
ENERGY EFFICIENCY IN THE ENERGY COMMUNITY



PRELIMINARY ASSESSMENT OF THE DRAFT NATIONAL ENERGY EFFICIENCY ACTION PLANS

Energy Community Secretariat

9th Energy Efficiency Task Force Meeting

Vienna, 28th June 2010

- INTRODUCTION
- PRELIMINARY ASSESSMENT OF NEEAPs
- NATIONAL ENERGY SAVINGS TARGETS
- SECTORAL EXAMPLE - PUBLIC SECTOR
- REGIONAL OVERVIEW - STRENGTHS AND WEAKNESSES
- RECOMNDATIONS AND CONCLUSIONS



- ✓ **Energy Efficiency Task Force Work Programmes vs NEEAPs:**
 - Preparation of a non-customised (template) Action Plan (done);
 - Finalization of the draft 1st National Energy Efficiency Action Plans (done);
 - Monitoring of the implementation of the NEEAPs (ongoing).

- ✓ **MINISTERIAL COUNCIL DECISION December 2009: Energy Efficiency Acquis becomes mandatory (ESD, EPBD and energy labelling directives)!!**
 - The overall deadline for the transposition of the Directives is 31 December 2011, except for the NEEAPs:
 - a first EEAP not later than 30 June 2010;
 - a second EEAP not later than 30 June 2013;
 - a third EEAP not later than 30 June 2016.

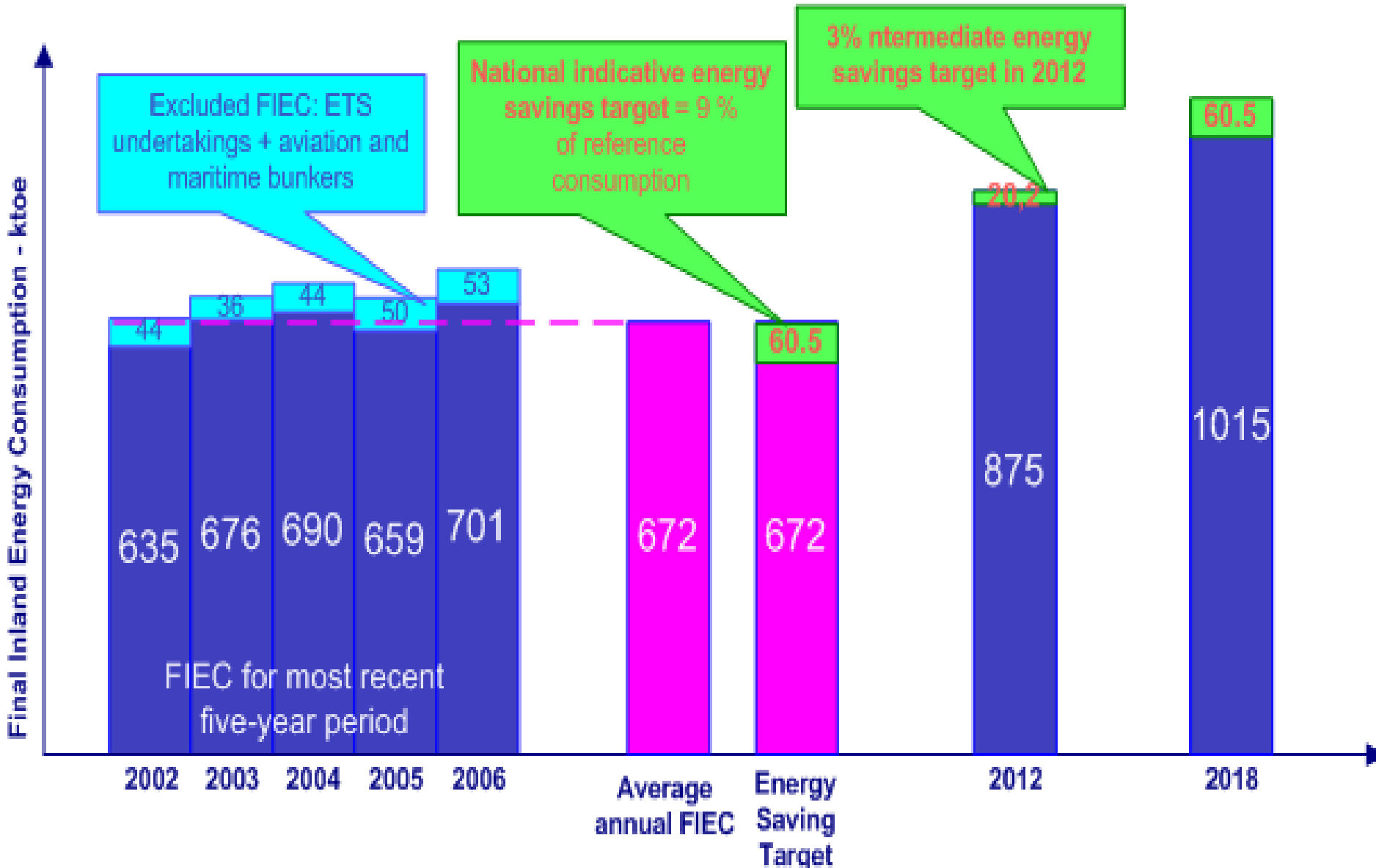
- ⇒ **AMENDMENTS NEEDED - to extend the period covered by draft NEEAPs:**
 - to calculate the 9 year national indicative energy savings target for the period 2010 to 2018 and
 - to set new intermediary target in 2012.



