

32nd ENERGY EFFICIENCY COORDINATION GROUP MEETING MINUTES AND CONCLUSIONS

Thursday, 22 June 2023, 10:00 - 16:30 GET
(Tbilisi and online)

The 32nd Energy Efficiency Coordination Group (EECG) meeting was organised as a hybrid event (in Tbilisi and online), in cooperation with the Ministry of Economy and Sustainable Development of Georgia and supported by KfW and Gopa Intec. It was attended by the representatives of all Energy Community Contracting Parties (CPs) with the enlarged participation of Georgian institutions, the European Commission (DG ENER and DG NEAR), donors' community and IFIs (GIZ, EBRD, KfW, GGF/Finance in Motion, World Bank) and invited experts from Fraunhofer IBP, Gopa Intec, and REEP/ECA. The meeting was chaired by Mr. Omar Tsereteli (Ministry of Economy and Sustainable Development of Georgia), Ms. Katerina Bilbiloska (Ministry of Economy of North Macedonia) and the Energy Community Secretariat (ECS).

Welcoming and introductory remarks were provided by Mr. Adam Cwetsch (Head of European Green Deal Unit at the Energy Community Secretariat, Mr. Romeo Mikautadze (the First Deputy Minister of Economy and Sustainable Development of Georgia), Mr. Andrej Bartosiewicz (Program Officer at the Delegation of the European Union in Georgia) and Mr. Vakhtang Begashvili (Senior Advisor at the Gopa-Intec).

Mr. Tsereteli opened the EECG meeting and presented the meeting's agenda.

During his Introductory remarks, Mr. Mikautadze pointed to the key reforms implemented in recent period by Georgia, including the energy sector reform program of Georgia which focuses on increasing energy efficiency, promoting renewable energy and ensuring sustainable and secure energy supply. This was followed by Ministry's [presentation on the updates on energy efficiency policy and support activities in Georgia](#) (by Ms. Margalita Arabidze, Head of Energy Efficiency and Renewable Energy Policy and Sustainable Development Department). Energy efficiency is being prioritised with a number of ongoing and planned measures and legislative work. To transpose the Clean Energy Package, according to the revised Directive (2018/2002/EU) the amendments to the Energy Efficiency Law, as well as technical amendments to the law of Energy Efficiency of Buildings are being finalized and will be adopted by the parliament of Georgia in 2023. Transposition of recast EPBD has already been started. A package of requirements will apply from July 2023 for new buildings, including the minimum energy performance requirements. Ms. Arabidze provided update on the progress with adoption of by-laws during 2022 and 2023, incl. secondary legislation according to the Law on Energy Efficiency and Energy Efficiency in Buildings, technical regulation on energy labelling, as well as an update on draft NECP and overview of policy measures under EE dimension.

The Energy Efficiency Centre Georgia (Mr. Giorgi Abulashvili, Director) presented the energy efficiency planning on local level – [the Covenant of Mayors \(CoM\) initiative, local plans and actions in Georgia](#). The CoM is well established initiative supported by European Commission, which is constantly evolving to follow global and EU objectives. The set of actions are supporting CoM pillars to reduce GHG emissions, strengthen resilience, alleviate energy poverty and ensure just transition. Since 2010, 31 municipalities joined initiative. Similarly to this initiative, the EU Covenant of Companies for Climate and Energy has been recently piloted by the European Commission, to encourage and support European

companies (particularly SMEs), to step up their contribution to a clean energy transition and climate action.

Mr. Abulashvili also informed on the Georgia engagement in the Odyssee-Mure, a project supported by the LIFE-CET programme of the European Commission and intended to provide a comprehensive monitoring of energy consumption and efficiency trends, as well as an evaluation and comparison of energy efficiency indicators and policy measures.

