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# Energy Efficiency Coordination Group

## REEP Plus: Ecodesign in Montenegro

22 November 2017, Vienna



*Crna Gora*  
*Ministarstvo ekonomije*

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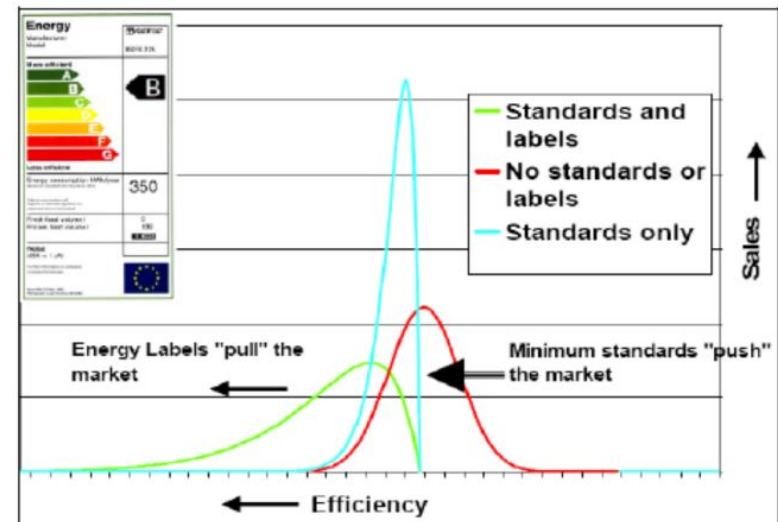
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# Assignment Overview

## Objective:

To transpose the next tranche of **priority product regulations for Ecodesign** for which the **technical and market conditions** in Montenegro are best suited and net benefits are most attractive.

The assignment will also **support the implementation** of the selected regulations through the **training** of appropriate government organisations for **market monitoring and compliance**.



# Legal framework in Montenegro

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- ▶ Legal basis for eco design Law on Efficient Use of Energy :
  - Requirement that products meet eco-design requirements (Art. 48),
  - Requirement for market surveillance (Art. 52).
- ▶ In addition horizontal Law on technical requirements and conformity assessment prescribes obligation for economy operators (producers, importers, suppliers, dealers).

# Eco design rulebooks

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- ▶ Beside Rulebook on eco-design of energy related products which transpose requirement of the main eco design directive 2009/125/EC MoE are adopted regulations for 3 groups of products:
  - Rulebook on the eco design requirements of **non-directional household lamps** (O.G of Montenegro, No. 38/17)
  - Rulebook on the eco design requirements of **fluorescent lamps without integrated ballast, for high intensity discharge lamps, and for ballasts and luminaries for its operation** (O.G of Montenegro, No. 38/17)
  - Rulebook on the eco design requirements of **electric motors** (O.G of Montenegro, No. 38/17)

# Assignment Phase 1 Tasks

- ▶ **Stocktake of the status of transposition, a market readiness assessment and design of monitoring, verification and enforcement (MVE) protocols**
  - **Task 1:** Project inception and selection of shortlist of 10 product types
  - **Task 2:** Market readiness assessment of short-listed products and selection of up to 5 products for developing Ecodesign regulations
  - **Task 3:** Monitoring, verification and enforcement protocols design (initial – to be refined in Phase 2)



# Assignment Phase 2 Tasks

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- ▶ **Drafting of regulations and MVE roll-out support will follow in a subsequent assignment**
  - **Task 4: Drafting of Priority Regulations**
    - Refrigerators
    - Directional lighting
    - RAC and fans
    - Standby modes
    - Water heaters
  - **Task 5: MVE roll-out support**



# Key considerations of impact assessment

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- ▶ Most products imported → **low impact on domestic producers**
- ▶ 8 electricity consuming product groups account for estimated **61% of residential electricity consumption**
- ▶ 1 non-electricity product (solid-fuel space heaters) account for **84% of non-electrical** residential energy consumption
- ▶ Primary energy savings estimate for 2030 from ecodesign/energy labelling (550 GWh) represents **5.2% of 2015 energy consumption**
- ▶ **Payback period <2 years** for half of product groups
- ▶ 4 of the selected products account for **~92% of total potential electricity savings** (standby included as a cross-cutting regulation)

# MVE support

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## ▶ **Protocols** developed cover:

- Legal basis to document
- Inspection protocols for energy labelling and eco-design:
  - In shops
  - Importers/distributors
  - Internet sales
  - Advertisements
  - Document inspections and training
- Enforcement measures
- Reporting of compliance results
- Summary of document requirements and obligations of entities



## ▶ **Training** planned to focus on products where inefficient models have high market penetration and high energy use





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# Energy Efficiency Coordination Group

## REEP Plus: Article 7 in Serbia

22 November 2017, Vienna



Ministry of Mining and  
Energy

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# Background - Transposition of Article 7

## ▶ **Must adopt an EEO scheme**

- Unless alternative measures are selected, or both

## ▶ **Obligated parties are selected**

- Energy distributors and/or sales companies – key decision
- Can include electricity, gas, DH and transport retailers