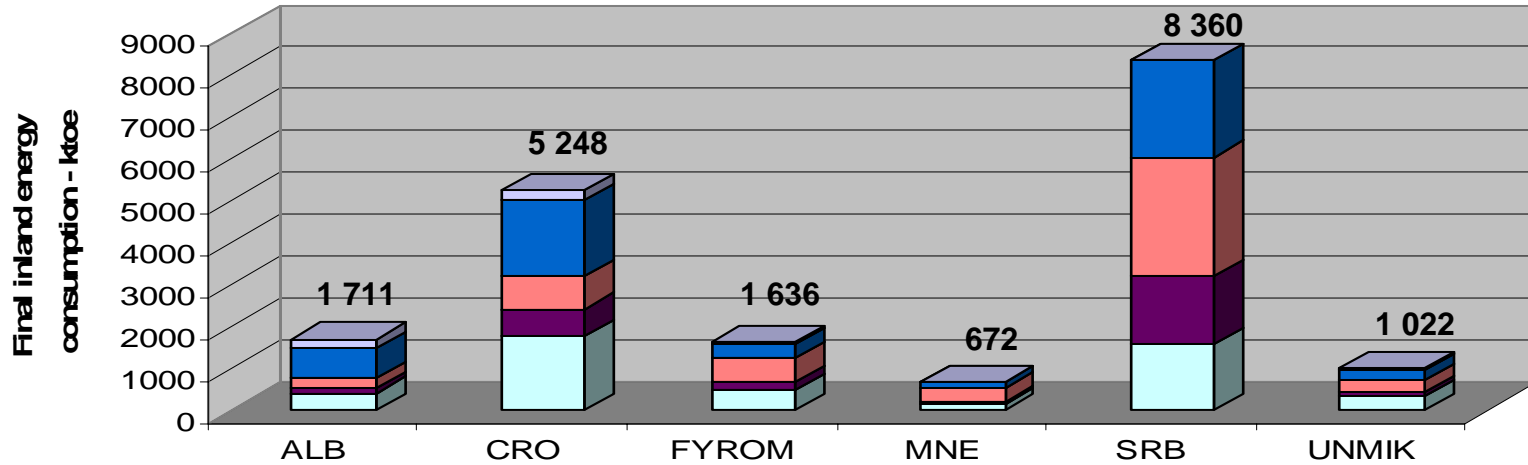
- **Purpose: to assist CPs, make some recommendations/suggestion for compliance with the requirements of the ESD.**
- **Based on the methodology used for the screening of the EU MS NEEAPs.**
- **Included CPs which submitted draft NEEAPs:**
 - ✓ **Albania, Former Yugoslav Republic of Macedonia, Montenegro, Serbia, UNMIK.**
 - ✓ **Croatia already adopted NEEAP in accordance with ESD (April 2010).**
 - ❖ **BIH didn't submit NEEAP (plan by the end of 2010).**
 - ❖ **Moldova joined the EnCT in May 2010 and will submit asap.**