European Commission, DG Energy (Ms. Claudia Canevari, Head of Energy Efficiency Unit) provided update on the latest EU energy efficiency policy developments, highlights from the European Sustainable Energy Week (EUSEW, 20-22 June 2023), and on current EU funding possibilities for Contracting Parties. The recast Energy Efficiency Directive is close to the official endorsement by both Parliament and Council before it comes into force twenty days after publication in the Official Journal, while the recast of the Energy Performance of Buildings Directive started trilogue negotiation process. Ms. Canevari presented the key elements of the recast EED. In the EU, the new European Energy Efficiency Financial Coalition (built on the successful work on the Energy Efficiency Financial Institutions Group-EEFIG) is expected to further strengthen the cooperation between financial institutions, Member States and the Commission on energy efficiency investments and facilitate matching projects in EU Members States with available financing. This will serve as a catalyst for private investments, necessary to achieve the EU climate and energy targets.

Mr. Tsereteli informed participants on the Sustainable Energy Day organised for the first time in Tbilisi on 23 June 2023, followed by the award ceremony for the competition on most successful energy efficiency school projects.

Conclusions:

- 1.1. EECG thanked Georgia for hosting the EECG meeting and Workshop, which provided opportunity for wider participation of Georgian institutions - benefiting from the exchange of information on latest energy efficiency developments in EU and Energy Community, as well as providing detailed insights to the EECG on developments in Georgia.
- 1.2. EECG thanked Mr. Omar Tsereteli (Georgia) for chairing EECG meeting in Tbilisi, and appointed Ms. Katerina Bibiloska (North Macedonia) as a new EECG chair for the period 2023-2024.
- 1.3. EECG adopted the EECG Work Programme 2023-2024.
- 1.4. EECG thanked European Commission DG ENER for the updates on the latest energy efficiency policy developments in EU, with focus on the recast of the Energy Efficiency Directive.

2. EECG WORK PROGRAMME

EECG Expert Area Leader (Mr. Nikola Vujošević, Ministry of Capital Investments of Montenegro) [presented the summary of energy efficiency and demand reduction measures](#) taken by Contracting Parties in response to the energy crisis. The data were gathered from EECG members based on the questionnaire prepared by the Secretariat. In summary, the general risk of supply disruptions, high-energy prices, and the need for protection of vulnerable households was the main driver for demand reduction measures, while the effect of energy crisis was more severe in some CPs. Various demand reduction (mainly short- to mid-term) measures have been introduced by CPs, combining voluntary and mandatory measures for electricity, gas and district heating sectors. Most of the CPs adopted recommendations for energy savings measures in end-use sectors, with focus on the public sector (exemplary role) and citizens. The importance on coordination among various national authorities is recognised, as well as leading role of energy efficiency bodies to monitor implementation.

Some EEGC members provided more details on CP measures during the meeting. *Energy Efficiency Agency of Albania (Ms. Kamelia Tafaj)* provided an update on the ongoing programs focusing on the insulation of building envelopes in private buildings. Moreover, IPA programs for the next year are in preparation that will aim at public buildings and increase of charging stations for electric vehicles. *Kosovo* Energy Efficiency Agency (Ms. Aurora Popova)* presented extensive measures that have been adopted as a response to the energy crisis, including those under the EU Energy Support Package - subsidies for vulnerable households combined with the energy-saving measures. Over 9 thousand families have benefited from the two calls for subsidies for heat pumps, biomass boilers, and individual biomass stoves. Ms. Popova also informed EEGC members that the Energy Efficiency Agency is closed, and as of 1st June, the Agency will be incorporated into the Ministry.

Energy Community Secretariat (Mr. Borko Raičević) presented [the summary of the draft policy guidelines on demand reduction measures](#) which will include an overview of energy demand reduction measures adopted by the governments of the Energy Community Contracting Parties, relevant governance and policy framework in the Energy Community, as well as best practices and recommendations for further reduction of energy consumption (also in the context of contribution to the achievement of 2030 energy and climate targets): empowering citizens and small businesses to save energy, renovation of buildings, integrated EE/RES demand-side measures, metering and consumption-based billing, etc. The draft policy guidelines will be shared with EEGC for comments, and are planned to be adopted by the end of the year.

