

28th ENERGY EFFICIENCY COORDINATION GROUP MEETING MINUTES AND CONCLUSIONS

Wednesday, 9 March 2022, 9:30 - 15:45 (hybrid)

The 28th Energy Efficiency Coordination Group (EECG) meeting was organised as a hybrid event (in Vienna and online) and attended by the representatives of all Energy Community Contracting Parties (CPs, the European Commission (EC - DG ENER and DG NEAR), donors and IFIs: AFD, EBRD/ REEP Plus, European Investment Bank, Green for Growth Fund, KfW, GIZ, Millennium Foundation, the World Bank, and invited experts from ECA. The meeting was chaired by the Energy Community Secretariat (Ms. Violeta Kogalniceanu) and the Ministry of Economy and Sustainable Development of Georgia (Ms. Natalia Jamburia).

ECS (Ms. Violeta Kogalniceanu) opened the meeting by welcoming the participants and presenting the meeting's agenda, focused on implementing the EECG Work Programme 2021-2022, recently adopted Clean Energy Package, new labelling regulations and regional programmes and initiatives. The EECG agenda, documents and presentations are available online on the Energy Community [website](#).

1. EECG Work Programme 2021-2022 (EA 1, EA2, EA 3 EA 4)

ECS (Mr. Borko Raičević) presented the [progress in implementing the EECG Work Programme and the forthcoming reporting obligations](#). With the adoption of Clean Energy Package by the Ministerial Council in November 2021, EECG new focus in 2022 will be transposition of new requirements of EED (also, the focus of the present EECG meeting) together with coordination of relevant technical assistance. ECS will update the template used by CPs for Annual reporting (under EE Directive) to include more focused reporting on 2020 EE targets and achievements (under Governance Regulation).

ECS (Ms. Violeta Kogalniceanu and Mr. Peter Pozsgai) presented the [new obligations under the Clean Energy Package](#) relevant for the energy efficiency dimension (new EED 2018/2002 and EU Governance Regulation 2018/1999). A brief update on 2030 target setting process was also presented, as well as the integrated planning (NECPs with Long term buildings renovation strategies) and reporting obligations (Biennial progress reports) under Governance Regulation. The deadline for transposition of the amended articles and their implementation (through primary and secondary legislation) is June 2023.

ECA (Mr. David Williams) as part of REEP technical assistance presented [Article 7 transposition and reporting requirements under the new Energy Efficiency Directive 2018/2002](#), including: EEO target and obligations for new 2024-2030 period, eligibility of energy savings (incl. early actions), monitoring and reporting challenges and best practices (MVP/SMiV Croatia), verification procedures etc.

Contracting Parties ([Albania](#), [Bosnia and Herzegovina](#), [Georgia](#), [Kosovo*](#), [Moldova](#), [Montenegro](#), [North Macedonia](#) and [Serbia](#)) presented the status and plans for transposition and implementation of EED articles 9-11 (metering and billing for electricity, gas and heating) and article 14 (heating and cooling), focusing on those acts which are still under development or pending adoption. Articles 9-11 seem to be mostly implemented either through the energy laws or combination of EE&energy laws and by-laws, but the heat metering is still lagging behind in many CPs with district heating.

As regards Article 14, none of the CPs has completed the Comprehensive assessment as requested before 30 November 2018, and Moldova and Montenegro notified the Secretariat about the draft assessments, while Serbia did analysis on CHP potential in 2012 with IPA assistance. In Montenegro, the study and the potential assessment (with implementation plan) was performed in 2019; it will be revised and updated with ReDEWeB support, to meet requirements of Article 14 of the new EED, as well as to prepare 2030 action plan (for integration in NECP and other strategic documents). Albania transposed Article 14 provisions in the 2021 Energy Efficiency Law, but the by-laws and the comprehensive assessment are pending. Bosnia and Herzegovina received GIZ assistance for the comprehensive assessment (to be shared soon with ECS). Kosovo* included relevant provisions in the EE Law and administrative instructions, but their implementation is pending. The new draft EE Law in Moldova is aligned with the amended EED and supported with EU4Energy project; the comprehensive assessment was prepared in 2016. In North Macedonia, the draft Program for the realization of the energy development strategy includes the comprehensive assessment of the potential for high-efficient cogeneration. In Serbia, relevant EED obligations are transposed in the Law on energy efficiency and rational use of energy (also significantly aligned with revised EED), including an obligation to conduct the comprehensive assessment; this is planned to be supported by EBRD and ToR is under preparation. In Ukraine, the potential assessment is supported by EU STARTER Project.

Despite the progress, all CPs still have outstanding secondary legislation to adopt, mostly in the area of heat metering, as well as transposition and implementation of the new EED article 14.

Conclusions

- 1.1. EECG thanked ECS and ECA for the presentation of new obligations under the energy efficiency dimension of the Clean Energy Package, and the upcoming reporting obligations.
- 1.2. ECS will update and share with CPs the “transitional” template for EED Annual reporting in 2022 to include more focused reporting on 2020 EE targets and achievements, and include reporting obligations under Governance Regulation (March 2022). CPs should report by the end of June 2022, to enable ECS to prepare assessment under EED by 31 October 2022.
- 1.3. Contracting Parties presented the status of transposition and implementation of EED Articles 9-11 (metering and billing for electricity, gas and heating) and Article 14 (promotion of efficiency in heating and cooling). Despite the reported progress, most CPs are lagging behind and still have to adopt outstanding secondary EE legislation to fully transpose EED (even older version of EED), in the area of heat metering and billing as well as EED Article 14, including finalisation and notification on comprehensive assessment of the potential for the application of high-efficiency cogeneration and efficient district heating and cooling.
- 1.4. As regards Article 7 (Energy efficiency obligations), the EECG members acknowledged the increased ambition in Article 7 of the Clean Energy Package and the need for an intensive work on the policy options to transpose this.
- 1.5. EECG members acknowledged the urgency to finalise the transposition of the current energy efficiency Acquis, having in view the adoption of the Clean Energy Package at the EnC Ministerial Council in November 2021.
- 1.6. EECG also highlighted the need for customised TA (like REEP for the Western Balkans) to help national authorities to deliver on their obligations and invited the European Commission, donors, and IFIs to support them.

