

R E P O R T

TO THE MINISTERIAL COUNCIL OF THE ENERGY COMMUNITY ON THE ACTIVITIES OF THE ENERGY EFFICIENCY TASK FORCE AND ITS MANDATE

I. BACKGROUND AND SCOPE OF THE REPORT

Following three Ministerial Council decisions adopted in December 2009¹, September 2010² and October 2011³, the following energy efficiency directives became part of the Energy Community *acquis*:

1. **Directive 2006/32/EC** on energy end-use efficiency and energy services;
2. **Directive 2010/31/EU** on the energy performance of buildings;
3. **Directive 2010/30/EU** on the indication by labelling and standard product information of the consumption of energy and other resources by energy-related products, as well as set of implementing directives/delegated acts.

While the overall deadline for transposition of Directive 2010/31/EU is 30 September 2012, deadline for transposition of directives 2006/32/EC and 2010/30/EU was 31 December 2011.

Based on the Treaty establishing the Energy Community (Article 35) and following the decision of the Ministerial Council of December 2007, the Energy Efficiency Task Force (EETF) was created and became effective upon the adoption of its mandate and election of its Chair⁴.

The Ministerial Council in October 2011 extended the mandate of the Task Force till the end of 2012⁵, with the following scope of activities:

- Monitoring of Implementation of the 1st National Energy Efficiency Action Plans (NEEAPs) of the Energy End-use Directive;
- Preparation for developing the 2nd NEEAP and integrating the new EU requirements;
- Exchange of experiences related to transposition of the above mentioned energy efficiency directives;
- Promotion of availability of information and capacity building for energy efficiency.

The EETF - following its mandate - is expected to periodically report on the progress with the realisation of its Work Programme.

Since its set up, EETF had sixteen meetings all together up to the date of this report. This report, however, intends to provide the overall information for the performance of the EETF within its current mandate and its Work Programme 2012. It also puts emphasis on the importance of the EETF future

¹ Ministerial Council Decision 2009/05/MC-EnC of 18 December 2009 on the implementation of certain Directives on Energy Efficiency

² Ministerial Council Decision 2010/02/MC-EnC of 24 September 2010 amending Decision 2009/05/MC-EnC

³ Ministerial Council Decision D/2011/03/MC-EnC of 06 October 2011 on adopting certain Delegated Regulations on energy related products

⁴ See Conclusion 11 - Ministerial Council meeting, 18.12.2007.

⁵ See Conclusion 14 - Ministerial Council meeting, 06.10.2011.

work with regard to the transposition and implementation of the Energy Efficiency Directives as adopted by the Ministerial Council in December 2009, September 2010 and October 2011⁶.

The Task Force implemented its 4th Work Programme in 2012, in line with its mandate as follows:

II. THE 4th WORK PROGRAMME - SUMMARY INFORMATION

The 4th Work Programme of the Task Force (Annex1) included four tasks, as follows:

Task 1: Monitoring of Implementation of the 1st National Energy Efficiency Action Plans (NEEAPs)

In order to master the challenge to implement energy efficiency directives, a common form of the Roadmap template was developed by the Energy Community Secretariat (ECS). In the context of the Energy Efficiency Task Force's Work Programme 2009-2010, the first version of roadmaps were prepared by mid 2010. The final sets of roadmaps were submitted by March 2011 and reflect the changes of the two recast Directives adopted by the Ministerial Council in 2010. The roadmaps were submitted by all Contracting Parties (CPs), with the exception of Moldova, which is developing it.

According to the Ministerial Council Decision of 2009 and Article 14(2) of the Directive 2006/32/EC, Contracting Parties shall submit their first NEEAPs to the ECS by 30 June 2010. All Contracting Parties submitted their NEEAPs with the exception of Moldova; Bosnia and Herzegovina and Ukraine have submitted the draft NEEAP, but the governmental approval is in process.

One of the most important steps in the implementation of the NEEAP is the Monitoring & Verification & Evaluation of savings achieved through the NEEAP measures. In order to assist the countries to design and implement a proper M&V&E system, the Task Force has requested technical support to GIZ Open Regional Fund - Energy Efficiency in 2011; this, through its Monitoring & Verification & Evaluation regional project, provided significant support to the Western Balkans Contracting Parties. The CPs participating in this project were included in an intensive capacity building component as follows: (i) Prepared the User manual for top down indicators; (ii) Developed an Excel tool for calculation of top down indicators; (iii) Participated in a training workshop for country representatives that was held in Zagreb in 2011; (iv) Developed and evaluation of NEEAP's implementation level, in view of reporting under the second NEEAP.