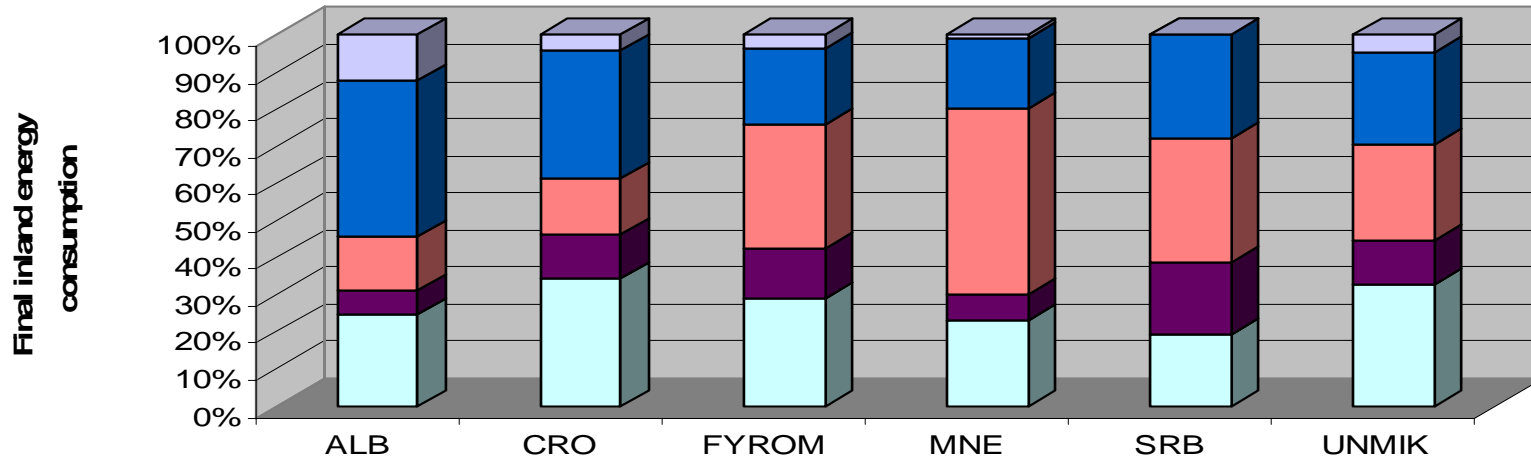
PROPER CALCULATION OF THE ENERGY SAVINGS TARGET IN THE ENERGY COMMUNITY - EXAMPLE



