating and air-conditioning systems,**
- ▶ **Independent control system**

### ◆ **Key transposition approaches: amendments of the law for buildings + certain provisions in EE law + package of secondary legislation and standards**

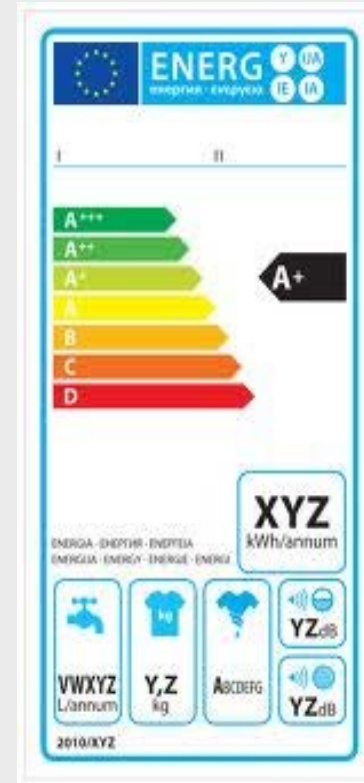
### ◆ **Transposition Deadline: 30 September 2012**



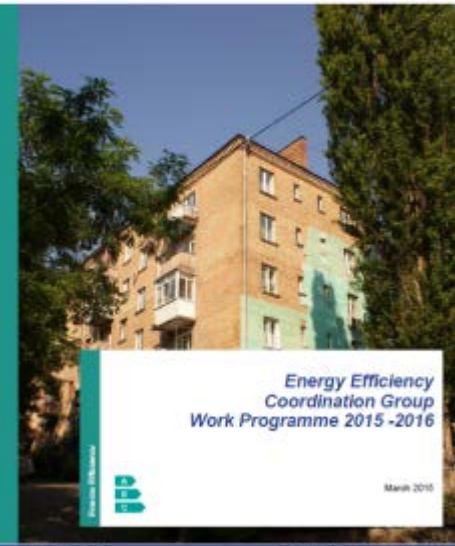
# DIRECTIVE 2010/30/EU

## ON LABELING OF ENERGY-RELATED PRODUCTS AND IMPLEMENTING DIRECTIVES/DELEGATED ACTS (ELD)

- ◆ **Labels help consumers choosing energy efficient products**
- ◆ **Directive apply to energy related products with a significant direct or indirect impact on energy consumption**
- ◆ **Framework Directive establishes the legal framework for labelling and consumer information regarding energy consumption for energy-related products:**
  - ▶ **Responsibilities of suppliers and dealers ,**
  - ▶ **Public procurement and incentives**
  - ▶ **Conditions for distance selling, etc.**
- ◆ **The delegated regulations deal with the labelling of specific energy-related products:**
  - ▶ **Tumble driers, air conditioners, dishwashers, refrigerators, washing machines, TVs...**
- ◆ **Key transposition approaches: Basic provisions in EE Law (framework directive) + Technical Regulations for Energy Labelling + standards**
- ◆ **Transposition Deadline: 31 December 2011 / 01 January 2016**



# Regional cooperation: Energy Efficiency Coordination Group



- ✓ **Regional Group** (Ministries/EE agencies, ECS, EC, Donors) - supports harmonised implementation of the EE acquis in the Energy Community; platform for sharing experience; implementation partner for the TA and investment programmes.
- ✓ **EECG Meetings**: 3 per year, combined with workshops
- ✓ **Supported by EnC EE Forum** – web communication platform for cooperation and discussion on EE-related issues among EECG members and beyond
- ✓ **EECG Work Programme 2015 – 2016**:
  1. Implementation of current and new energy efficiency directives in the Energy Community
  2. Development of the **next round of Energy Efficiency Action Plans** and their monitoring (3rd NEEAPs by 30 June 2016)
  3. Promotion of the exemplary role of public sector and energy services,
  4. Coordination of donors support for energy efficiency,
  5. Promotion of existing regional support initiatives and design of new ones
  6. Exchange of best implementation practices in CPs and EU

