

14th ENERGY EFFICIENCY COORDINATION GROUP MEETING - MINUTES AND CONCLUSIONS

Energy Community Secretariat, Vienna

Thursday, 28 June 2017, 9:30 - 16:45

The Energy Efficiency Coordination Group (EECG) meeting was attended by representatives of all Energy Community Contracting Parties except for Bosnia and Herzegovina (EnC CPs), the European Commission – DG Energy, DG NEAR and JRC, Regional Cooperation Council, Donors' Community (EBRD/ REEP Plus, European Investment Bank, GIZ, KfW), as well as representatives of DG NEAR IFI and donor's Coordination Office, EU4ENERGY, Habitat for Humanity International, consultants assisting countries on energy efficiency (ECA, Connecta, GFA), and the Energy Community Secretariat (ECS).

The List of participants is available online on the Energy Community website ("[Events](#)" section).

ECS (*Ms. Violeta Kogalniceanu*) welcomed participants and introduced the meeting agenda. ECS (*Mr. Borko Raičević*) presented the last meeting's conclusions and the status of implementation of the EECG Work Programme 2017-2018.

1. EED Core Topic 2 and 3: EED transposition and implementation – monitoring and reporting; exemplary role of the public sector

GIZ ORF EE (*Ms. Jasna Sekulović*) and ECS moderated session; together with ECS, GIZ developed template for the first annual report, relevant to fulfilment of reporting obligation under Article 24 and Annex XIV of EE Directive. ECS recalled that only Moldova, Serbia and Ukraine submitted draft reports before the deadline of 30 June 2017.

SAEE Ukraine (*Mr. Ihor Horovykh*) presented the experience in preparation of Ukraine first draft annual report. The Reports' data were collected both from state statistical office and SAEE. The Report was not finalised (reporting on articles 3, 5, and 7 is missing), and it will be further improved through the ongoing EU4Energy technical assistance project.

GIZ ORF EE Consultant (*Mr. Armin Teskeredžić*) presented the progress monitoring and reporting template, including statistics and trends, major legislative and non-legislative measures contributing towards 2020 targets, as well as the progress in implementation of EED Articles 5 and 7. The Template links reporting elements with the EED targets and implementation roadmap, trying to achieve a smooth transition from reporting requirements under ESD to EED ones. The example of Ireland as model country was presented, and some inconsistencies flagged with training purpose.

Counties reported on progress in setting the EED national energy efficiency targets and implementation of EED articles 4 and 5. **Ukraine** selected a consultant and established a national Working Group to support target setting. EPBD Law was very recently adopted and the implementation secondary legislation will be developed in the next period. **Serbia** thanked for GiZ ORF EE assistance and will officially set targets and include targets in the Programme for

implementation of Energy Sector Development Strategy to be adopted before the end of 2017, and will be using the calculations done by EC and ECS, when adopting the EED. Serbia will set both primary and final cap consumption target, but will endeavour to continue with annually energy savings target of 1% of final energy. GIZ bilateral project supported the development of inventory of central governmental buildings but some data are still missing so GIZ will further support completion of those data. **Kosovo*** faced a certain delay in implementation due to elections period, but started recently with data collection for reporting and is relying also on the ongoing EU TA. After election of new Government, **FYR Macedonia** will start asap this task and will ask GIZ ORF EE for support. **Montenegro** has set 1% renovation target for Article 5, prepared an operational plan and KfW is financing of renovation projects; the work on annual reporting is ongoing. There is no legal basis for implementation Art. 4, but there are certain measures in EEAP that could be used for this, and KfW TA will be used to prepare inventory, calculation of energy saving potential and strategy. **Moldova** submitted a draft annual report in line with EED; **Bosnia and Herzegovina** represented by the bilateral GIZ project (on behalf of MOFTER - Deputy Minister) reported that NEEAP includes targets for entities and the whole country. Last round of consultation have been finished, and now NEEAP should enter into governmental procedure. After that, the annual report will be done and send to ECS. **Albania** targets for 2020 and 2030 were aligned with emission reduction targets based on INDCs and strategy. EEAP was additionally improved to reflect this, and will be hopefully soon adopted by new Government. Progress was achieved with development of typology and implementation of energy audits in public buildings.

