

24th ENERGY EFFICIENCY COORDINATION GROUP MEETING - MINUTES AND CONCLUSIONS

Tuesday, 17 November 2020, 9:30 - 16:10

Webex online meeting

The 24th Energy Efficiency Coordination Group (EECG) meeting was held online and attended by the representatives of Energy Community Contracting Parties (except Albania and Serbia, the European Commission (EC) DG ENER and DG NEAR, EU Delegation to Georgia, donors and IFIs: EBRD/ REEP Plus and ReDEWeB Fund, European Investment Bank, Green for Growth Fund, KfW, GIZ ORF - Energy, Transport and Climate Protection, USAID, WBIF IPF and World Bank, as well as consultants and invited speakers from ECA, Fraunhofer IBP, Karanovic/Nikolic, etc. The meeting was chaired by the Energy Community Secretariat (ECS).

ECS (Ms. Violeta Kogalniceanu) opened the meeting by welcoming the participants and presenting the meeting's agenda and objectives. The EECG documents and presentations are available online on the Energy Community website.

1. EECG Work Programme 2019-2020 and 2021-2022; Monitoring and Verification Platform

ECS (Mr. Borko Raičević) reported on the <u>EECG Work Programme and implementation progress in 2020</u>. Despite the progress achieved in Contracting Parties (with adoption of legislation, strategic documents, buildings and labelling regulation, reporting), implementation is ongoing and remains challenging in many aspects, including the implementation of obligation schemes, low renovation rate, inefficient heating and cooling sector etc.

<u>Draft EECG Work Programme 2021-2022</u> reflects the key common challenges and need for regional cooperation in implementation of energy efficiency directives, coordination of various regional assistance projects and discussion on new initiatives, including coordinated work on 2030 energy efficiency targets, clean energy package and follow-up on new developments in EU. It continues to follow the model of EU Concerted Actions, and includes 10 expert areas divided in 4 chapters, focused on: transposition and implementation of EE acquis and expert discussion on new requirements and amendments, monitoring and reporting on targets and savings, promotion of the exemplary role of public sector, energy services, audits and management systems, efficiency in energy supply, CHP and heating/cooling, energy efficiency in buildings (buildings' renovation strategies and renovation wave, as well as key EPBD requirements), energy labelling and eco-design, and tackling horizontal and cross cutting issues with in cooperation with other bodies (incl. EnC Energy and Climate Committee and RECG).

ECS (Ms. Violeta Kogalniceanu) and GIZ ORF - Energy, Transport and Climate Protection (Ms. Jasna Sekulović) announced to the EECG an official handover of the Monitoring and Verification Platform (MVP) to the Energy Community Secretariat; the MVP was developed with the support of GIZ ORF-ETC project with the purpose to support monitoring and implementation of measures contributing to energy savings and reduction of emissions at all policy levels. Following the previous tailored GIZ ORF-

24th ENERGY EFFICIENCY COORDINATION GROUP MEETING



ETC support to Western Balkan Countries (adaptations through the MVP project), and to Moldova through EU4Energy MVP project, the transfer of the basic prototype version of MVP software to ECS offers the possibility of further distribution and developments in other Contracting Parties or Observer Countries of the Energy Community.

Conclusions:

- 1.1 The EECG Work Programme 2019-2020 was largely implemented and progress was achieved, as presented in the EnC Implementation Report 2019-2020.
- 1.2 ECS presented the draft EECG Work Programme 2021-2022. The EECG members and donors' community are invited to check the <u>summary Work Programme</u> and send any proposals of (additional) activities or support connected to the Work Programme, by 31 January 2021. Full programme will be proposed by ECS at the next EECG meeting, for endorsement.
- 2.1 EECG thanked GIZ ORF-ETC for capacity building and support provided through the MVP Project, the intense cooperation with EECG and the transfer of MVP Software to ECS. This will enable its distribution and further developments in other Contracting Parties or Observer Countries of the Energy Community.

2. Expert Areas 7 and 8: Energy Performance Requirements/ Cost-Optimal Level/ Certification of Buildings

Contracting Parties briefly reported on the progress in implementation of EPBD, with the focus on implementation of methodologies for calculating the energy performance of buildings/cost optimal level and regulation on EP certification of buildings and inspection of system. This was based on detailed reports on the implementation of the Energy Performance of Buildings Directive, sent by CPs prior to the EECG meeting and published on the event page ("Documents" section).