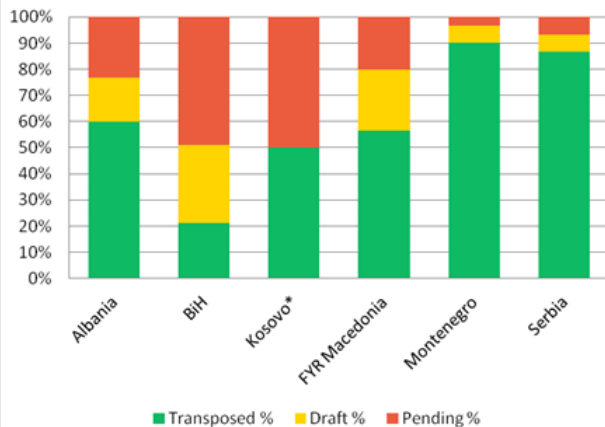


# TRANSPOSITION STATUS

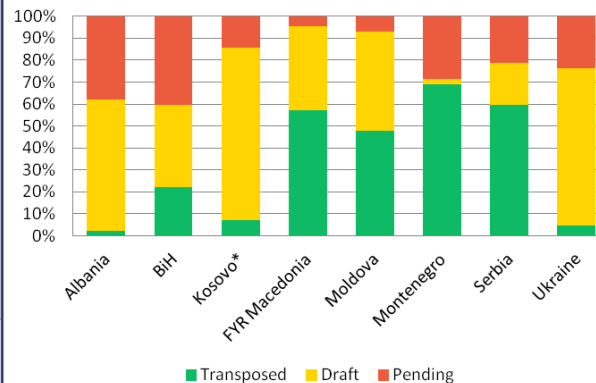
## Recent achievements (2016):

- **Serbia:** implementation of an energy management system, creation of an ESCO enabling framework, followed by the launch of first ESCO tenders;
- **Montenegro:** drafting of sec. legislation, incl. promotion of the leading role of the public sector, adoption of a new procurement regulation and investment programmes in public and residential sector;
- **FYR Macedonia:** implementation of an energy audit system with a series of trainings and implementation of projects in buildings and industry sector;
- **Kosovo\*** Implementation of EE projects in the public sector ;
- **Ukraine:** drafting of legislation and work on national EE fund;
- All Western Balkan CPs are working on finalization of 3<sup>rd</sup> EEAPs and many CPs have already started with reforms of their legislation to incorporate Directive 2012/27/EU (**Albania, Montenegro, Serbia, Kosovo\*, Ukraine, Moldova**).

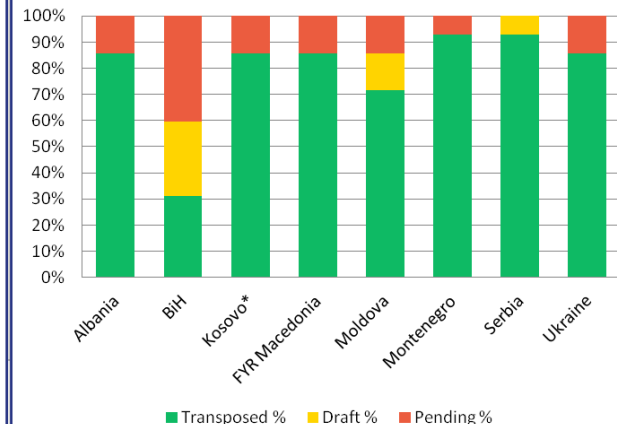
### Transposition of ESD (2006/32/EC)



