

**First Annual Report
under the Energy Efficiency Directive**

ALBANIA

MARCH 2018

A. National energy efficiency target for 2020

The first report shall also include the national target referred to in Article 3(1).

The Annual redistribution of targets per sector and per different articles of EED is also provided, for period 2015.

Albania TARGETS	2015	2016	2017	2018	2019	2020
BUILDINGS [ktoe]	NA			10.7		37.4
INDUSTRY [ktoe]	NA			3.7		6.9
TRANSPORT [ktoe]	NA			14.2		49.5
OTHER [ktoe]**	NA			6.27		16
ARTICLE 3 [ktoe]	NA			38.5		123.7
ARTICLE 5 [ktoe]				13.32***	NA	40.83***
ARTICLE 7 [ktoe]			NA	2.25***	NA	3.7***
FEC [ktoe]	2065.3	2060.5	2147.1	2164.3	2181.6	2199.1
PEC [ktoe]	2,218.8	2,309.2	2,320.8	2,332.4	2,344.0	2,355.7

Table 1: Division of targets per sectors and per different articles of EED

* Intermediate targets for 2015 are not available, due to delay in adoption of 2nd NEEAP. Detailed explanations are provided below.

**Includes data for services sector

*** Estimation. Detailed explanations are provided below.

Sources of data: 2nd and 3rd NEEAP 2017-2020, national statistics, Energy Balance National Agency for Natural Resources ...

Detailed explanations concerning the table:

- Until 2014 the Agency of Natural Resources that was responsible for creating the yearly Energy Balances. Agency also provided some rough estimates on energy savings for each sector, without using proper established MVP (Monitoring and Verification Platform), as later required by the Albanian Energy Efficiency Law.
- Since the approval of the new Law on Energy Efficiency, the responsible Agency for the Monitoring and Verification of energy savings achieved under the National Action Plan for Energy Efficiency (NEEAP) was appointed to be the new institution - National Energy Efficiency Agency, which was officially created in 2016 by the Decision of Council of Ministers (DCM No. 852), but still not fully

functional. Until the full establishment of the Energy Efficiency Agency, the responsibility was to be held by the ministry responsible for energy.

- In order to have a functioning MVP the ministry has collaborated with GIZ, that have supported the Ministry with donating:

- 1- Server Unit
- 2- Software "MVP Webtool"
- 3- Trainings and capacity building.

- At the present time the deployment of the MVP platform in all its elements and functions is pending and waiting for the full establishment and population of the Agency for Energy Efficiency.
- The revision the 1st NEEAP/preparation of 2nd NEEAP was delayed several times, also subject to an infringement case with the Energy Community Secretariat (EnCS). This causes that intermediate targets, and clear goals and actions were lacking.
- In this context there are no sure data (apart from best guesses and estimation) of energy savings through out 2015 to 2017. However the best data available can be found on the 2nd and 3rd National Energy Efficiency Action Plan 2017-2020, adopted in December 2017 by the Council of Ministers.
- The “Other” part of the Table in the Albanian case is illustrated through the services.
- Concerning the Article 5 for 2020 the value expressed includes the total sum of the renovation of the public buildings’ stock with 2% of the heated /cooled area for buildings that are under administration of, or used by a public authority, or provide a public service, with a view to meeting the minimum requirements for energy performance. This measure is part of the 2nd and 3rd NEEAP.

However, at this moment, there are no available data and target concerning only the Central Government Buildings.

Achievement of above target will be supported through the implementation of other measures from the 2nd and 3rd NEEAP, including: adoption and implementation of the “green” public procurements rules with a focus on the public buildings, assessment of the potential for energy savings, adoption and implementation of strategy for the renovation of the public buildings stock, the determination of cost-optimal energy efficiency level for the buildings that are predicted to undergo significant renovation and the rules for the new high performance buildings, Design of financial support schemes to improve energy performance of buildings (of the building envelope and technical systems of buildings), adoption of an action plan to enhance the number of buildings with a close to zero energy performance, energy certification for buildings etc.

- In the Article 7 concerning the energy savings from obligation schemes or/and alternative measures, the sum expressed comprises:
- minimal requirements of energy efficiency for the industrial processes and obligation schemes, the voluntary agreements for the industrial enterprises categorized as big consumers of energy, accordingly with the article 12 of the Law 124/2015 “On energy efficiency,, , the informative billing, awareness campaigns,

education and training for energy efficiency, the promotion of performance contracting and energy services, the indicator for audits and management of energy for the big energy consumers, creation of an integrated information system for the monitoring, verification and implementation of energy efficiency policies. These measures are taken from the 2nd and 3rd NEEAP, and are included in the section related to the regulated and informative measures in final energy with the evaluation of their implementation.

- The total sum of final energy savings for 2015 is 16,4 ktoe.