ECA/REEP Consultant (Mr. Alexis Pramagioulis) reported on the role of EPCs in stimulating the market for green buildings with a summary overview of regulatory framework and implementation status in the Energy Community CPs. He also highlighted that EPCs could be a key element in the successful implementation of the Renovation Wave.

The methodological and legal framework for the new Montenegrin Energy Efficiency Certification software (meec.me) - was presented by the Fraunhofer IBP (Mr. Simon Wössner), followed by the demonstration of MEEC user interface and functionalities by the Ministry of Economy of Montenegro (Mr. Božidar Pavlović and Ms. Marija Vujadinović).

Conclusions:

- 2.1 The ECS thanked EECG CPs and ECA/REEP for reporting on EPBD implementation, with the focus on the implementation of methodologies for calculating the energy performance of buildings, cost-optimal calculations and EP certification of buildings and inspection of system. ECS noted that the only CP that did not send a Report or reported orally was Serbia
- 2.2 Having in mind that EPBD implementation is a challenging, ongoing process, EECG appreciates available donors' support (from EU, EBRD/REEP, GIZ, KfW and others) and holistic approach in development of policies and legislation, training and tools necessary for setting and implementation of minimum energy performance requirements and certification of buildings. Support and experience sharing through EECG is very beneficial and should continue in the future.

MINUTES AND CONCLUSIONS - DRAFT

24th ENERGY EFFICIENCY COORDINATION GROUP MEETING



2.3 EECG Work Programme 2021-2022 will tackle common challenges and include EECG activities to tackle improvement of energy efficiency in buildings, including work on buildings' renovation strategies and renovation wave, as well as key EPBD requirements.

3. Regional Programmes and Initiatives

The European Commission, DG ENER and DG NEAR (Ms. Claudia Canevari and Mr. Michael Vögele) presented the <u>Latest Energy Efficiency Policy Developments in EU</u> (review and revision of EED and EU Renovation Wave), as well as latest updates on the <u>Economic and Investment Plan for the Western Balkans</u>.

The European Green Deal reaffirmed EU commitment to make Europe climate-neutral by 2050, and it serves as a roadmap for number of Commission's activities and initiatives, including the proposal of the European Climate Law and the Climate Target Plan Communication, which were published in September 2020, as well as package of ongoing activities to increase energy efficiency efforts. The process for the revision of the Energy Efficiency Directive was launched in August 2020 with plans to be finalised before June 2021. EECG members are invited to contribute to the open public consultation, which was launched on 17 November 2020 and will run for three months until 9 February 2021. The building sector is tackled with the Renovation Wave initiative, with the goals to at least double the renovation rate of buildings, create green jobs, and reduce buildings' GHG emissions by 60%, final energy consumption by 14% and consumption for heating and cooling by 18%. Areas of intervention and lead actions under the Renovation Wave deal with strengthening of information, legal certainty and incentives, adequate and well-targeted funding, strong project and technical assistance, integrated renovation interventions, addressing energy poverty and access to healthy housing and actions toward decarbonisation of heating and cooling.

For the Western Balkans, the convergence with the EU Green Deal and regional cooperation is strengthened with the adoption of the comprehensive Economic and Investment Plan (Plan), which aims to support and connect the economic recovery with green and digital transition. The Green Agenda for the Western Balkan is embedded in the Plan and endorsed during the WB6 Sofia Summit in November 2020. With EUR 9 billion of planned EU funding for investment flagships in the areas of transport, energy, green and digital transition, intention is to further attract public and private investments, backed by the Western Balkan Guarantee Facility, with a potential to mobilize up to EUR 20 billion. The clean energy area is included as one of the six key areas for economic development with renovation wave as key flagship initiative, which will be implemented in cooperation with the Energy Community, through WBIF and stakeholders involved in the work of the EECG. The role of the Energy Community in policy reforms (finalisation of 2030 targets with adoption of clean energy package) and the rule of law is essential for sustainability of investments in the energy and climate sector.

USAID (Mr. Andrew Popelka) provided updates on the ongoing and planned regional activities in Europe & Eurasia; future USAID activities will focus on investments in resources efficiency, including improvement of energy efficiency in multi-apartment buildings and development of sustainable financing mechanisms. The recent Gap Analysis of the Housing Sector in Western Balkans (Bosnia and Herzegovina, Kosovo*, North Macedonia and Serbia) vs. Slovak Republic was presented in details by USAID, including findings and recommendations useful for the Energy Community CPs.