NEEAPs: FIEC (ESD SCOPE) PER SECTORS

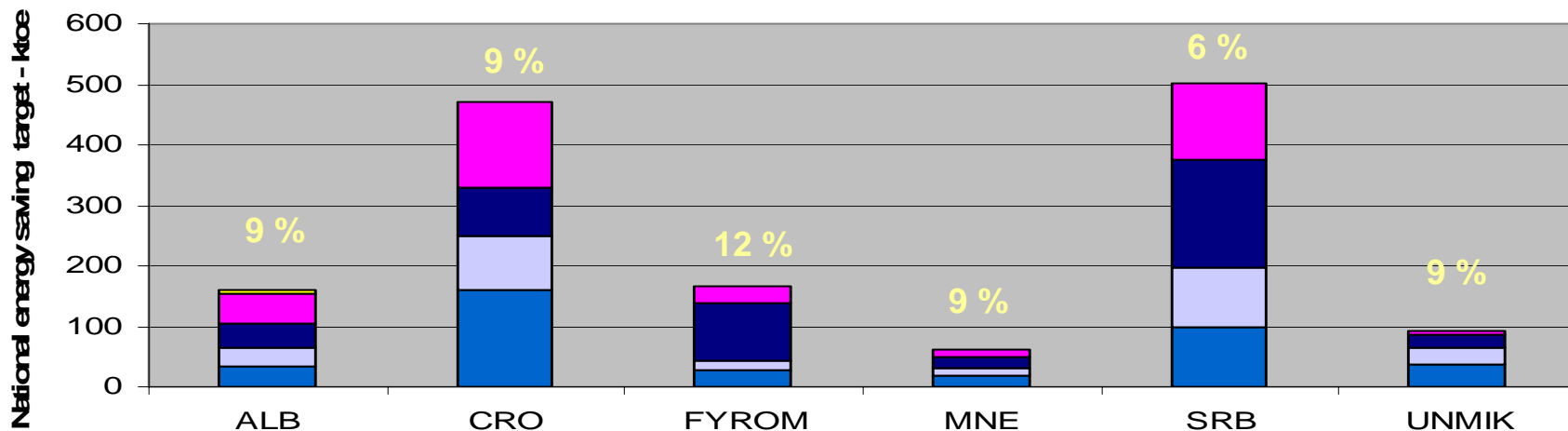


■ Residential
 ■ Services
 ■ Industry -ESD scope
 ■ Transport
 ■ Agriculture

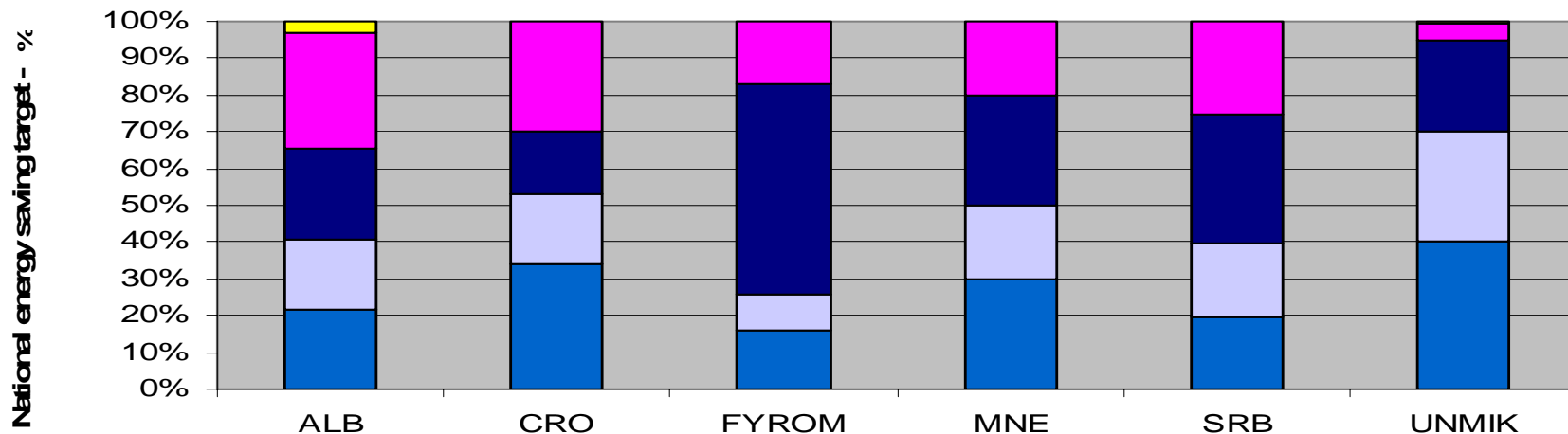


■ Residential
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NEEAPs: NATIONAL ENERGY SAVINGS TARGETS PER SECTOR