EECG Chair and Expert Area Leader (Ms. Katerina Bilbiloska) [presented the requirements of the amendments of the Energy Efficiency Directive 2018/2002/EU](#), in particular Article 5 – the exemplary role of public buildings, Article 7 – cumulative energy savings, and Articles 9 – 11 – metering and billing information of electricity, gas, and district heat. Moreover, the novelties concerning the labelling were explained. Afterward, the progress in the transposition and implementation of new EE acquis was presented. Concerning the transposition of EED 2018, EE laws were amended in Albania, Moldova, Montenegro, North Macedonia, Serbia and Ukraine (fully or in the case of Albania and North Macedonia partly transposing amending EE directive 2018/2002), draft amendments finalized in Georgia, and in the process of finalization in BIH and Kosovo. The Building Renovation Strategy is currently being adopted only by Serbia, and in different phases of development by other CPs. New or updated labelling regulations were already adopted in 5 CPs.

Ms. Bilbiloska provided additional information on the energy efficiency in North Macedonia. The amendments of EE Law fully transposing EED 2018 will be adopted by the end of the year. The gap analysis is prepared. Concerning the secondary legislation, several acts are in the finalisation phase (renovation of central government buildings, rulebook on energy performance and energy audit of buildings, the updated rulebook on energy labelling, and preparation of energy efficiency programs in local municipalities, EPCs, etc.). Programs for subsidising solar PVs and solar collectors are ongoing. The preparatory work for the establishment of the Energy Efficiency Fund, with the support of the World Bank is also ongoing. North Macedonia stressed that they are lacking human capacities, and that it is challenging to find funds for implementing measures.

REEP Plus - ECA (Mr. Nick Haralambopoulos) [presented the progress on the policy guidelines on building renovation strategies](#) that are supposed to be delivered and shared with EEGC soon. BRS are important because the emissions need to be drastically reduced in the building sector. In the EU, the 60% of emissions reduction in buildings is needed to achieve decarbonisation goals. The current renovation rate in the EU is estimated at around 1% annually, which needs to be increased by to around 3%. Moreover, a deep renovation (that achieves more than 60% of energy savings) is needed. The implementation should focus on six key tasks, after BRS is adopted: 1) create action plans 2) engage stakeholders 3) sell the case 4) close and resolve data gaps 5) create momentum and 6) monitor and review. The immediate recommendation is tackling several barriers to achieving early phase renovation

delivery on a pathway to scale, including developing favourable legal and regulatory framework, strengthening institutional capacities for building renovation, assessing financing options etc.

Energy Community Secretariat (Mr. Borko Raičević) presented [the necessary steps for the implementation of EPBD](#) and emphasized the importance of providing reliable and transparent information to consumers via energy performance certificates and energy labels.

Kosovo* expressed regret for not being able to participate personally in Tbilisi (due to visa issue) and suggested that EECG is organised on location where all EECG members can physically participate.

Conclusions:

- 2.1. EECG thanked Montenegro and North Macedonia for the summary presentations on the energy efficiency and demand reduction measures taken by Contracting Parties in response to the energy crisis, as well as on transposition and implementation of new energy efficiency requirements under the Clean Energy Package and new Labelling Regulation.
- 2.2. In the time of energy disruptions, energy efficiency should be recognised as the first and cheapest fuel. ECS thanked Contracting Parties who contributed with inputs and answers to the questionnaire on energy efficiency and energy demand reduction measures, and invited remaining Contracting Parties to submit their answers after EECG, as this will be used as input for the Energy Community Policy Guidelines.
- 2.3. EECG welcomed the work on the new policy guidelines on the energy demand reduction measures in the Energy Community, being prepared as a follow-up to the Ministerial Council conclusions of December 2022. Guidelines will provide overview of best practices and a set of recommendations supporting the effective implementation of energy demand reduction measures, with a particular focus on energy efficiency measures and contribution to the achievement of 2030 energy and climate targets in the Energy Community. The draft policy guidelines will be shared and discussed within EECG, and are planned to be adopted by the end of the year.
- 2.4. ECS reminded Contracting Parties of the obligation to adopt long-term renovation strategies (March 2023 deadline expired). EECG welcomed the work on the new Policy Guidelines for the effective implementation of building renovation strategies, that will be developed in the upcoming period by the REEP and ECS in cooperation with EECG.