The European Bank for Reconstruction and Development (Ms. Ana Bachurova, Mr. Remon Zakaria) and KfW (Mr. Bodo Schmülling) reported on the progress achieved under Regional Energy Efficiency Programme for the Western Balkans (REEP Plus), including updates and results achieved since the last EECG meeting, exemplary case study of the project focused on improving energy efficiency of forty public buildings in Sarajevo, overview of the proposed REEP replenishment and alignment with EU's

MINUTES AND CONCLUSIONS - DRAFT

24th ENERGY EFFICIENCY COORDINATION GROUP MEETING



Economic and Investment Plan for the Western Balkans. The proposed new themes (Innovation and smart solutions in buildings; Sustainable Heating and Cooling) were discussed with EECG.

The World Bank (Mr. Rhedon Begolli) briefly informed EECG on the World Bank's Energy Efficiency Programs in the Western Balkans and beyond, including ongoing and planned TA programmes on energy efficiency in buildings sector, general energy efficiency and sustainable heating engagement, and update on energy efficiency financing in the Western Balkan, with design of revolving energy efficiency financing mechanisms in Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia, Montenegro and Serbia.

The Green for Growth Fund (Mr. Lachlan Cameron) presented the GGF activities and the Green Recovery Package active since April 2020, created as responsive framework that enables a transition to a low carbon economy and society, with measures reaching the financial sector, clients and green entrepreneurs. Financing for green buildings, EE equipment and greenfield developments is included. Integrated TA Facility provides know-how and technical expertise to achieve successful and sustainable implementation of investments.

ECS (Ms. Biljana Grbić) reported on the <u>Heating and Cooling Network in the Energy Community</u>, as well as the planned Webinar on consumption metering in district heating, first in a series of webinars organised under the umbrella of the e-Platform; – the Network is a web portal dedicated to experts and other stakeholders interested in Heating & Cooling. The webinar is organised in cooperation with the EBRD and ReDEWeB Programme which aims to enable investments in renewable district energy.

Conclusions:

- 3.1 EECG welcomed progress in EU with regards to the implementation of Green Deal and thanked European Commission DG ENER and DG NEAR for updates and planned support, and for integrating green agenda under economic and recovery package for the Western Balkan. EECG also reiterated its readiness to be involved and support implementation of energy efficiency flagship initiatives (i.e. renovation wave) under the Recovery Package of Green Agenda for the Western Balkans, as well as other initiatives targeting CPs of the Energy Community.
- 3.2 EECG members are invited to contribute to the <u>open public consultation</u> on EED in EU, which will run for three months until 9 February 2021.
- 3.3 EECG thanked EBRD and KfW for updates on activities under REEP Plus programme, noted the planned replenishment and the new initiatives under this programme; it also welcomed the good progress registered, in line with Energy Community acquis and new EU initiatives for the Western Balkan. Under the new Work Programme, EECG will continue to be actively involved (as a regional steering group) in the promotion and implementation of REEP Plus and other regional support programmes.
- 3.4 EECG thanked World Bank and Green for Growth Fund the updates on their activities and the Green Recovery Package. EECG thanked EU and donor's community for continuous support in financing energy efficiency measures under COVID pandemic, and for plans to renew and strengthen EE financing as key part of recovery and investment package for EnC.
- 3.5 EECG will continue to support regional cooperation and coordination and policy reforms on national level, with increased transparency achieved by updating the EnC donor's web platform and follow up on new initiatives, including renovation wave.
- 3.6 EECG recognises significant role of the heating and cooling sector in the Energy Community, and importance for strengthened monitoring and implementation. EECG thanked ECS for promotion of regional cooperation in this area, facilitation of the Network for Heating and Cooling in the Energy Community and dedicated e-platform, and organisation of the thematic webinars focused on district heating and cooling.

MINUTES AND CONCLUSIONS - DRAFT

24th ENERGY EFFICIENCY COORDINATION GROUP MEETING



The next EECG meeting and EE Workshop are scheduled to take place tentatively in the third week of March 2021 in Vienna, Austria (location is still tentative, to be confirmed by ECS).