These results were summarized and presented at the 15th Task Force meeting in June 2012, by the Task Leader; the presentation is available on the Energy Community website.

In order to support the funding of NEEAPs measures, EC/DG Enlargement launched in April 2011, a Study to identify sustainable financing options to implement NEEAPs, and to support Contracting Parties in creating a proper regulatory and policy framework for utilization of such financing mechanisms. National and regional workshops will be organized before the end of 2012 and 1st Quarter of 2013, with the aim of assisting Contracting Parties to identify suitable financing options for different elements of their NEEAPs.

Task 2: Preparation for developing the 2nd NEEAP and integrating the new EU requirements

The 2nd NEEAP is due in June 2013 and the Task Force has prepared a template based on the model used by the EU Member States. Croatia has shared its experience in preparing the 2nd NEEAP in the 15th Task Force meeting. The Secretariat may organise a training workshop on the preparation of the 2nd NEEAP and will try to assist the CPs to receive some technical assistance from regional programme, as it was the case with the 1st NEEAP.

⁶ Ministerial Council Decision D/2009/05/MC-EnC of 18th December 2009 on the implementation of certain Directives on Energy Efficiency and Decision D/2010/02/MC- EnC, of 24 September 2010, amending Decision 2009/05/MC-EnC of 18 December 2009.

Task 3: Exchange of experiences related to transposition of the energy efficiency directives

Under this task, a detailed report was prepared by the Task leader based on the reports from Task Force members. In its meeting of June 2012, the Task Force members reported on the progress to - date with the transposition of the Energy Efficiency *Acquis* and discussed specific implementation issues.

As regards the Directive 2010/31/EU (EPBD), the overall deadline for transposition is 30 September 2012. Based on the progress reports prepared by the Energy Efficiency Task Force, all Contracting Parties are progressing in transposition of this Directive.

However, EPBD is recognized as the most complex directive for implementation. In order to support the Contracting Parties to implement the EPBD, the Secretariat launched in May 2011, the Study on Energy Efficiency in Buildings in the Contracting Parties of the Energy Community. The overall objective of the Study was to support governments in their efforts to meet their commitments under the Energy Community Treaty by assisting them to increase the efficient use of energy in buildings and improve their energy performances, as well as for implementation of their NEEAPs with respect to buildings sector.

The project was finalized in February 2012 with the training workshop organized on 22 February 2012, where the Consultant (ENSI, Norway) presented the findings of the Study.

The Study provided comprehensive recommendations on all aspects of EPBD implementation, including: method to make appropriate buildings stocks inventory, define reference buildings for each building category, develop of a common methodology for national data base for climate parameters and calculate energy performance of buildings, rough assessment on the potential for energy savings and investments needed to harvest the potential. The study also prepared an outline of the required secondary legislation and standards, as well as a detailed Roadmap for the implementation of the EPBD.

At the Task Force meetings held in 2012, the BUILD UP presented opportunities offered by the European portal on EE in buildings; the Austrian Energy Agency presented its approach and experience in building certification, and the Chairman of UNECE Committee on Housing and Land management presented the Action Plan for the Energy Efficient Housing in UNECE region; cooperation with these organizations for sharing lessons was discussed and will be pursued.

Task 4: Promotion of availability of information and capacity building for energy efficiency, especially in the public sector

Under this task, the IFI Coordination office worked with the Secretariat to prepare a new page on the Energy Community website for financing mechanisms available and appropriate for financing the measures proposed by the NEEAPs.

At the same time, a new subpage on WBIF website on energy efficiency and the IFI Co related activities was prepared.

A proposal (model) for energy efficiency financing section on Montenegro Ministry of Economy's website (focused on financing available in Montenegro) was also developed in the current mandate in cooperation between Montenegro Task Force member and IFI coordination office.

Under the IPA Multi-beneficiary programme for 2012, the European Commission has allocated 20 million EUR for a new WBIF Energy Efficiency Window, which intends to support national governments in their efforts to meet the commitments under the Energy Community Treaty and to assist them in the implementation of the NEEAPs by securing stable financing of energy efficiency investments, with a focus on public buildings and the public services sector. The Task Force worked with the Energy Community Secretariat and EBRD on an application to the WBIF for the implementation of a 20 Million Euro programme on energy efficiency.

The application was approved by the WBIF Steering Committee in June 2012, and the Task Force it is expected that the EE TF will be involved in the implementation of this "Regional Energy Efficiency Programme for the Western Balkans".