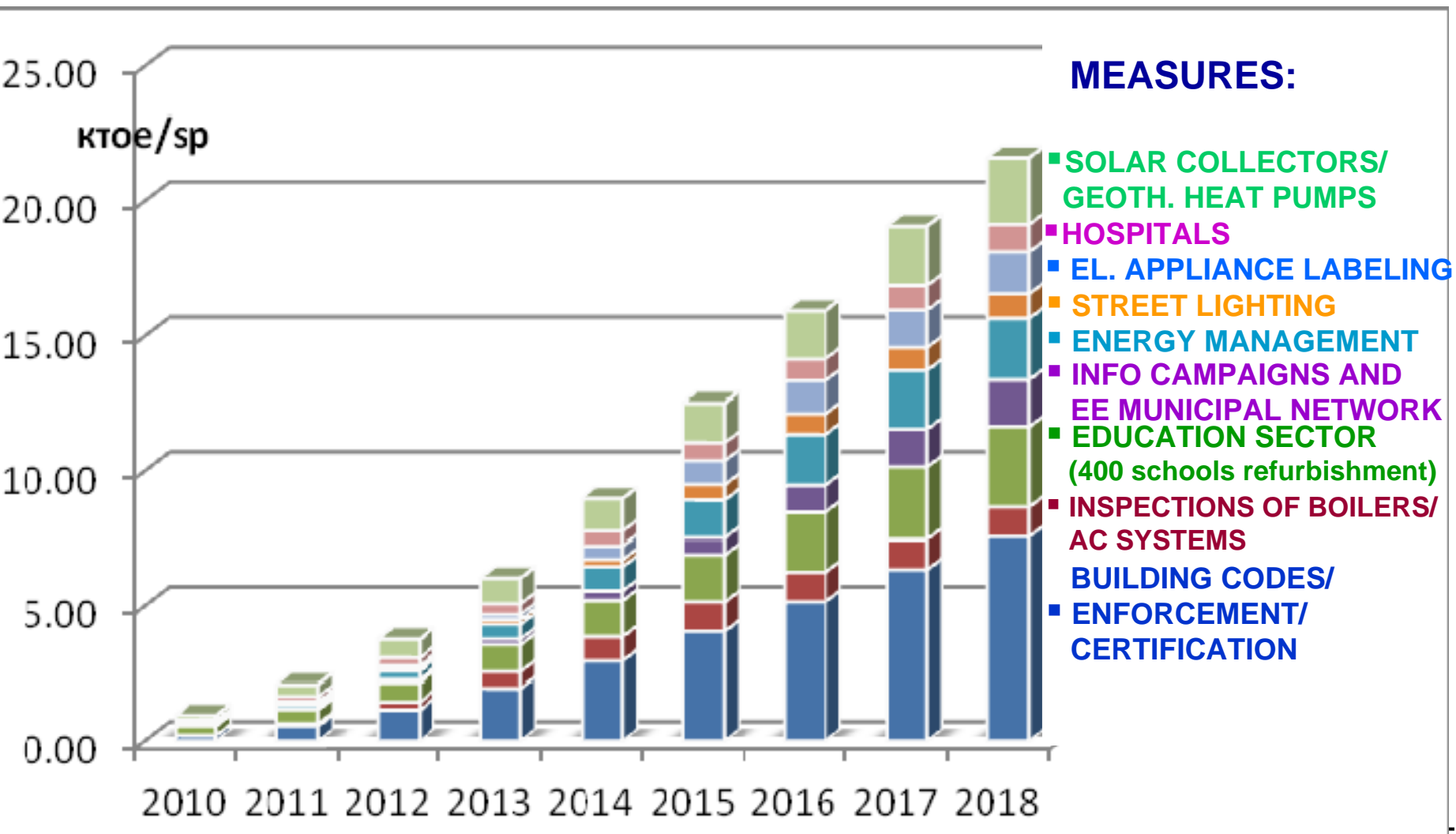
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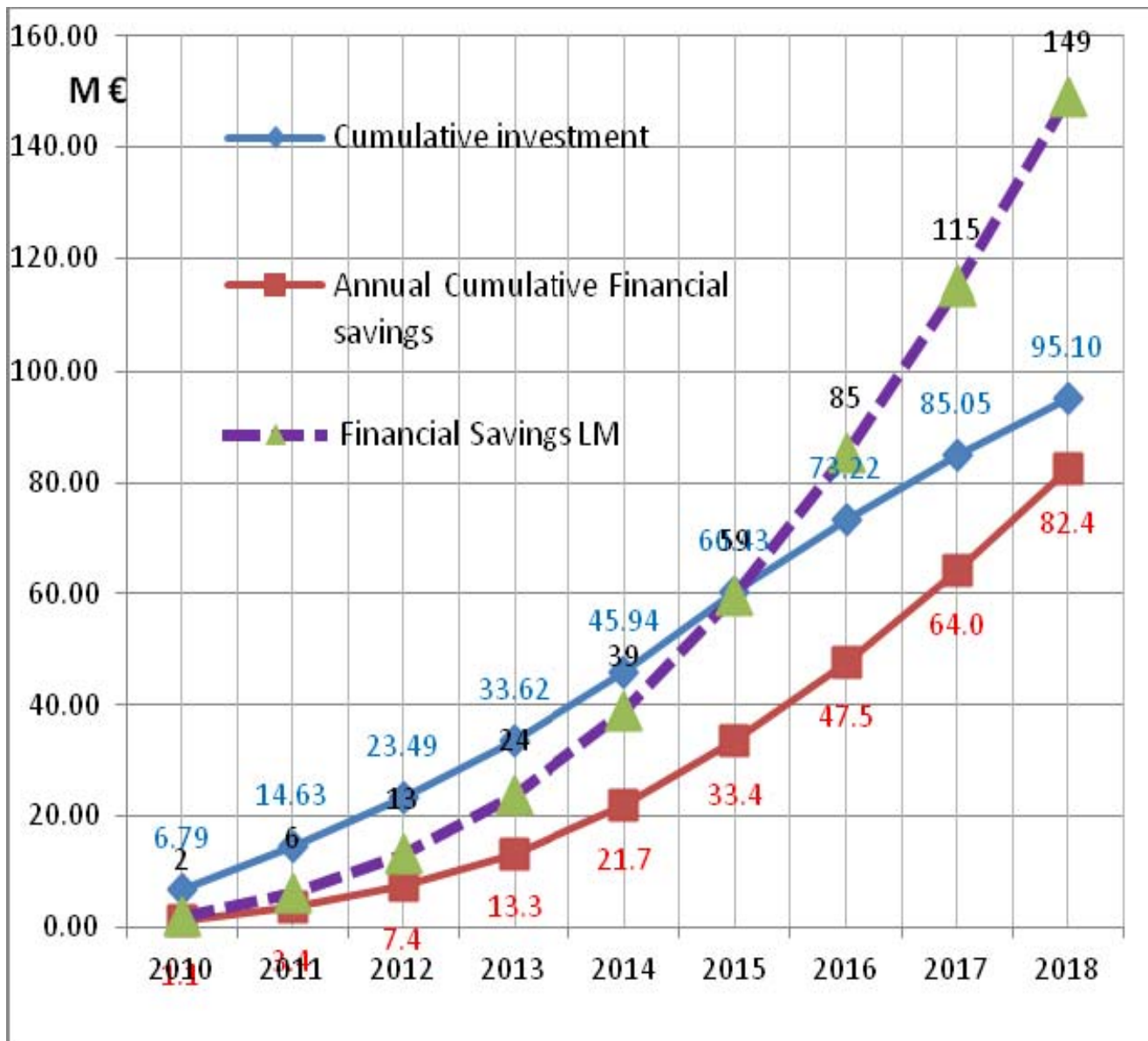


