

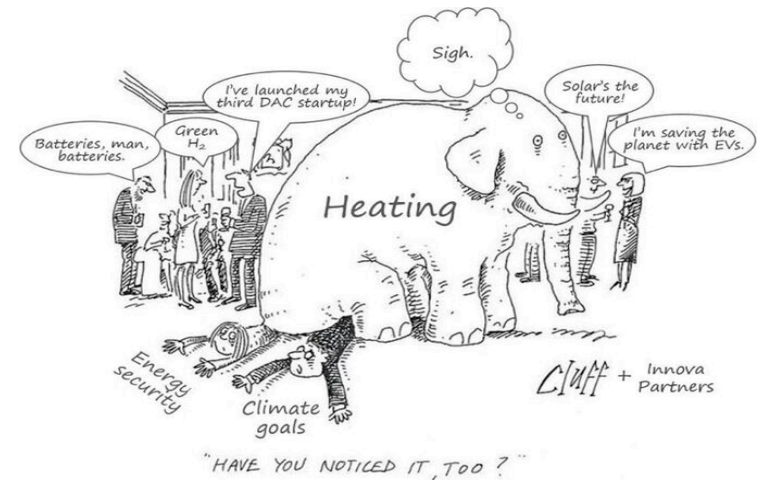
District Heating in the Energy Community

15th Renewable Energy Coordination Group
Workshop on District Heating and Cooling

Biljana Grbić LL.M,
Energy Community Secretariat, Energy Consultant for Heating and Cooling
19 April 2023

Why is the heating sector important?

#HeatsHalf



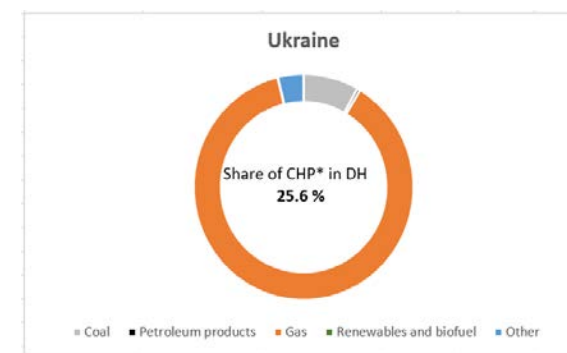
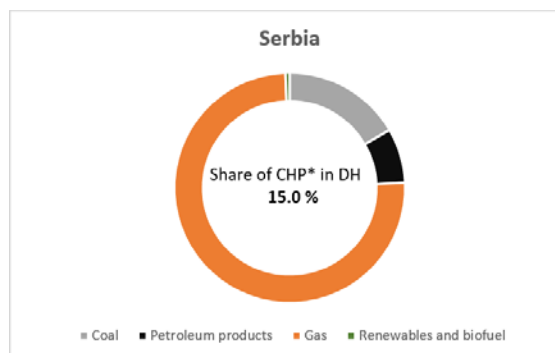
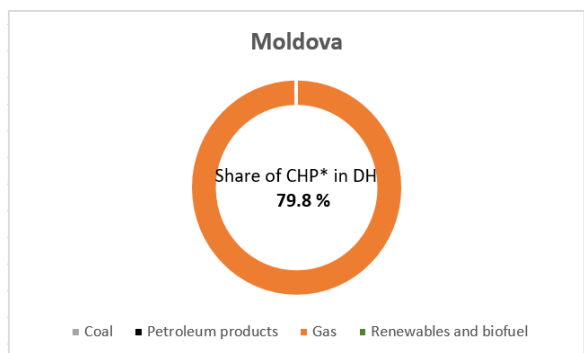
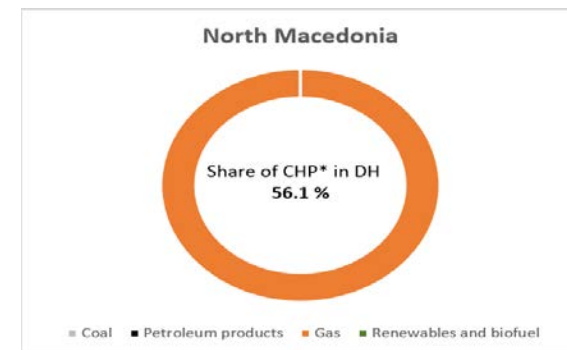
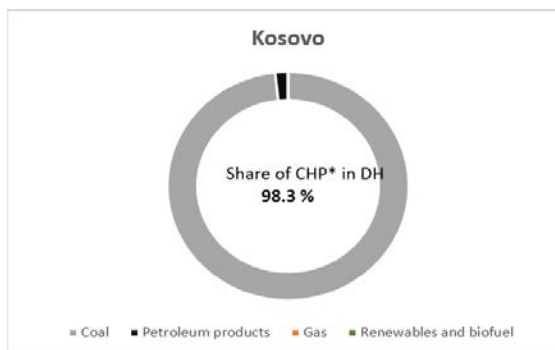
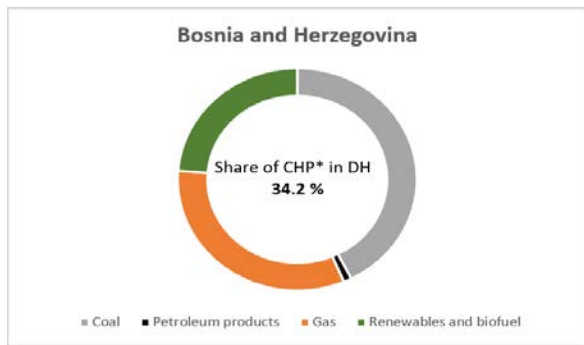
District Heating Systems in EnC