III. NEW ENERGY EFFICIENCY ACQUIS - POSSIBLE ADOPTION BY THE ENERGY COMMUNITY

In June 2012, the European Parliament, the Council and the EU Commission reached a political agreement on the Energy Efficiency Directive. In July, the members of the European Parliament's energy committee voted in favor of the new Directive. This is expected to be effective under Cyprus Presidency in 2012.

The Energy Community is following, to the extent these are applicable, the developments of the *Acquis* in the European Union and prepares the ground for its adoption and implementation under the Treaty.

The Task Force has already discussed this topic in its meetings in 2012, and had a presentation of the proposed Directive and its provisions by DG ENERGY. It was agreed to have a more in-depth analysis of the impact of the adoption of this new Directive on the CPs, in the 1st quarter of 2013, possibly based on study commissioned by the Secretariat (after the adoption in the EU MS in 2012).

IV. EXTENSION OF THE TASK FORCE MANDATE

In its meeting of June 2012, the Task Force members discussed the opportunity to have an extension of the Task Force mandate.

The Donors present at the Task Force meeting in June 2012, representing EU/DG ELARG, EBRD, USAID and GIZ, acknowledged that the EETF represents a very good instrument for regional cooperation, as well as for planning and implementation of regional initiatives, like the WBIF/EBRD Energy Efficiency Programme, the GIZ Open Regional Fund for Energy Efficiency, the USAID LEEDs, etc.

Based on consensus, the Task Force Chair was mandated to propose the PHLG recommending the Ministerial the extension of the Task Force mandate in 2013 - 2014 in order to implement the EPBD recast (deadlines beyond 2012), to prepare the 2nd NEEAP, to implement with EBRD the Energy Efficiency Programme starting in the final quarter of 2012 and continuing till 2014, and finally starting preparing the ground for the adoption of the new Energy Efficiency Directive

V. CONCLUSIONS

Based on the achievements reported above, the Task Force fully accomplished its current mandate and Work programme in the envisaged time frame (by the end 2012), and setting the scene for further developments of energy efficiency in the Contracting Parties.

The new Contracting Parties, Moldova and Ukraine have still to catch up with some tasks, but there are encouraging evidences of progress.

Still, even with the current progress registered in many Contracting Parties, significant implementation challenges are laying ahead all stakeholders in the Contracting Parties.

In order to sustain the progress in the Energy Community and to successfully follow the very dynamic trend in the European Union in the area of energy efficiency, regional cooperation is of great importance. The work of the Energy Efficiency Task Force follows this concept and represents an added value and a strong basis for the fulfilment of very demanding tasks in the area of energy efficiency in the Energy Community.

The extension of the Energy Efficiency Task Force mandate for another period will be beneficial for the implementation of the Directives, but mostly for advancing energy efficiency through large regional investment initiatives.

The Task Force's new mandate will focus especially on the following areas:

- Implementation of the 1st National Energy Efficiency Action Plans (NEEAPs), with the emphasis on the promotion of the exemplary role of the Public Sector and the creation of the market for energy services;
- Development of the monitoring and verification system and reporting on NEEAPs, in the framework of Directive 2006/32/EC: including the development of the energy data gathering and reporting system, setting up energy efficiency indicators, the use of the EU harmonised (top-down and bottom-up) measurement and verification methods;
- Preparation of the 2nd NEEAP;
- Assessment of the impact of the new Energy Efficiency Directive on the CPs, in case it is adopted
- Implementation of the Energy Performance in Buildings.
- Implementation of the WBIF/EBRD Energy Efficiency Programme in the modalities that will be agreed with ELARG and EBRD.

As adopted at the 10th Energy Efficiency Task Force meeting on 30 November 2011

ENERGY EFFICIENCY TASK FORCE

4th WORK PROGRAMME, 2012

I. ACTIVITIES RELATED TO THE TASK FORCE MANDATE

I	II	III	IV	V	VII
No.	TASK	DEADLINE	ACTIVITY	DELIVERABLE	REMARKS
1.	Monitoring and evaluation of Implementation of the 1 st National Energy Efficiency Action Plans (NEEAPs) (activity continued from 3 rd Work Programme)	1 st EE TF meeting, February 2012 01 June 2012 (preliminary report)	<ul style="list-style-type: none"> - Task leader will prepare a template for reporting on savings achieved in the 1st NEEAP - Each Contracting Party will prepare a report on the progress with the implementation of the 1st NEEAP, based on the Monitoring and Verification methodology set for each country (TD indicators and BU methods for individual measures) - These will be sent to the Energy Community Secretariat, by 01 June 2012; the Secretariat will review them and report to the PHLG 	<ul style="list-style-type: none"> - The template will be linked to the template for preparation of 2nd NEEAP issued by EC. - Report on the 1st NEEAPs; The report should contain evaluation of results in terms of energy savings for 2010 and 2011. - Summary presentation by the Task Leader 	<p>The task builds upon the work made within the M&V&E project implemented by GIZ Regional Open Fund – Energy Efficiency</p> <p>Task leader: Mr. Andon Kirov, the former Yugoslav Republic of Macedonia</p>