Upon CPs progress reporting, GIZ ORF EE confirmed that it is able to continue to provide mentoring support in preparation of the report until mid-July (end of consultant's contract) to the six Western Balkan Contracting Parties, while Ukraine and Moldova can contact directly Secretariat / EU4Energy Project.

European Commission, Joint Research Centre (Ms. Marina Economidou) presented EU Reporting process and experience (from 2013 onwards), results of NEEAP assessment and good policy examples (e.g. Ireland, Italy, France, UK etc.). JRC also analysed EEOs and renovation strategies developed in EU MSs.

Two-step evaluation approach for NEEAPs was used: checking of all compulsory elements from NEEAP template and detailed analysis on the quality of the information with country reports. Online template for policies and measures was developed. In annual reports both national and Eurostat statistic was inserted, but Eurostat was predominantly used.

European Commission, DG Energy (Ms. Claudia Canevari) presented the updated information on EU Winter Package "Clean Energy for all Europeans". EC will share with EECG useful documents and web-links about implementation of the various EED Articles. The discussion of the amended EED and EPBD has been completed by the Council Energy Working Group and the Energy Council agreed on a general approach to the revisions of these two key energy efficiency directives at its meeting on 26 June 2017. In the Council general approach requirements in both directives have been weakened in comparison with European Commission's proposal. As regards the target, it has not yet been agreed whether the 30% energy efficiency target should be binding or not. The Council also adopted the new Regulation on energy efficiency labelling for products, with simpler A to G version of labels, thus completing the procedure for this piece of legislation. The new Energy Labelling Regulation will enter into force four days after publication in the Official Journal.

Conclusions:

- 1.1 EECG members thanked GIZ ORF EE, ECS and other donors for continuous support in drafting of EEAPs and annual EED progress reports. ECS noted that work on annual reports is still in progress. ECS reminded countries that together with finalisation of first annual reports, work on adoption of remaining EEAPs without further delay (in Albania, BiH, FYR Macedonia and Kosovo). The national reports (together with ECS assessment report) will be published on EnC website.
- 1.2 ECS and GIZ ORF-EE confirmed availability to extend assistance for two more weeks and encouraged CPs to use mentoring support of GIZ ORF EE consultant to finalise annual reports by mid-July 2017 (six Western Balkan Contracting Parties, while Ukraine and Moldova will get assistance from the Secretariat / EU4Energy Project).
- 1.3 EECG thanked JRC for the useful presentation of EU experience in reporting, results of NEEAP assessment and good policy examples.
- 1.4 EECG thanked the European Commission, DG Energy for the presentation of updates on EE measures under EU Winter Package "Clean Energy For all Europeans". EC will share with EECG useful documents and web links (both from the JRC and from DG ENER) about implementation of the various EED Articles.

2. EED Core Topic 4 – Energy Services, Energy Audits and Management Systems

European Commission, DG Energy (Ms. Claudia Canevari) also presented requirements and practices in implementation of EED Article 8 in EU (Energy audits and energy management systems). Lesson learnt from EU implementation show importance of establishment of national registry of large companies, clear overview of the SME identification process, need for dedicated Guidance document for enterprises with clear methodologies and examples, as well as training and accreditations schemes. New guidance document (with cost effective criteria) is under development.

Regional Energy Efficiency Programme - REEP PLUS Policy Dialogue Theme 2 (Mr. Nigel Jollands – EBRD, Mr. Nick Haralambopoulos) presented the first assignments launched under the new 2017-2019 programme (incl. implementation of eco-design requirements), as well as ways to improve our cooperation and deliver more results. REEP Plus started in December with EoIs (received more than 21 expression of interest), prioritization and ToRs for first call offs. Project is experiencing some delays and feedback from beneficiaries, there is delay in prioritisation of assignments, as well as implementation of priority assignments. Two out of five priority identified call-offs based on REEP Plus alignment were approved (Montenegro and Kosovo).

REEP PLUS (Ms. Fiona Brocklehurst, Consultant) introduced Eco design directive, implementation practices, MSs responsibilities and co-ordination on market surveillance.