■ Residential ■ Services ■ Industry -ESD scope ■ Transport ■ Agriculture

CONTRIBUTION OF INDIVIDUAL EEI MEASURES – SERVICES/PUBLIC SECTOR

SOURCE: NEEAP Former Yugoslav Republic of Macedonia





Source: NEEAP

Former Yugoslav Republic of Macedonia

✓ Assumed average investment prices, values of saved energy and simple payback period for individual energy savings measures

✓ Energy and financial savings in correlation with investments for the particular energy savings program

✓ Investments distribution:

- Government
- Municipalities
- Donations
- Private sector



STRENGTHS

AND

WEAKNESSES

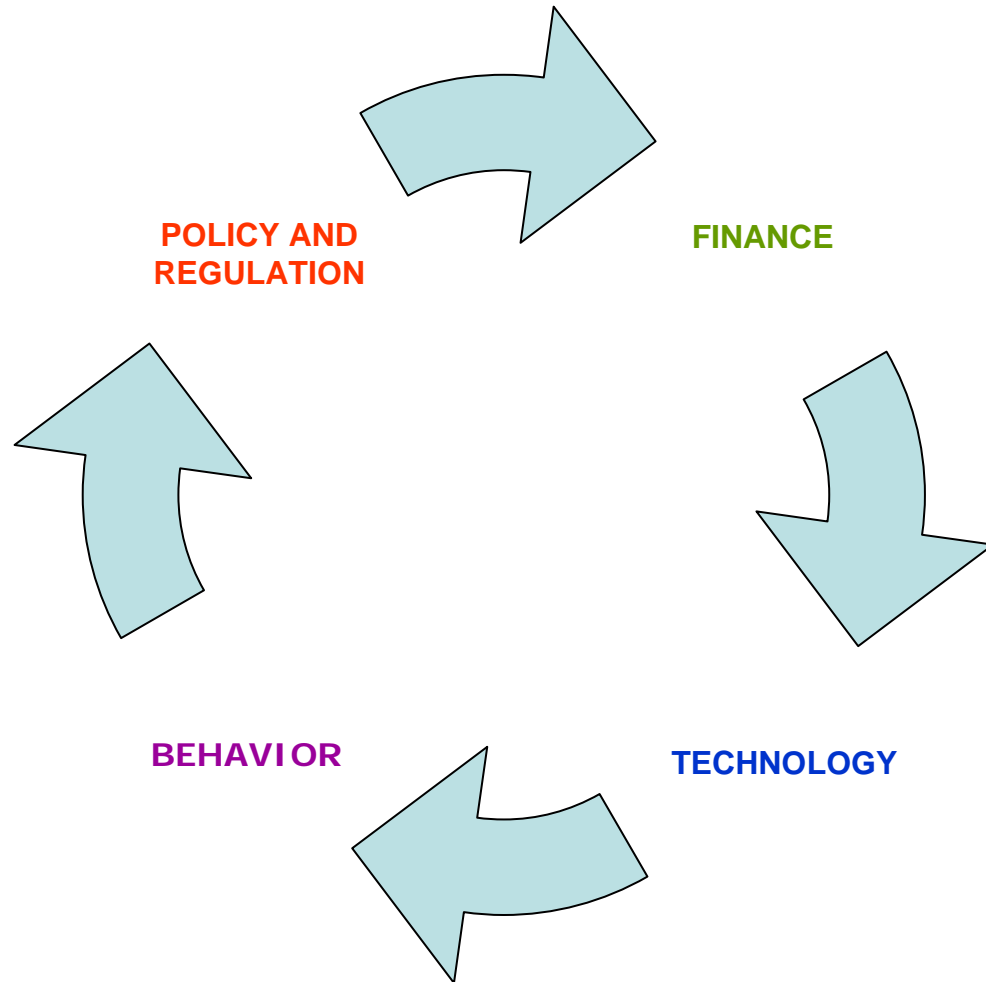


- 😊 **FIEC calculation – in line with ESD (minus EST installations, in some CPs)**
- 😊 **Target Calculation in line with ESD (9% or more, exception Serbia)**
- 😊 **All economic sectors included: industry, households, public and commercial sectors, transport**
- 😊 **Generally, good package of EEI measures presented in all sectors**
- 😊 **Primary legislation (Energy Efficiency Law) in place or in preparation**
- 😊 **Designated institution: in most cases the ministry or an agency to be set up**
- 😊 **Exemplary role of the Public sector is acknowledged**