### Transposition of EPBD (2010/31/EU)

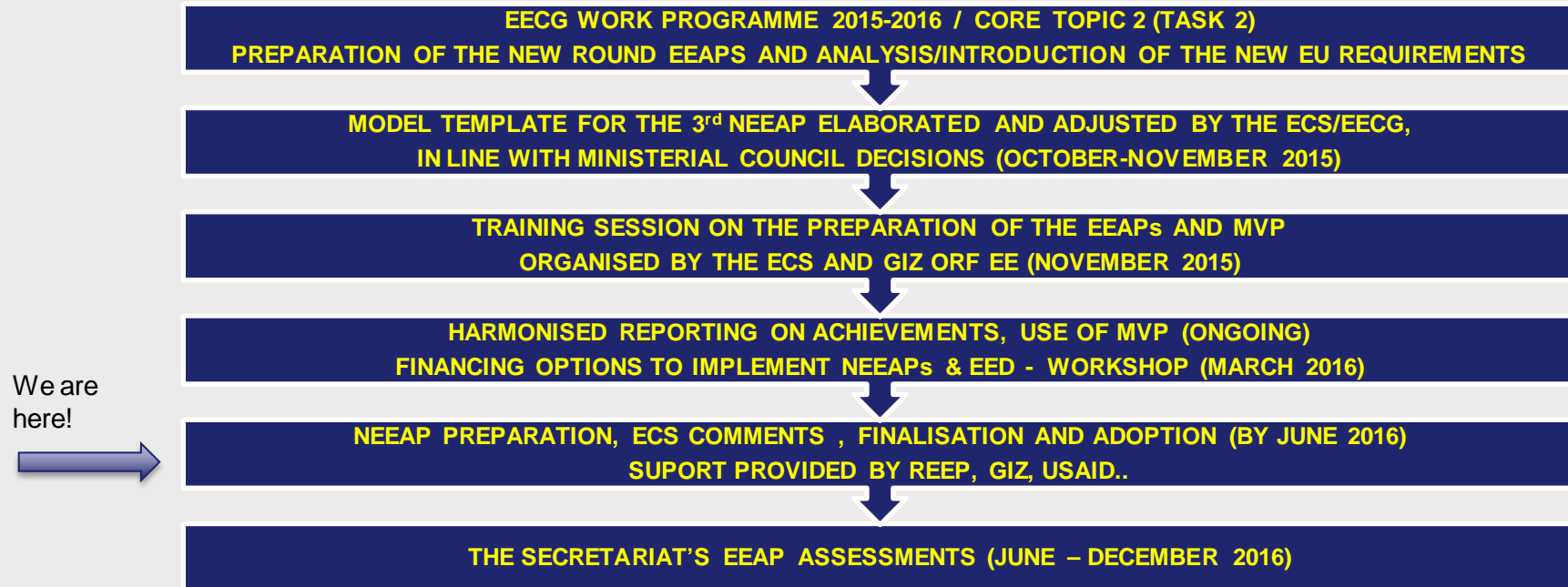


### Transposition of ELD (2010/30/EU)



# DEVELOPMENT OF 3<sup>rd</sup> NEEAPs (by June 2016)

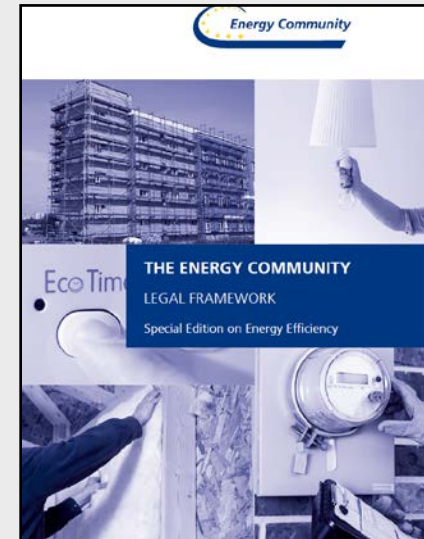
- Reporting on the progress towards achievement of the 2018 and 2020 EE target;
- 3<sup>rd</sup> NEEAPs will include roadmap for timely transposition and implementation of the Directive 2012/27/EU



# **DIRECTIVE 2012/27/EU**

## **ON ENERGY EFFICIENCY (EED)**

- ❖ ***New in EnC: adopted in October 2015 (Ministerial Council Decision)***
- ❖ ***Overall transposition deadline: 15 October 2017***
- ❖ ***Energy efficiency 2020 targets (Article 3)***
  - The Energy Community's 2020 energy consumption no more than 187 Mtoe of primary energy or no more than 133 Mtoe of final energy (draft proposal)
- ❖ ***Exemplary role of public bodies' buildings (Article 5)***
  - Renovation target 1% per year (3% in the EU)
- ❖ ***Energy Efficiency Obligation Schemes (Article 7)***
  - 0.7 % of the annual energy sales to final customers of all energy distributors or all retail energy sales companies... (1.5 % in EU)