I	II	III	IV	V	VII
No.	TASK	DEADLINE	ACTIVITY	DELIVERABLE	REMARKS
2.	Preparation for developing the 2 nd NEEAP and integrating the new EU requirements	2 nd /3 rd quarter 2012	<ul style="list-style-type: none"> - Workshop dedicated to new obligations arising from the proposal of the recast ESD with training on how to write 2nd NEEAP will be organised in the 2nd or 3rd quarter 2012 - Possible adjusting of EU template in line with MC decisions, developing recommendations, and preparatory works 	<ul style="list-style-type: none"> - 1 day regional training workshop - Adapted EU template for the 2nd NEEAP, recommendations on how to fill it 	<p>The task builds upon the work undertaken within Task No.1</p> <p>Task leader: Mr. Igor Raguzin, Croatia</p>
3.	<p>Exchange of experiences related to transposition of the energy efficiency directives:</p> <ul style="list-style-type: none"> - Directive 2006/32/EC - Directive 2010/31/EU - Directive 2010/30/EU and the associated implementing Directives 	Each Task Force meeting in 2012	<ul style="list-style-type: none"> - Each Contracting Party will prepare a short progress report on the status of preparation and adoption of national laws and regulations, with a focus on practical implementation aspects related to certain requirements of the directives. (e.g. in each TF meeting, minimum two topics will be discussed, from the implementation view point). 	<ul style="list-style-type: none"> - Short Progress Reports by each Contracting Party - Detailed presentations of the identified best practices/lessons learned in implementation, by Contracting Parties - Presentations from EU Member States (e.g. cooperation with CA ESD and CA EPBD) 	<p>The task builds upon the results of 3rd Work programme</p> <p>The task envisages more discussions and open sharing of experiences, and real problems encountered in the implementation; it is based on the Roadmap produced in 3rd Work Programme.</p> <p>Task leaders:</p> <ul style="list-style-type: none"> - Ms. Antonela Solujic, Serbia - Ms. Alma Saraci, Albania - Ms. Biljana Trivanovic, Bosnia and Herzegovina
4.	Promotion of availability of information and capacity building for	Continuously	- Continuation of communication and	- Dedicated section on EnC website related to energy	This task is continued from 3 rd Work programme – and

I	II	III	IV	V	VII
No.	TASK	DEADLINE	ACTIVITY	DELIVERABLE	REMARKS
	<p>energy efficiency, especially in the public sector:</p> <ul style="list-style-type: none"> - Identification of investment projects in public sector (pipeline of projects) - Preparation of applications for the new window under the Western Balkans Investment Framework on energy efficiency - Building knowledge and awareness and promotion of other available financing mechanisms 	November 2012	<p>awareness raising campaigns at national/local level</p> <ul style="list-style-type: none"> - Develop dedicated sections on energy efficiency financing mechanisms, on the web sites of the relevant public institutions (ministries, agencies) - Identify and disseminate best practices in advancing energy efficiency 	<p>efficiency continuously upgraded</p> <ul style="list-style-type: none"> - Dedicated sections on national websites - 1.0 day regional training workshop on financing mechanisms in energy efficiency and preparation of application - A pipeline of minimum 5 investment proposals in the public sector per CP, by 15 November 2012 - Summary of findings, by task leader, by 30 November 	<p>focuses more on promotion of financing investments in public sector</p> <p>Lessons learned and best practices will be uploaded on the websites The information and capacity building campaigns for energy efficiency should have a particular focus on NEEAPs, EPBD, ESD and labelling Directives implementation, and also on financial mechanisms</p> <p>Task leaders:</p> <ul style="list-style-type: none"> -Mr. Calin Negura, Moldova -Ms. Mija Nenezic, Montenegro

II. PARTICIPATION TO ENERGY EFFICIENCY EVENTS

1. Active participation in the Energy Efficiency Task Force meetings.
2. Active contribution to the Agenda and speakers to the energy efficiency related events organised by the Energy Community.
3. Participation with presentations on the Task Force's work and reports to the PHLG meetings.