- ☹️ **Calculation/estimation of savings in general not well explained (rule of thumb!)**
- ☹️ **Some figures... too optimistic (role of soft measures: audits, certification, campaigns) or too pessimistic (retrofit of schools and hospitals)**
- ☹️ **Calculation of investments needed: missing or incomplete in many, but v. good in former Yugoslav Republic of Macedonia**
- ☹️ **Sources of financing, somewhat limited in many NEEAPs to the Energy Efficiency Fund – to be set up**
- ☹️ **In general, financing of measures is not developed enough to give confidence of reaching the targets**

- ☹️ **Early measures... not well reflected, where it existed**
- ☹️ **Some activities are reported as “results” under certain measures**
- ☹️ **Cross – sector measures... could be better identified and described**
- ☹️ **Statistical energy consumption data... not enough disaggregated (public with commercial sector together; or buildings in both residential and public sector aggregated, etc.)**
- ☹️ **Secondary legislation**
- ☹️ **Monitoring and verification**

- **Target Calculation should be improved to be fully in line with ESD (all CPs)**
- **Implementation of amendments in accordance with MC decision: to extend the period covered by NEEAPs and calculate the 9 year national indicative energy savings target for the period 2010 to 2018 and include 2012 as intermediary target**
- **Creation of the proper legislative, institutional and investment framework in the area of energy efficiency should be priority and clearly stated and explained in NEEAPs (where missing)**
- **Investment needs should be estimated per measure/sector and years. Also, the financial and fiscal mechanisms should be better described**
- **Improvement of statistics and production of the energy efficiency indicators on the macro-economic level and per sectors should be elaborated as specific measure under chapter “Horizontal and cross-sectoral measures”**



A HOLISTIC APPROACH!



IT IS TIME FOR ACTION!

THANK YOU
FOR YOUR ATTENTION!

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RESERVE SLIDES

❖ REASONS:

- ✓ Exemplary role (ESD).
- ✓ It is easier to address through policy measures
(parallel with creation of proper legal and institutional framework).

❖ USUAL EE IMPROVEMENT MEASURES:

- ⊙ Energy audits and certification of buildings
- ⊙ EE Projects in public administration buildings, schools, hospitals, street lighting
- ⊙ Energy management at state and local level
- ⊙ Inspections of boilers/air conditioning systems
- ⊙ EE in tendering procedures for public procurement (equipment, vehicles, buildings)
- ⊙ Stricter EE standards for new public buildings
- ⊙ Implementation of informative and awareness raising campaigns.

SUMMARY OF STRENGTHS - ALBANIA

- 😊 Generally, good package of EEI measures presented in all sectors.
- 😊 Favorable institutional framework for successful NEEAP implementation (the Ministry and the National Agency of Natural Resources).
- 😊 The creation of the proper legislative framework in the area of energy efficiency (Energy Efficiency Law) is underway.
- 😊 Establishment of the EE Fund (pursuant to new EE Law) will significantly contribute to the implementation of the NEEAP.
- 😊 Energy savings targets estimated per sector and year.
- 😊 Exemplary role of the Public sector well elaborated.
- 😊 There is a significant number of existing projects in the field of energy efficiency (supported by EU, Italian Ministry, EBRD, KfW, WB, GTZ, USAID, UNECE, UNDP, etc.).
- 😊 Most of the investment costs are calculated, but not all.

SUMMARY WEAKNESSES - ALBANIA

- ☹️ Calculation of the national indicative energy savings target not fully in accordance with Annex I of the ESD (see NEEAP template).
- ☹️ Intermediate ES target (app.1.5%) seems too low.
- ☹️ The description of some individual measures too general, without precise and concrete activities, as well as lack of the elaboration of already existing sources of financing.
- ☹️ Unclear materialisation of the EE Fund can be significant barrier for successful implementation of the NEEAP.
- ☹️ Specific chapters and annexes required by the ESD and NEEAP template not exist in the current Albania NEEAP.
- ☹️ No clear information given on evaluation and methodologies to measure and monitor the energy savings, according to ESD.
- ☹️ ESCOs development: legislative changes should be further supported with the specific EEI measures.

