PLANS TO ESTABLISH AN ENERGY EFFICIENCY FUND IN KOSOVO

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Main stakeholders in the sector

- Ministry of Economic Development / Department for energy – responsible for Energy Efficiency policy
- Agency for Energy Efficiency – responsible for implementation of KEEAP 2010-2018
- Ministry of Finance/ referring their responsibility for state budget and sovereign guaranty for loan
- Others .. Donors, IFI and Local commercial banks – as a potential financial sources
Responsibilities for implementation – public sector

- In central level // Institutions such as ministries, agencies etc. are responsible for implementation of energy efficiency measures in public buildings
- In local level // Municipalities are responsible for preparing the Energy Efficiency municipality plants and implementation of energy efficiency measures in public buildings
Policy framework – current situation

- Energy Efficiency - part of the Energy Strategy of Kosovo 2009-2018
- Kosovo Energy Efficiency Action Plan 2010-2018

Moreover, Energy Efficiency is subject of draft National Development Strategy for Kosovo (2016-2021) as well as and subject of the Progress Report of European Commission for Kosovo.
Legislation framework – current situation

- The current law for EE - can not be used as a legal framework for the establishment of the EE Fund
- Draft Law for EE (Article 14) has defined creation of the EE Fund
- No legal framework to create ESCO
- Limitation for municipalities - borrowing restrictions
By realizing the energy efficiency potential in the building sector, Kosovo can save 239 ktoe, of the following contributions:

- 116 ktoe of electricity;
- 76 ktoe of fuel wood,
- 35 ktoe of diesel and heating oil by-products;
- 7 ktoe of coal/lignite;
- 5 ktoe of heat
## The potential for energy savings

<table>
<thead>
<tr>
<th>Building Sector</th>
<th>Building Sector Total Area [million m²]</th>
<th>Building Sector Total Area [%]</th>
<th>Energy Savings Potential of Building Sector as % of Final Energy Consumption</th>
<th>Energy Savings Potential of Building Sector as % of Primary Energy Supply</th>
<th>Total Energy Savings Potential [ktoe]</th>
<th>Total CO₂ Reduction Potential [thousand ton/year]</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Residential</td>
<td>34.72</td>
<td>76.9%</td>
<td>45%</td>
<td>7.86%</td>
<td>171.74</td>
<td>2236.76</td>
</tr>
<tr>
<td>II. Public</td>
<td>2.36</td>
<td>5.2%</td>
<td>32%</td>
<td>0.77%</td>
<td>16.77</td>
<td>35.96</td>
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<tr>
<td>Municipality</td>
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<tr>
<td>SCHOOLS</td>
<td>1.69</td>
<td>3.7%</td>
<td>37%</td>
<td>0.50%</td>
<td>10.90</td>
<td>23.37</td>
</tr>
<tr>
<td>HEALTH</td>
<td>0.39</td>
<td>0.9%</td>
<td>37%</td>
<td>0.15%</td>
<td>3.35</td>
<td>7.18</td>
</tr>
<tr>
<td>OTHER</td>
<td>0.28</td>
<td>0.6%</td>
<td>30%</td>
<td>0.11%</td>
<td>2.52</td>
<td>5.40</td>
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<tr>
<td>BUILDINGS</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>II. Public</td>
<td>0.18</td>
<td>0.4%</td>
<td>49%</td>
<td>0.16%</td>
<td>3.60</td>
<td>10.28</td>
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<tr>
<td>Central</td>
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<tr>
<td>CENTRAL</td>
<td>0.05</td>
<td>0.1%</td>
<td>45%</td>
<td>0.05%</td>
<td>1.12</td>
<td>3.20</td>
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<td>HOSPITALS</td>
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<tr>
<td>CENTRAL</td>
<td>0.14</td>
<td>0.3%</td>
<td>50%</td>
<td>0.11%</td>
<td>2.49</td>
<td>7.08</td>
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<tr>
<td>GOVERNMENT</td>
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<tr>
<td>II. Private &amp;</td>
<td>7.86</td>
<td>17.4%</td>
<td>46%</td>
<td>2.15%</td>
<td>46.95</td>
<td>102.04</td>
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<td>Commercial</td>
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<tr>
<td>TOTAL</td>
<td>45.12</td>
<td>100.0%</td>
<td>20.07%</td>
<td>10.94%</td>
<td>230.05</td>
<td>2385.03</td>
</tr>
</tbody>
</table>

Table 1: Summary of Energy Savings Potential Calculated per Type of Building (..Technical study .. Energy-Enviromental Consulting Group shpk, Kosovo Branch)
Main proposals from previous study 
Revolving Fund Concept

are foreseen two models:

- Structured financial instruments (investment agreements with budget organizations) for investments in public buildings – direct investment in EE

- Credit portfolio guarantees, which will be placed through the Kosovo Credit Guarantee Fund (a public agency in the process of being established) – thus stimulating indirect investment in EE by the private sector
Main proposal according to the WB study

- Budget financing with capital recovery...
- Utility on – bills financing
- Energy efficiency revolving fund
- Credit lines dedicated to EE and
- Super ESCO-s
The need to EE Fund - YES

- Taken into consideration the current obligation with regard to the KEEAP 2010-2018 and
- Obligation for transposition and implementation of EE Directive 2012/27/EC – new target for upcoming years...
- Hugh saving potential in different sector
  - Service sector - around 30%
  - Households sector – more than 40%
How??

- Using as a baseline the recommendation from different studies..
- Pushing forward the new Energy Efficiency Law which include creation of energy efficiency fund
- Working closely with different stakeholders as well as with donors and IFI to allocated financial sources
- And trying to share the benefits, responsibility and the risk between different stakeholders .. some schemes are under discussion..
Thank you for your attention!