Regional Energy Efficiency Programme - REEP PLUS Policy Dialogue Theme 1 (Mr. Siegfried Brenke) reported (on behalf of Mr. Toivo Miller, EBRD) on progress in launching of energy efficiency and ESCO/PPP projects in the Western Balkans and presented in the context of the ESCO Policy Dialogue a new REEP project - "Preparing contract templates for EPC and ESC in 5 Western Balkan Countries" explaining the key differences between the two approaches and potential benefits of combining them.

EECG discussed issue of delay in implementation of REEP deliverables.

- 2.1 EECG thanked the European Commission, DG Energy for the presentation of EED requirements and practices in implementation Article 8 in EU and welcomed the idea of EC and ECS of having in-depth discussions on Article 8 of EED at the next meeting together with CA EED.
- 2.2 EECG thanked EBRD, ECS and REEP consultants for update on REEP Plus programme, and the planned activities. EECG will continue to be actively involved as regional steering group, in the promotion and implementation of REEP Plus activities.
- 2.3 EC DG NEAR urged EECG to establish constant dialogue and timely raise any concerns. Long delays should be avoided, and EC may call for responsibility and option that beneficiary pay the many back. ECS reminded CPs on infringement actions due to delay in implementation of deliverables. ESCO legislative support is active in the remaining countries (Albania, FYR Macedonia, Kosovo*),
- 2.4 REEP will do report on each concrete situation, suggest actions with solutions to overcome it. New assignments should not continue definitively before adoption of previous ones. EECG/REEP should regularly report on this issue, including November meeting.

3. Regional Programmes and Initiatives

The European Investment Bank (Mr. Grigorios Krallis) presented EIB support to Energy Efficiency Investments, including Lending Criteria, instruments, and examples of climate action financing - Investment & Framework Loans, Investment Funds and Technical Assistance. Unlocking investments requires this aggregation, broad range of instruments and TA. TA – MPSF is active in municipalities of Ukraine, Moldova, Belarus, Georgia, Azerbaijan, Armenia (and not in WB6). Aggregation (intermediated lending, investment Funds, etc.).

Connecta - TA to Connectivity in Western Balkans (Mr. Ole Johansen) presented Connecta/KfW proposal of public building stock study in WB6.

EECG discussed proposal and best channels EU's TA support; Project is recognised as beneficial, but some CPs raised concern of the broad and complex scope of work of the study and challenges in implementation. EC DG NEAR explained options for EU's financing - WBIF regular call for more comprehensive, longer, and costly sector study or Connecta for shorter, urgent, and less costly projects. ECS expressed concern of CPs ownership in the project, which may be problematic for "regional" treatment of such kind of support. TA focused on long term strategy for buildings renovation (all, not just public) may be another option for Connecta, which is also obligatory under EED Article 4 of EED. When it comes to an application to WBIF, ECS will not be able to "align" beneficiaries and get their support, on an issue that is already an obligation from the EED. Countries should take the lead and organize themselves.

ECS (Mr. Borko Raičević) presented updates on the Sustainability Charter, an initiative under Western Balkans 6 Initiative with measures in EE/RES/Climate area. ECS presented progress in WB6 based on last progress monitoring report (June 2017)

Conclusions:

- 3.1 EECG thanked the European Investment Bank for the presentation of the EIB support to energy efficiency investments in the EU and Energy Community countries;

- 3.2 EECG thanked Connecta for the presentation of project proposal of public building stock study in WB6. Project is recognised as beneficial for both implementation of EED requirements and implementation and monitoring of investment in renovation. CPs/ECS also showed different concerns regarding complexity, regional dimension, ownership etc. ECS will further communicate proposal to EECG WB6 to express interest/send comments; this will be useful to refine proposal by Connecta, or put it as proposal for WBIF application.
- 3.3 EECG thanked ECS for the update on activities under WB6 Sustainability Charter. EECG will provide further coordination and support in implementation of the regional as well as to the existing and new regional EE programmes and initiatives.

The next EECG meeting is planned for 22 November 2017 in Vienna and will be combined with the EE Workshop planned for 23 November 2017.