SUMMARY OF STRENGTHS - FYROM

- 😊 Generally, good package of EEI measures presented in all sectors.
- 😊 Favourable institutional framework for successful NEEAP implementation (the Ministry of Economy and Energy Agency).
- 😊 Energy savings estimated per sector and year, as well as investment needs. This enables comparison with adopted energy savings targets.
- 😊 Creation of the general legislative framework in the area of energy efficiency (Energy Law) is in the finalization phase.
- 😊 Exemplary role of the Public sector well elaborated.
- 😊 There are a significant number of existing projects in the field of energy efficiency.

SUMMARY WEAKNESSES - FYROM

- ☹️ **Not clear calculation the national indicative and intermediate energy savings target, different values for targets.**
- ☹️ **The description of some individual measures without precise and concrete activities. Lack of the elaboration of already existing sources of financing, as well as exact time frame for EEI measures implementation.**
- ☹️ **Unclear materialisation of the EE Fund can be significant barrier for successful implementation of the NEEAP.**

SUMMARY OF STRENGTHS - MONTENEGRO

- 😊 Generally, good package of EEI measures presented in all sectors.
- 😊 The institutional framework for successful NEEAP implementation is partially in place (the Ministry of Economy) but it needs reinforcement.
- 😊 Energy savings estimated per sector and year,
- 😊 The creation of the general legislative framework in the area of energy efficiency (Energy Efficiency Law) is in the finalization phase. Numerous by laws are needed for implementation.
- 😊 Exemplary role of the Public sector well elaborated.
- 😊 There is a significant number of existing projects in the field of energy efficiency, but not clearly linked with the NEEAP.

SUMMARY WEAKNESSES - MONTENEGRO

- ☹️ **Not clear the method for calculation the national indicative and intermediate energy savings target.**
- ☹️ **The investment needs are not estimated at all and hence it is not clear from which funds will the measures be implemented.**
- ☹️ **The description of some individual measures without precise and concrete activities. Lack of the elaboration of already existing sources of financing, as well as exact time frame for EEI measures implementation.**
- ☹️ **Unclear materialisation of the EE Fund or the Agency that were part of the earlier EE Law could be significant barrier for successful implementation of the NEEAP.**

SUMMARY OF STRENGTHS - SERBIA

- 😊 Favorable institutional framework for successful NEEAP implementation (the Ministry of Mining and Energy and the SEEA);
- 😊 Establishment of the EE Fund will significantly contribute to the implementation of the NEEAP;
- 😊 Creation of the basic legislative framework in the area of energy efficiency (Law on Rational Use of Energy) is in the finalization phase;
- 😊 There are a lot of ongoing projects in the field of energy efficiency: World Bank loan for public buildings, educational programs, CHP development, energy management and planning in municipalities, ESCO development, etc.

SUMMARY WEAKNESSES - SERBIA

- ☹️ **Calculation of the national indicative energy savings target not in accordance with Annex I of the ESD;**
- ☹️ **Intermediate target 1% seems too low;**
- ☹️ **Statistical gap to calculate energy saving target, as well as estimation of savings per different sectors (residential, commercial and public sectors);**
- ☹️ **Weak role of the public sector to meet the requirements of ESD and not clearly recognised exemplary role of the public sector;**
- ☹️ **Limited reference to ESD, EPBD, and energy labeling directives implementation.**

SUMMARY OF STRENGTHS - UNMIK

- 😊 Generally, good package of EEI measures presented in all sectors.
- 😊 Energy savings targets estimated per sector and year.
- 😊 The creation of the general legislative framework in the area of energy efficiency (Energy Efficiency Law) is in the finalization phase.
- 😊 Establishment of the EE Agency and EE Fund will significantly contribute to the implementation of the NEEAP;
- 😊 Exemplary role of the Public sector well elaborated.
- 😊 There is a significant number of existing projects in the field of energy efficiency.
- 😊 Some investment costs are calculated, but not all.

SUMMARY WEAKNESSES - UNMIK

- ☹️ **Not clear calculation the national indicative and intermediate energy saving target (relevant table missing – see NEEAP template).**
- ☹️ **The financial analysis for whole NEEAP implementation, as well as elaboration of available sources of financing is missing.**
- ☹️ **Unclear materialisation of the EE Fund and EE Agency can be significant barrier for successful implementation of the NEEAP.**
- ☹️ **Specific chapter proposed by the NEEAP template (“Measures specifically required to be reported in NEEAP by the ESD”) not exist in the current NEEAP.**
- ☹️ **No information given on evaluation and methodologies to measure and monitor the energy savings, according to ESD.**
- ☹️ **ESCOs development: legislative changes should be further supported with the specific EEI measures.**