B. Key statistics data

The annual reports referred to in Article 24(1) provide a basis for the monitoring of the progress towards national 2020 targets. Contracting Parties shall ensure that the reports include the following minimum information:

Estimation of key statistics related to energy consumption in 2015	Unit	Value
Total primary energy consumption (*)	ktoe	2218.77
Total final energy consumption (*)	ktoe	2065.30
Final energy consumption – Transport (*)	ktoe	812.62
Final Energy consumption – Industry (*)	ktoe	359.81
Final energy consumption – Households (*)	ktoe	521.82
Final energy consumption – Services (*)	ktoe	193.41
Gross value added by sector – Industry (**)	Billions (EUR)	NA
Gross value added by sector – Services (**)	Billions (EUR)	NA
Disposable income of households (**)	Billions (EUR)	NA
Gross domestic product (GDP) (**)	Billions (EUR)	10,3
Electricity generation from thermal power plants (***)	ktoe	0
Electricity generation from combined heat and power (***)	ktoe	0
Heat generation from thermal power generation (***)	ktoe	0

Estimation of key statistics related to energy consumption in 2015	Unit	Value
Heat generation from combined heat and power plants, incl. industrial waste heat (***)	ktoe	0
Fuel input for thermal power generation (***)	ktoe	0
Passenger kilometres (pkm), if available (**)	thous. pkm	NA
Tonne kilometres (tkm), if available (**)	thous. tkm	NA
Combined transport kilometres (pkm + tkm) (**)	thous. km	NA
Population (**)	Million	2,893,005

Table 1: Key energy statistics data.

(*) *Energy statistics*

(**) *State Statistical office(INSTAT)*

(***) *Independent System Operator (ISO), electricity generation companies, National Agency for Natural Resources. Ministry of Infrastructure and Energy.*

C. Overview of energy consumption trends

Figure1: Final and primary energy consumption 2013 – 2015.

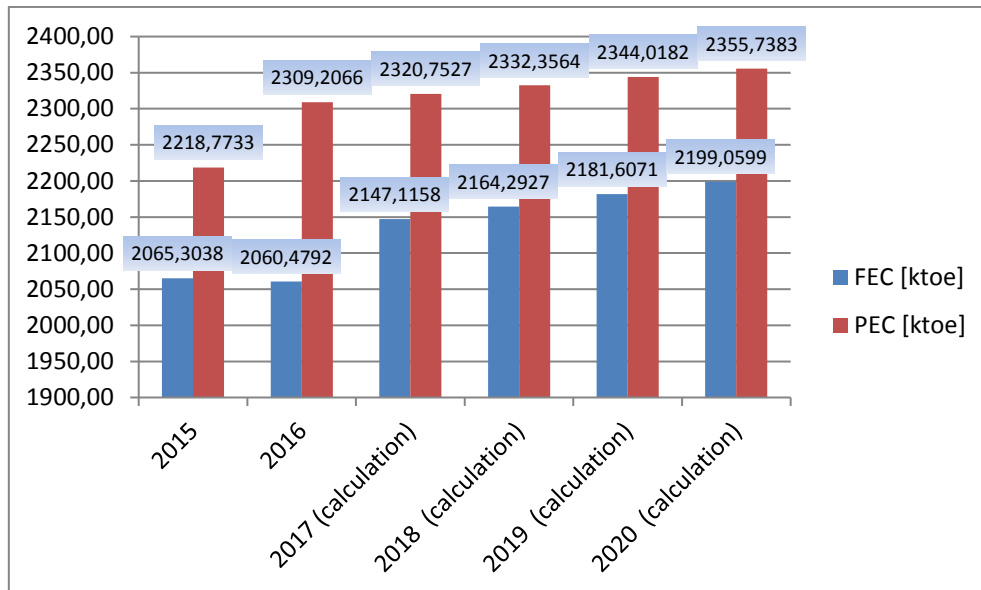


Figure 2: Final energy consumption per sectors in 2013 – 2015 (example).

