

Demand Reduction Measures – Energy Community

67th PHLG meeting, 22nd March 2023

BACKGROUND

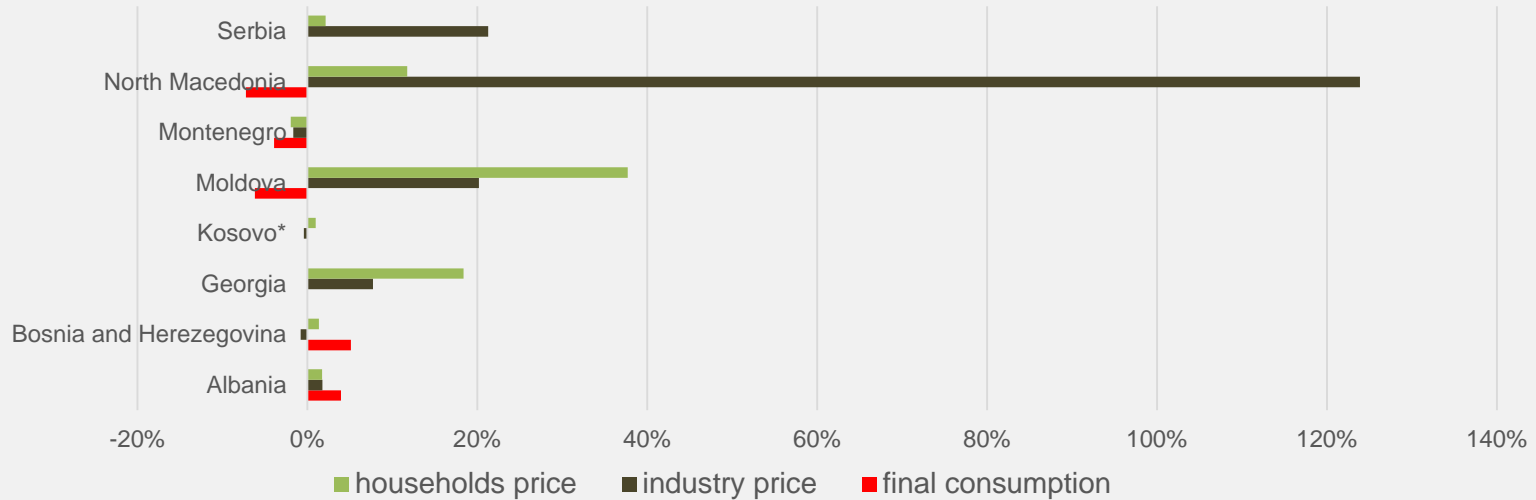
20th Ministerial Council conclusions (December 2022) - point 8:

- ☀ **The Ministerial Council invites the Contracting Parties to align with the measures taken by the European Union to mitigate the exposure to high energy prices to the extent applicable to their economies.**

- ☀ **The Ministerial Council invites the Secretariat to assist Contracting Parties in that endeavour by:**
 - ❖ **developing tailored measures for demand reduction**
 - ❖ **monitoring compliance of national measures with the *acquis communautaire***
 - ❖ **bringing concerns to the attention of the Ministerial Council**

- ☀ **The Secretariat is also invited to assist Contracting Parties wishing to negotiate with Member States bilateral agreements on the sharing of surplus revenues in the spirit of solidarity and Article 11 of Council Regulation (EU) 2022/1854 of 6 October 2022 on an emergency intervention to address high energy prices.**

Changes in consumption and prices from 2021 to 2022 in %



Recalling limited scope of short-term price elasticity of electricity demand, preliminary data (electricity available to internal market and prices for 1 semester in 2021 and 2022) indicate relevant level of correlation of demand and prices. More tangible impact is expected over mid-term period.

ECS shall continue to investigate price impacts on demand per sector (industry and households) after all data for 2022 are available

EU MSs reduced their gas consumption by 19% (target: 15%)

Demand reduction in CPs 2022/2021 (preliminary and informal data)

Moldova: -30%

Serbia: -9%

Ukraine: -27%

N.Macedonia: -35%

Georgia: +18%

Measures: Switch fuel from gas to alternative fuels in power, heating

Incentivise the consumption reduction (i.e swap contracts between industry consumers, interruptible contracts)

Reduce heating and cooling (new temperature thresholds, mandatory reduction in public buildings, awareness campaigns)

Demand Reduction Measures – Examples in EnC and EU

- ☀ Mix of legal, financial, and awareness-raising measures
 - ❖ A good example: EU/IEA “[Playing my part](#)” – key energy-saving actions for citizens
- ☀ Most of the CPs adopted recommendations for energy savings measures in end-use sectors, with focus on the public sector (exemplary role) and citizens.
- ☀ In Energy Community, regional programs (e.g. EU funded REEP) open for tailored assistance:
 - ❖ Example – Kosovo request for analysis of energy efficiency fiscal measures, drafting ecodesign and energy labeling regulation for light sources (ongoing)
 - ❖ Example EnC level: Policy guidelines on Delivering Building Renovation Strategies (ongoing)
- ☀ The Energy Support Package for the Western Balkans – EU support for WB6 to cushion the increase of energy prices to businesses and vulnerable households:
 - ❖ Example Serbia, Montenegro: inclusion of EE measures in households and SMEs (e.g. subsidies for EE appliances, solar panels, etc.)
- ☀ Monitoring of EnC EE policies and measures and comparison with EU: Launching of [Odyssee-MURE](#) LIFE project (Monitoring the Energy Efficiency Pillar for Climate Neutrality), and inclusion of EnC Contracting Parties (2022)

Demand Reduction Measures in the District Heating – Heat consumption metering and billing

- District heating consumers should:
 - be able **to reduce** room temperature and energy consumption, by twisting radiators' valves
 - **be informed** about their consumption and
 - **pay per consumption**, not per square meter

- However, this is **not the case in many DH systems** in CPs

- It is especially important because **the majority of DH systems rely on fossil fuels**

- The full implementation requires a complex set of actions to overcome the **challenges**:
 - inefficient buildings,
 - political will,
 - lack of regulatory framework,
 - procurement and installation of heat meters,
 - public acceptance, etc.



The photo was taken in Pančevo, Serbia by DH consumer, 02.02.2023.

Demand Reduction Measures – way forward

- ☀ **Regular Reporting under EECG**
- ☀ **Reporting under Berlin process Declaration on Energy Security and Green Transition**
- ☀ **Integrated Policy Guidelines to be presented**
- ☀ **Dedicated workshops e.g. on consumption based heating**



THANK YOU
FOR YOUR ATTENTION

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