	Bosnia and Herzegovina	Kosovo*	Moldova	North Macedonia	Serbia	Ukraine
Number of DH systems	33	4	2	1 (3 DH systems)	60	cc. 1600
Regulatory Authority	Local Authorities	ERO	ANRE	ERC	Local Authorities	NEURC, Local Authorities
Legislation	Decisions of local authorities	National law and regulations of ERO	National law and regulations of ANRE	National law and regulations of ERC	National law and decisions of local authorities	National law and regulations of NEURC
Ownership	Public and Private	Public	Public	Public and Private	Public	Public and private

*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.

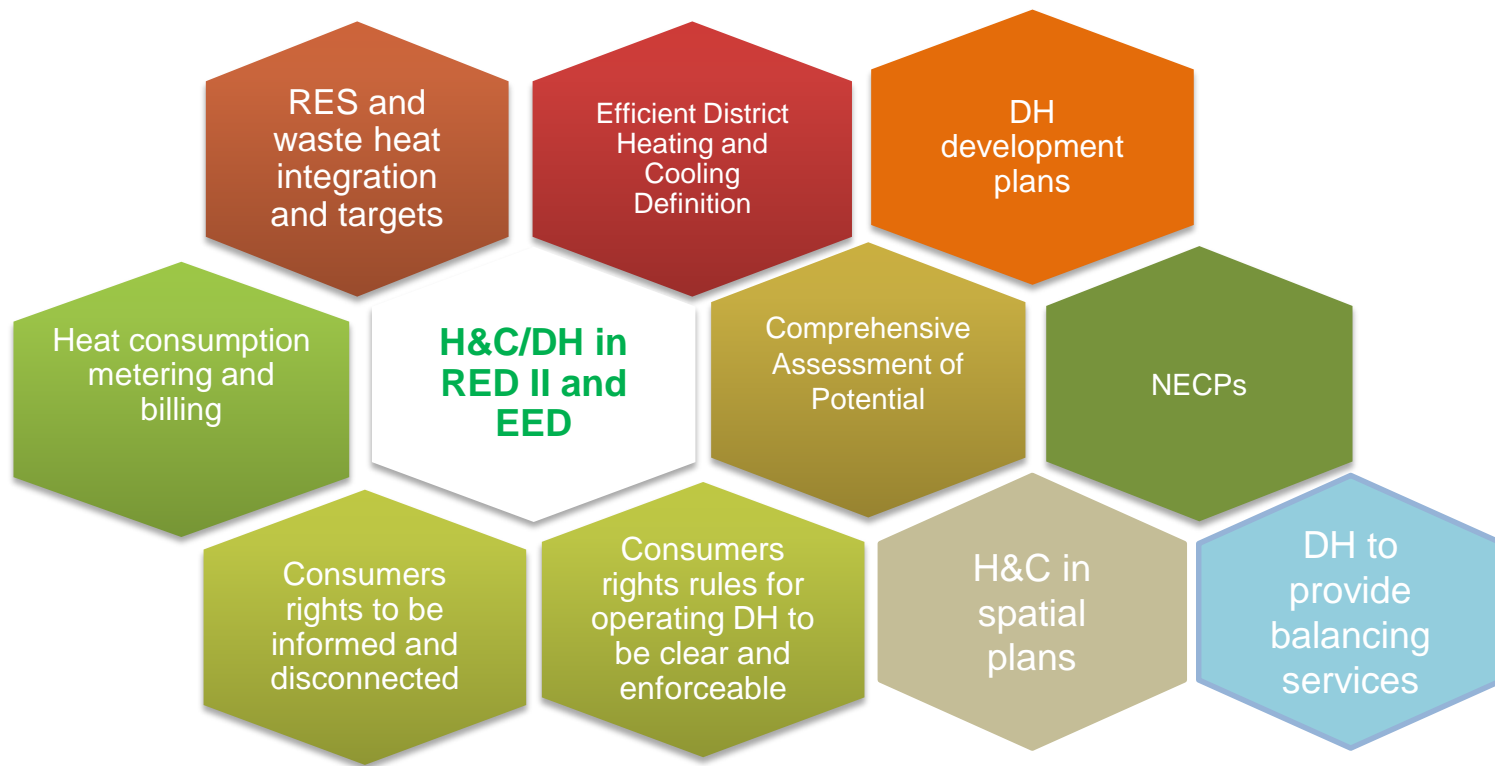
**At present, district heating network does not exist in Albania and Georgia
Montenegro is in the process of developing new biomass DHS in Zabljak municipality