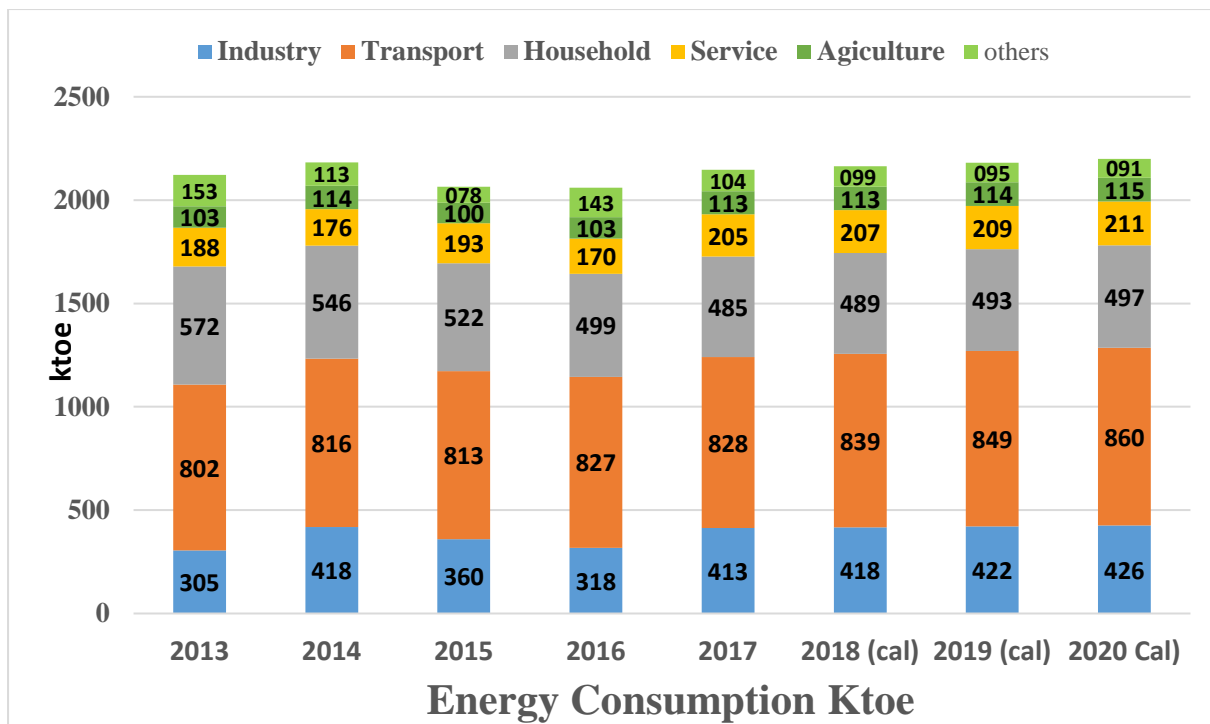
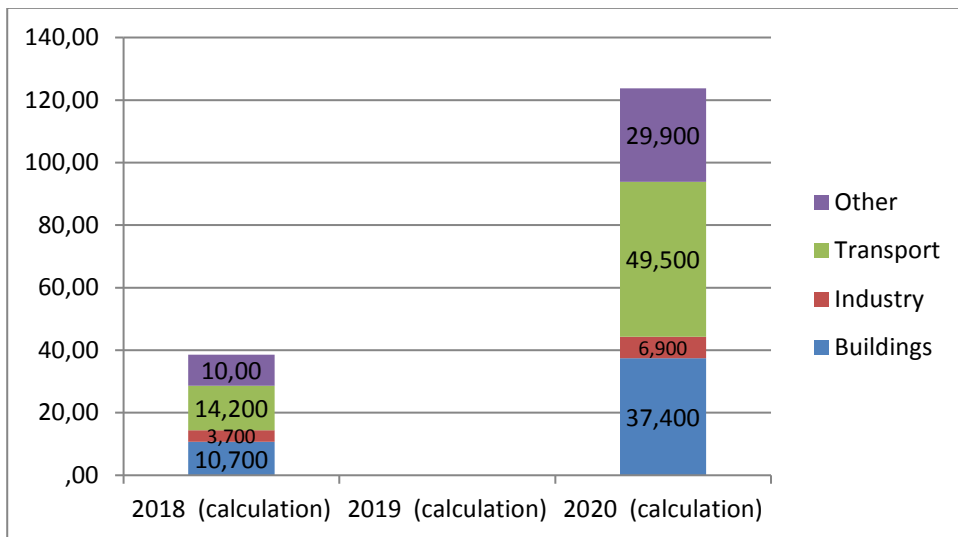


Figure 3: Overview of EE targets in 2018 and 2020



D. Update of measures implemented in last years

Updates on major legislative and non-legislative measures implemented in the previous years which contribute towards the overall national energy efficiency targets for 2020;

Legislative measures

- The decision of the Council of Ministers nr.709, dated the 01.12.2017, adopted the Second and Third National Action Plan for the Energy Efficiency for Albania for the period 2017-2020. This Action Plan is very important because it sets the national targets for the energy efficiency to be achieved by the country by the year 2020.
- The decision of the Council of Ministers nr. 852, dated the 07.12.2016 was adopted for the creation and the functioning of the Agency of Energy Efficiency, which is the institution responsible for the implementation of the energy efficiency policies and implementation of the energy efficiency measures.
- The Ministry of Infrastructure and Energy of Albania is currently working on the drafting of important secondary legislation in the energy efficiency field as specified by the Albanian Energy Efficiency Law (adopted in 2015) and the Energy Performance of Buildings Law (adopted in 2016). The Ministry is currently working on the drafting of the National Calculation Methodology Regulation, the Energy Performance Certification Regulation and the Regulation on the Minimum Energy Performance Standards with the support of the “Regional Energy Efficiency Programme for the Western Balkans - REEP Plus”. Under REEP Plus, Ministry also initiated activities to amend the EE Law to fully transpose EED.