2. Aligning the Energy Community Acquis with the EU

2.1 Progress with the transposition of labelling framework and the new labelling regulation

Contracting Parties ([Albania](#), [Georgia](#), [Kosovo*](#), [Moldova](#), [Montenegro](#), [North Macedonia](#) and [Serbia](#)) reported on the progress with transposition and implementation the labelling regulations, both existing and rescaled regulations adopted by EU in 2019 (still to be adopted by EnC). CPs reported on the progress and some CPs (Montenegro, North Macedonia, Serbia) are already advancing with the adoptions (either voluntary or as part of the EU accession negotiations) of the rescaling energy label regulations.

ECS shared information on the process of amendments of the [new energy labelling regulations](#) to be proposed for incorporation in EnC in 2022. Following 2021 PHLG conclusions, Commission and ECS work on amendments of five product labelling regulations adopted in EnC in 2019 (introducing rescaled labels) and covering following products: fridges and freezers, dishwashers, washing machines, electronic displays and light sources. This package will be incorporated in 2022 in the Energy Community, and transposition deadline (current proposal) is the end of 2023 (old regulations also need to be repealed in CPs). The adapted versions are based on the applicable Framework Regulation (EU) 2017/1369 as adapted and adopted by Ministerial Council in 2018, which excludes access to EU EPREL. Amended regulations will be shared and discussed at the next PHLG meeting.

2.2 *The European Commission, DG ENER (Ms. Claudia Canevari)* presented the latest energy efficiency policy developments in the EU, and also immediate actions and sanctions showing the EU solidarity with Ukraine, and EU plan (REPowerEU: Joint European action for more affordable, secure and sustainable energy) to increase EU energy independence and accelerate clean energy transition. Increase of energy efficiency and renewable energy, but also full implementation of "Fit for 55" package are cornerstone actions.

Conclusions:

- 2.1. The level of transposition and implementation of the existing labelling framework varies between CPs. EECG acknowledged the need to speed up the full implementation of the existing product labelling framework and to proceed with the transposition of the 2019 EU Regulations introducing rescaled labels, which will be proposed for adoption in Energy Community in 2022.
- 2.2. EECG thanked European Commission DG ENER for updates on the latest energy efficiency policy developments in the EU, recent actions showing EU solidarity with Ukraine and REPowerEU plan. EECG will (in the context EECG) continue to follow the adoption process.

3. Regional Programmes and Initiatives

The European Bank for Reconstruction and Development (Mr. Nigel Jollands) and KfW (Mr. Matja Tadic) reported on the progress in implementing the current [Regional Energy Efficiency Programme for the Western Balkans \(REEP Plus\)](#), and planned REEP next phase for the use of the replenishment with over EUR 100 million grant funds, including scaled-up activities and new areas (sustainable heating and cooling, innovation and smart solutions, pilots on EE and RE in the residential sector etc.), as well as policy areas that will be cancelled (ESCO Support TA). Since the November EECG, there was a progress in both policy assistance and financing through direct lending and credit lines. New REEP Website is online: <https://wbif.eu/reep>. EBRD drew the attention of EECG members to the fact that funding and resources under the current REEP policy framework are available until September 2022. Policy assignments that are ongoing should be completed by then. New policy funding under the REEP Replenishment may have other focus areas, so there is no guarantee that ongoing (delayed) assignments will be continued under the Replenishment.

2.2 *The European Commission, DG ENER (Ms. Claudia Canevari)*, after having expressed the EU's support and solidarity with Ukraine, presented the latest energy efficiency policy developments in the

EU and the EU plan (REPowerEU: Joint European action for more affordable, secure and sustainable energy) to increase EU energy independence from Russia and accelerate clean energy transition. Increase of energy efficiency and renewable energy, but also full implementation of “Fit for 55” package, are cornerstone actions.

Green for Growth Fund (Mr. Borislav Kostadinov) presented overview of [GGF activities and investments in energy / resource efficiency and renewable energy](#). GGF is active in all EnC CPs and represents an impact investment fund that mitigates climate change by investing in measures that reduce energy consumption, resource use and GHG emissions. During 2021, GGF continued positive growth driven by positive policy signals and diversification, and a comprehensive support for a green transformation of financial sectors (2021 new activities in Serbia, Bosnia and Herzegovina, Armenia, Georgia). The [Green Journey Campaign](#) is designed to showcase green finance success stories and creating momentum for financial sector transformations.

Conclusions:

- 3.1. EECG thanked EBRD and KfW for updates on activities and lessons learned under REEP Plus Programme and noted the message about the urgency of taking the outstanding decisions for the finalisation of the current assignment. The funding and resources under the current REEP policy framework are available until September 2022.
- 3.2. EECG thanked EBRD for updates on Green Cities Initiative, promotion of multilevel governance approach and bringing opportunities for cities joining GC initiative to benefit from development of Green City Action Plans with sustainable infrastructure investments and policy measures, and plans to increase sustainable financing in the Energy Community, focused on energy efficiency and decarbonisation projects.
- 3.3. EECG thanked GGF for updates on ongoing activities performed in 2021, progress and plans to increase financing in the Energy Community, with the goal to reduce energy consumption, resource use and GHG emissions.

The next EECG meeting and EE Workshop are planned to take place on 21-22 June 2022 in Vienna.