District heating - energy mix in EnC

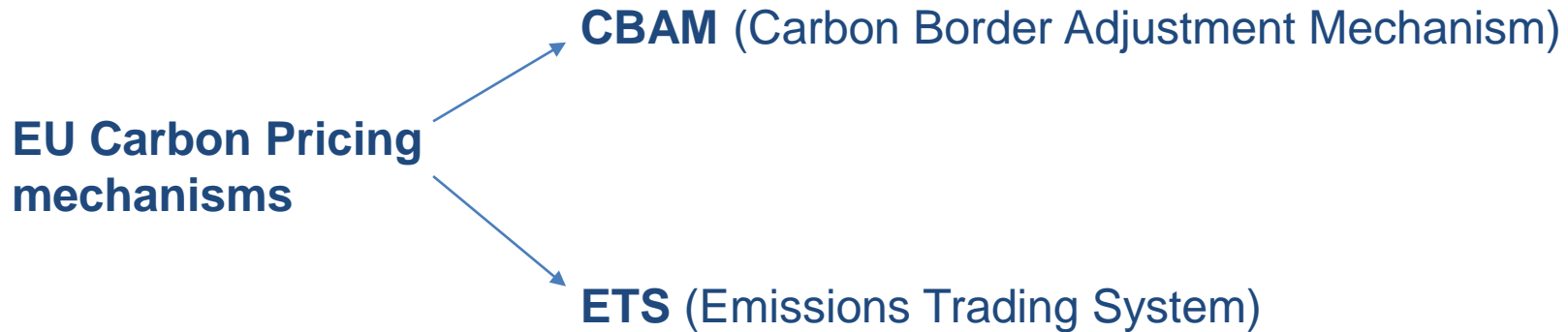


Source: compiled and calculated by the Energy Community Secretariat, Eurostat, 2020

H&C and DH in Energy Community legal framework



Carbon Pricing and District Heating



What is Carbon Border Adjustment Mechanism (CBAM) and how will it impact DH?

- A mechanism that places a carbon tax on imports of electricity and industrial goods from countries outside the EU
- EU importers will pay CO₂ tax on these goods from non-EU countries
- District heating is local, with no cross-border trade
- Therefore, CBAM will not directly affect district heating

What is Emissions Trading System (ETS) and how will it impact DH?

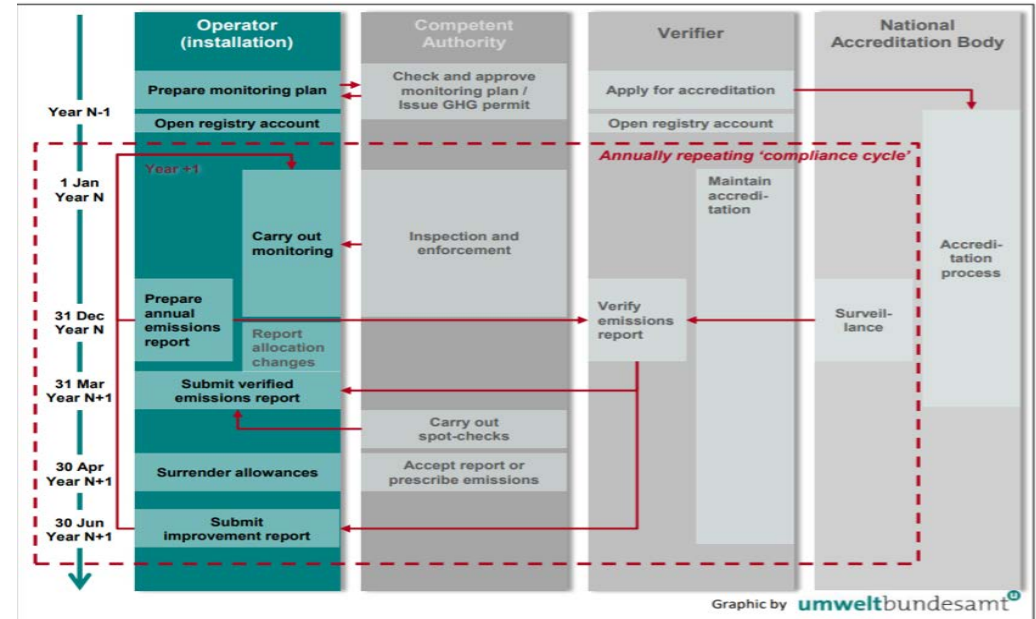
- Combustion installations above 20 MW of thermal input are covered by the system
- Each plant has a quota of greenhouse gases permitted to emit per year
- For a certain amount of CO₂ emissions, companies get free allowances
- One allowance gives the holder the right to emit 1 tonne of CO₂
- If free allowances do not cover the quota, an operator has to buy allowances
- District heating companies with a thermal input above 20 MW are directly affected