Non-legislative measures

All other measures which indirectly or directly lead to the achievement of energy savings

EBRD has supported municipality of Tirana in the implementation of the first three steps of Green Cities Framework: (1) preparing a green city baseline; (2) developing a vision; (3) elaborating a Green City Action Plan (GCAP). Steps 4 and 5 concerning the implementation of actions and review the process are yet covered. The GCAP vision, covering the period 2018-2033 is to enable people to enjoy a healthy and high-quality life in a green, resilient and inclusive Tirana that makes smart use of resources. In order to address the current challenges, the GCAP has defined 11 strategic objectives within 5 thematic areas of: (i) sustainable mobility, (ii) green spaces and biodiversity, (iii) sustainable energy, (iv) resource management, (v) climate change resilience and adaptation. Concerning sustainable energy, the GCAP has defined 7 potential investment projects which could be financed by EBRD in the future. Presently, priority areas of activities include energy efficiency in municipal and residential buildings, replacement of street lamps with smart energy efficient lamps, implementation of legislation for enabling building energy efficiency measures, mechanisms to incentivise investment in energy efficient technologies, effective implementation of Energy Service Companies (ESCOs) and Energy Performance Certificates (EPCs) and deployment of electrical charging infrastructure. Thus, potential synergies and complementarities will be fostered between EBRD Green Cities Framework and a potential Swiss EEA project in the Tirana municipality.

Additionally, **EBRD** supports the Ministry of Infrastructure and Energy in preparing the secondary legislation on renewable energy. It plans also to finance a Feasibility Study for building a solar thermal plant.

EU will support institution strengthening of Energy Efficiency Agency, under the Ministry of Infrastructure and Energy for the alignment with the EU acquis and enhanced ability to meet economic criteria, during 2018-2022.

KfW is supporting the energy efficient rehabilitation of 5 public buildings (student dorms) in the city of Tirana between 2018-2021.

GIZ plans to support energy efficiency through its Open Regional Fund (ORF) for Western Balkan region between 2018-2021. GIZ has prepared a new webtool for monitoring, verification and evaluation of the implementation of the National Energy Efficiency Action Plan (NEEAP) 2017-2020. The EE monitoring procedures follows the requirements of the EU Directive on EE that was incorporated into the Albanian legislation.

GIZ is currently preparing the implementation of an interdisciplinary capacity building intervention to achieve the following results in Albania: (1) Commitment of the Mayors and municipal councils on establishing energy management units will be realized primarily, (2) Job descriptions for the staff of the energy management unit will be prepared. (3) Energy management unit staff will be trained and provided with the necessary tools to do their job properly, (4) Channels and procedures of communication between energy management units and the Ministries/Agencies will be established.

E. Central Government buildings (Article 5)

Article 5 of EED provides the choice between two different options in expressing the targets regarding this article. Contracting Parties should express which option has been chosen and to provide data accordingly.

The amount expressing the targets of the Article 5 of the Directive 2012/27/UE is the amount of energy savings in eligible buildings owned and occupied by central and local government. There is no distinctive data concerning the amount only on the central government buildings. The amount of energy efficiency that will result from the renovation of buildings owned and occupied by the central and local government is predicted to be for 2020, 40.83 ktoe. After the installation of the monitoring and verification platform Albania will be fully functional in providing the relevant data concerning the surface renovated and/or the energy savings.

F. Energy efficiency obligations (Article 7)

Article 7 of EED allows using the energy efficiency obligations schemes, alternative measures or any combination. In this section the elaboration of functioning of the EEO or explanation of categories of alternative measures which lead to corresponding savings.

In Albania, the Second and Third Action Plan on Energy Efficiency from 2017 to 2020 describes a combination of energy efficiency obligation schemes and alternative measures.

The Albanian Law on energy efficiency no.124/2015, describes the roles of the energy audits and of the energy auditors. These energy audits are mandatory for the big energy consumers and for the public and private consumers and/or every applicant at the Energy Efficiency Fund. These audits are executed every three years or whenever an industrial object or building is handled over or is renovated. The results from the audits must be executed within the period of two years from the acceptance of the results of the audits. The big consumers must nominate an Energy Manager, who

will be responsible for the maintenance of the equipment that consume every kind of energy, for improving and supervising the methods of energy use and the exercise of other tasks for the rational use of energy in industry and buildings.