## ▶ **Cumulative end-use energy savings target by end-2020**

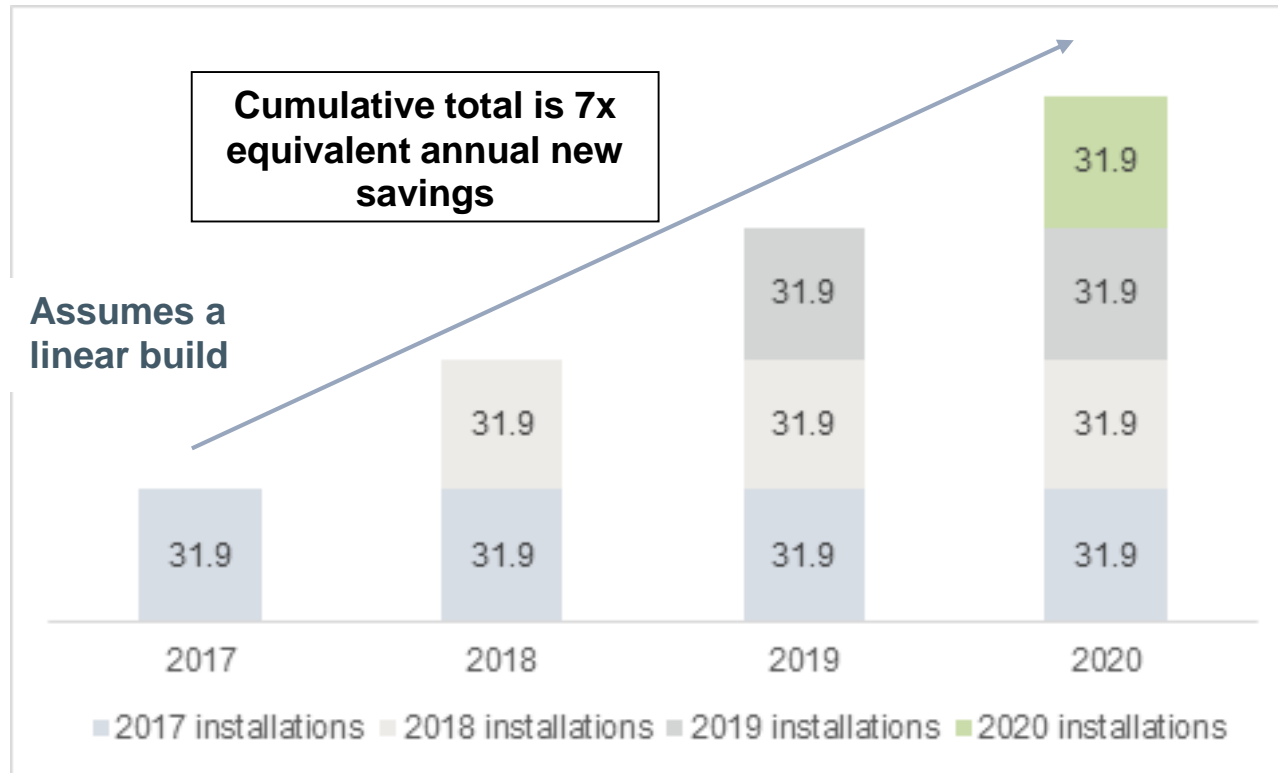
- New savings equivalent to 0.7%/annum of reference quantity (2013-2015)
- Cumulative savings of 7% by 2020 but exclusions apply...

▶ Obligated parties may exclude transport from calculation of reference quantity

▶ Further reductions up to maximum of 25% may be applied through:

- Slow start: 0.5% and 2017 and 2018 = 20% reduction
- Savings in supply, transformation and distribution: as per Articles 14 and 15
- Count early savings: achieved since 31 December 2008

# Example target calculation



- ▶ Target is calculated as **equivalent annual savings** but set as an absolute cumulative figure

# Assignment Overview

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## Objectives:

- ▶ To assist in finalising Serbia's plan for meeting its **Article 7 obligations**
- ▶ Supporting the **drafting of the notification** for the Energy Community Secretariat
- ▶ Providing legal, technical, policy and capacity building support required to enable an EEO (or EE Fund) schemes' **successful implementation** in Serbia

# Assignment Phase 1 Tasks

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## ► Policy identification

- **Task 1A:** Status review of policy position:
  - Calculation of Article 7 target
  - 3<sup>rd</sup> NEEAP appraisal for eligible measures
  - Initial proposed policy mix
- **Task 1B:** Finalisation of policy position:
  - Workshop on proposals
  - Article 7 notification
- **Task 1C:** Gap Analysis and ToR for Phase 2 (scheme implementation)



# Assignment Phase 2 Tasks

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## ► Scheme implementation

- **Task 2A:** scheme design finalisation
  - Defining auditing procedures
  - Quality assurance requirements
  - Legal drafting
- **Task 2B:** Supporting documentation
  - Guidance document on scheme operation and rules
  - Technical guidance on M&V procedures and QA standards
  - Other scheme tools such as a deemed energy savings list, calculation tools, pro forma templates for claims
- **Task 2C:** Capacity building support
  - Hosting of dissemination workshops
  - Development of a staffing plan
  - Training of administrative staff



# Approach to work

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## ▶ Top-down targets

- Basis of calculation for Article 7
- Based on 2013-15 Energy Balance data for Serbia

## ▶ Long-list of measures from 3rd NEEAP

- Current and planned measures
- Use bottom-up calculation methodologies

## ▶ Linking of measures to targets

- Addressing double-counting and eligibility for Article 7 → Necessary detail may be missing

## ▶ Policy design for fulfilling gaps

- Based on current plans:
  - Regulatory: eco-design and energy management system
  - Financial: EE Fund and/or EEO



# Bridging the gap – initial findings

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## ▶ Draw on ongoing initiatives:

- Already almost 1 year into target period
- Early savings matter most → leverage what is happening now

## ▶ Ecodesign is not an obligation for EnC8:

- Savings would therefore be considered additional (assumed eligible for Article 7)
- Initial results suggest Ecodesign could be a major driver in Serbia

## ▶ Two further sources of major savings:

- Energy Management System (EMS) regulation – acts like an EEO for large consumers → initial results suggest largest contribution to target
- EE Fund/EEO (with efficient interface) use to fulfil remaining contribution
  - But late commencement limits size of contribution



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