The next step for DH concerning carbon pricing - Monitoring, Reporting and Verification (MRV)

➤ Transposition deadline for MRV package: December 2023

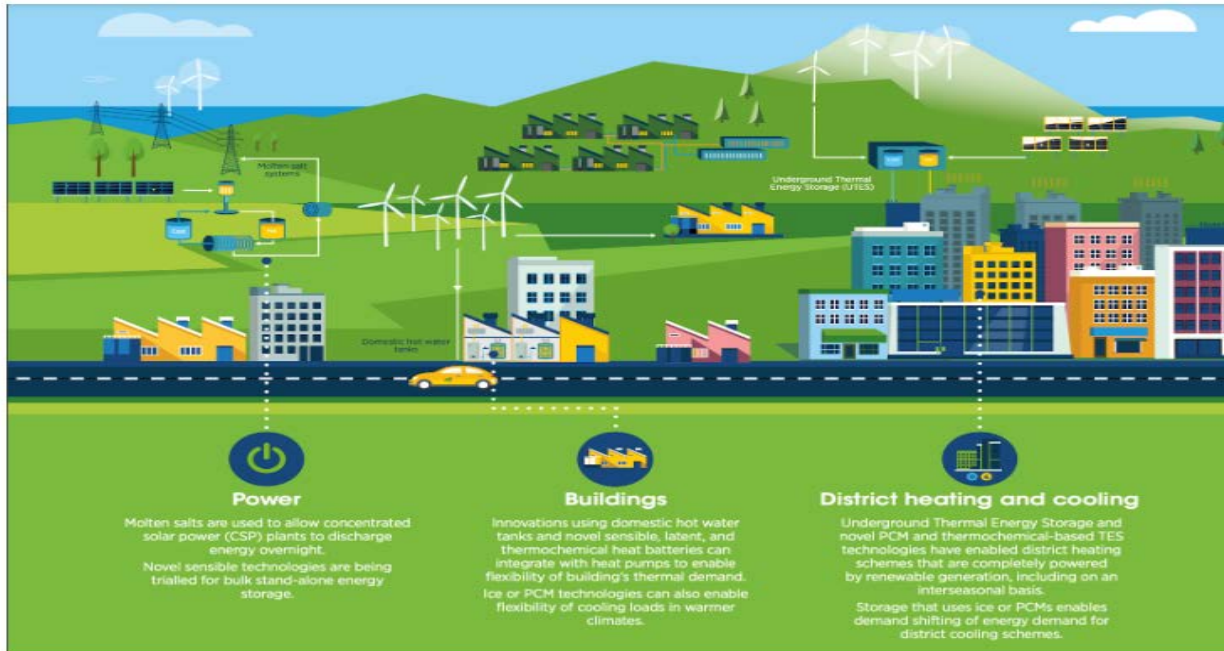
➤ Combustion installations of above 20 MW thermal input will have to:

1. Prepare monitoring plan
2. Open registry account
3. Carry out monitoring
4. Prepare annual emissions report
5. Submit verified emissions report
6. Surrender allowances
7. Submit improvement report



Source: EU Commission

DH as a part of an RES-based integrated energy system



Thermal energy technologies allow renewable energy to be stored and used later for heating and cooling. Image: Innovation Outlook: Thermal Energy Storage, IRENA



THANK YOU FOR YOUR ATTENTION

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