REPORT
TO THE 5th MINISTERIAL COUNCIL OF THE ENERGY COMMUNITY
BY THE CHAIRPERSON OF THE ENERGY EFFICIENCY TASK FORCE
ON CURRENTLY UNDERTAKEN STEPS

I. BACKGROUND AND SCOPE OF THE REPORT

Legal Background

Based on the Treaty establishing the Energy Community (Article 35) and following the concrete decision by the Ministerial Council, the Energy Efficiency Task Force (EETF) was established in December 2007. It became effective upon the adoption of its mandate and election of its chair by a decision of the Ministerial Council (Belgrade, 18 December 2007).

The EETF – following its mandate – is supposed to periodically report on the progress of its work along the lines of its Work Programme (attached).

Thus, this is the second progress report for the work of the Task Force – the first one was presented for the Ministerial Council meeting in June 2008,

The Work Programme of the EETF as Background for Reporting

As decided, the Task Force should produce a detailed plan for tackling Energy Efficiency. This should entail in particular four tasks, as reflected in the Work Programme:

- **Task 1** – it concerns presentation of a comprehensive state of play of the situation among Contracting Parties and observers in terms of Energy efficiency;
- **Task 2** - Preparation of a generic (non customized) Action Plan to advance energy efficiency in the Contracting Parties - thus, the concrete areas where improvement is needed and/or feasible shall be identified;
- **Task 3** concerns initial analysis related to the identification of the EU legislation on energy efficiency that could be extended to the Energy Community and would produce largest impact. This should include an analysis of the extent to which the Contracting Parties will be able to take up the legislation, possible consequences, as well as a realistic timetable;
- **Task 4** is related to Development of a Communication and Awareness Raising Campaign plan Propose immediate concrete actions (together with a timetable and a budget estimation) allowing the improvement of the energy efficiency in the region.
Scope of the Current Report

As information on Task 1 was provided in details at the Ministerial Council meeting in June 2008, this report reflects the activities of the Energy Efficiency Task Force with a particular focus on the undertaken steps on tasks 2 and 3 of the Work Programme.

However, reference to the other two tasks shall be also made in the general context of the presentation.

II. PREPARATION OF THE ENERGY EFFICIENCY ACTION PLANS

Following the deliverables and the time schedule, envisaged in its Work Programme, the EETF at its third meeting on 23.09.2008 discussed a template of a Generic Action Plan on the ground of a proposal by the designated task leader.

The template is based on the one for National Energy Efficiency Plans prepared by the EU member states. It contains the description of the energy end-use market, and the sectoral presentation and assessment of energy efficiency improvement programmes, measures and energy services to improve energy efficiency in the following end use sectors:

- Households
- Services
- Industry
- Transport.

According to the Template, each Contracting Party will also set up an indicative energy saving target and indicate the measures and the programmes to achieve these.

The key decisions of the EETF in this aspect were the following:

1. Further to the needs for some editorial changes, the template was agreed by the EETF. It was decided that the plans shall be customized by each Contracting Party who shall decide on the approach, while keeping the template frame.

   The template is attached to this report for information (Attachment 1).


3. The EETF considers that the first Plan will be a test to see if the savings will accrue as planned.

Missing or incomplete statistical data was indicated as a potential bottleneck in the process of preparation of the Action Plans. Further, when preparing the Action Plans, a wide variety of institutional capacity in the Contracting Parties is expected - this turned to be also the experience of the EU Member States.

The Contracting Parties were encouraged to ask assistance from the Member States in the preparation of the Action Plans. Moreover, the Task Force members noted the readiness of the European Commission to provide concrete assistance to the Contracting Parties with clarifications on the interpretation of the energy efficiency directives, when needed.
III. ENERGY EFFICIENCY ACQUIS – POSSIBLE EXTENSION IN THE SCOPE OF THE TREATY

At its meeting on 23.09.2008, the Energy Efficiency Task Force discussed also a proposal on Task 3 of the Work Programme, “Analysis of energy efficiency related EC Directives and their impact on the Energy Community, if transposed”.

A concrete template and the approach to prepare the analysis were also presented. The directives in question are only related to the energy end-use. The demand side management is the focus of the target. During the discussions it was agreed that at this stage neither the expected results nor the financial burden for achieving them can be feasibly forecasted. However, these shall be discussed at a later stage.

The template was adopted by the EETF as a concrete basis for further activities in analyzing the effect of the related EC directives if transposed. A final check of the template shall be operationally made with the assistance of the European Commission.

The EETF also noted that the Contracting Parties, when dealing with the issue, can benefit from the experience of some of them (Croatia in particular) as well as of some EU member states.

IV. OUTLOOK FOR THE FIRST HALF OF 2009

1. Event Calendar of EETF by June 2009

In accordance with the Event Calendar, there are two meetings of the Task Force, scheduled as follows: 5 February 2009 and 5 May 2009.

2. Targeted achievements:

By the end of the current mandate of the Task Force (1 July 2009), the targeted achievements include:

2.1 Finalisation of Task 2 of the Work Programme, with preparation of the Energy Efficiency Action Plans by the Contracting Parties, using the Template agreed by the Task Force members, by 1 March 2009.

2.2 Finalisation of Task 3 of the Work Programme, Analysis of the impact of transposition of the following directives by the Contracting Parties:

- Directive on energy end-use efficiency and energy services (2006/32/EC)
- Directive on the indication by labelling and standard product information of the consumption of energy and other resources by household appliances (92/75/EEC)

The deadline for this is 1st February 2009.
2.3. Development of a Communication and Awareness Raising Campaign plan, by 15 June 2009. This should be prepared by each Contracting Party.

V. PRELIMINARY CONCLUSIONS

The indicated activities prove that the Energy Efficiency Task Force follows so far its mandate as outlined by the Ministerial Council of the Energy Community, as well as the envisaged time line.

Thus, the work of the Task Force undertaken so far, as well as the frame for effective administrative and substance support provided by the Secretariat, lead to realistic expectations for concrete outcome along the Work Programme.

In parallel, the Contracting Parties are expected to start more intensive work internally, in order to achieve the institutional strengthen to the extent needed.

The envisaged accompanying events within the Energy Community calendar, as well as the operational support on a Contracting Party level by the European Commission, the Donors and the Secretariat, shall further contribute for meeting all deadlines in efficient manner.