3. Regional Programmes and CP's Initiatives

Energy Community Secretariat (Mr. Denis Tumuruc) presented the latest updates concerning the [implementation of the EU4Energy Governance Phase II](#) (2021-2026), covering Georgia, Moldova and Ukraine. In Moldova, technical assistance was provided for the implementation of EE law as well as for the renovation of public buildings, including the establishment of a national information system – MVP, energy efficiency obligations, capacity building of local energy managers, etc. Within the program for the renovation of public buildings the inventory was established, two buildings were chosen for the renovation, one building was renovated, one was suspended due to many stakeholders involved in the management of the building. The renovation program will be updated in line with the new obligation of a 3% renovation target, and to be adopted ideally by the end of the year. Finally, Moldova's work on energy labelling is on-going, including the survey conducted among citizens on awareness of energy labelling. Mr. Tumuruc stressed also that human capacities are also a challenge for Moldova. The status of the EE Agency is changed from public authority to public institution, providing that way more flexibility and higher salaries, that way trying to attract national experts.

EBRD (Ms. Milena Popović Martinelli and Ms. Stefania Racolta-Cruceru) [presented updates on the Regional Energy Efficiency Programme \(REEP\)](#); the REEP replenishment is ongoing, and once the

policy window is open again, bilateral meetings will proceed with national authorities. Under policy dialogue window, REEP finalised development of H&C comprehensive assessment and action plan in Montenegro, EPBD rulebooks in North Macedonia, Development of EE fiscal scheme and labelling and ecodeisgn regulation for lighting in Kosovo*. GEF III program is launched, and new signings are made with national banks in North Macedonia, Komercijalna Sparkassa. A public ESCO project in Serbia, worth EUR 50 million, is to be signed in the first quarter of 2025 and will further address the renovation of multi-apartment buildings. The EUR 40 million worth Sarajevo project on the integration of renewables into district heating, will include application of heat pump technologies.

Finance in Motion (Mr. Lachlan Cameron) presented the investments in renewable energy, energy efficiency, and resource efficiency by [Green for Growth Fund](#). GGF attracts the public, IFIs and private investors, and it is active in 19 markets, including CPs of the Energy Community. Some of the recent projects include: financing of the Project Blue in Albania – 50 MW solar PV (first private utility scale solar PV in Albania, with an innovative financing structure); Turkey – the first green bonds transaction made (the second green bond transaction planned in Western Balkan); GGF Green Finance Expert Course on green financing dedicated to financing institutions that provide loans for green financing; a high-level visibility and solidarity regional event held in Moldova on building resilience through sustainable lending and promoting green economic transition.

European Commission, DG NEAR (Ms. Judit Gyori) informed EECG briefly on the WBIF activities and the upcoming WBIF strategic and operational board meetings, where the new projects are expected to be approved. DG NEAR will provide more information and updates at the next EECG meeting.

Conclusions:

- 3.1. EECG thanked EBRD, Green for Growth Fund and EU4Energy Governance for providing updates on the recent activities and progress under the respective programs and planned activities. The cooperation between EECG and donors' community is very valuable and will continue during implementation of the EECG Work Programme 2023-2024.
- 3.2. EECG thanked European Commission DG NEAR on the brief update on ongoing EU support, in particular concerning WBIF.

The next EECG meeting and workshop are planned to take place on 8 and 9 November 2023 in Vienna, as hybrid events (with possibility for virtual participation via Webex).