*Energy Community legal framework on energy efficiency (June 2016)*

# **DIRECTIVE 2012/27/EU**

## **ON ENERGY EFFICIENCY (EED)**



### **❖ Energy Services (Article 18)**

- available energy service contracts and clauses; Financial instruments, incentives, grants and loans to support energy efficiency service projects; List of energy service providers; exemplary role of the public sector; NEEAP measures

### **❖ Energy Efficiency National Fund, Financing and Technical Support (Article 20)**

- Setting up financing facilities and technical support schemes; Exchange of best practices; Option - Energy Efficiency National Fund and contribution; Revenues from environmental or any other energy taxes or levies may be used for the development of innovative financing mechanisms;

**>> Short timeframe for transposition and implementation => adequate coordination and support schemes**

# EED transposition & implementation: Key activities in 2017



1 JAN.  
2017

- Deadline to prepare inventory of heated and/or cooled central government buildings > 500 m<sup>2</sup> & alternative measures (Article 5)

15 MARCH  
2017

- Notification of implementation plans - energy efficiency obligations and/or policy alternatives (Article 7)

30 MARCH  
2017

- Long-term strategies for renovation of national building stock (Article 4)

30 JUNE  
2017

- Indicative national energy efficiency targets (and report every year onwards on progress/main measures)

15 OCT.  
2017

- EED transposition deadline (for most of the measures)!



# EE FINANCING AND COOPERATION WITH DONORS COMMUNITY



- ✦ Key features needed to reduce the perceived investment risks are **embedded in the acquis provisions.**
- ✦ **The transposition of the energy efficiency legal framework alone will not bring the significant changes** needed to realize the energy saving potential of the Contracting Parties.
- ✦ Durable impact can only be achieved through **investments both by public sector institutions and private actors with commercial and IFIs financing.**
- ✦ **Combining policy and market reforms with financing initiatives** lies at the heart of the Energy Community – successfully incorporated in many ongoing initiatives: REEP/REEP+, WB6, CESEC etc.
- ✦ **Significant support for EE already available:** EU IPA, GIZ ORF – EE, EU WBIF/Regional Energy Efficiency Programme for the Western Balkans (REEP), GGF, Neighborhood Investment Facility (NIF), Eastern Europe Energy Efficiency and Environmental Partnership (“E5P”), Inogate, KfW, EIB, USAID, UNDP..
- ✦ Approximately 150 mil EUR still available (not committed) for EE financing in the Western Balkans.



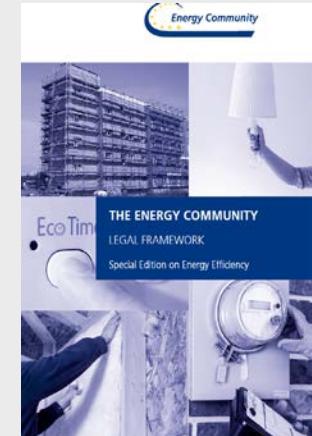
**For more information:**

WBIF website,  
EnC website – EE  
financing section

# RECENT EE PUBLICATIONS

- ❖ EE LEGAL FRAMEWORK, SPECIAL EDITION (June 2016)
- ❖ “SAVE ENERGY, SAVE COSTS, DEVELOP YOUR BUSINESS - A PRACTICAL GUIDE TO ENERGY EFFICIENT BUSINESS SOLUTIONS” (GGF, 2016)
- ❖ ANNUAL IMPLEMENTATION REPORT (October 2015)
- ❖ ENERGY COMMUNITY – TAPPING ON ITS ENERGY EFFICIENCY POTENTIAL (June 2015)

[www.energy-community.org](http://www.energy-community.org)



The background is a satellite-style image of the Earth at night, showing city lights. Overlaid on this are numerous glowing blue lines that represent energy transmission or a network, curving across the globe.

*Thank you  
for your attention!*