

29th ENERGY EFFICIENCY COORDINATION GROUP MEETING MINUTES AND CONCLUSIONS

Tuesday, 21 June 2022, 9:30 - 15:45 (hybrid)

The 29th 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 Energy), donors, IFIs and invited experts from EBRD/ REEP Plus, Swedish International Development Cooperation Agency (SIDA), KfW, USAID and BMGI Consulting. The meeting was chaired by the Energy Community Secretariat (Ms. Violeta Kogalniceanu) and the Ministry of Economy and Sustainable Development of Georgia (Mr. Omar Tsereteli).

ECS (Ms. Violeta Kogalniceanu) opened the meeting by welcoming the participants and presenting the meeting's agenda, which focused on implementing the EECG Work Programme 2021-2022, the 2030 targets on energy efficiency, Clean Energy Package II, regional programmes and CP's initiatives. The EECG agenda, documents and presentations are available online on the Energy Community [website](#).

1. EECG Work Programme 2021-2022 (EA 1, EA 2, EA 3 and EA 4)

ECS (Mr. Borko Raičević) presented the [progress in implementing the EECG Work Programme and reporting obligations in 2022](#). After the adoption of the Clean Energy Package (CEP) by the Ministerial Council in November 2021, ECS prepared a gap analysis and organised bilateral meetings with each CP. CPs are currently in the process of transposing the new requirements of EED and negotiations on 2030 EE targets, as well as reporting on the achievement of 2020 EE targets (status to be reported at the EECG meeting). ECS has shared the updated reporting template, recommended to be used by CPs for annual reporting. CPs are invited to send final reports by the end of June 2022.

Contracting Parties ([Albania](#), [Bosnia and Herzegovina](#), [Georgia](#), [Kosovo*](#), [Moldova](#), [Montenegro](#), [North Macedonia](#), [Serbia and Ukraine](#)) presented the current status on the annual reports, 2020 EE target implementation, legislative and non-legislative measures (including transposition of the new EE Directive under CEPII) and 2030 targets. In summary, all Contracting Parties are currently working on finalizing reports with the plan to submit them to the ECS by the end of June 2022. Albania adopted NECP in December 2021, and currently implementing energy efficiency measures in buildings and large energy consumers, and working on implementing EPCs, energy audits and energy management schemes. Bosnia and Herzegovina reported on ongoing activities related to NECP development and 2030 target setting, transposition of EED articles 5 and 7, development of building renovation strategies and implementation of building renovation programmes. Georgia is in the process of finalisation of the annual report, with ongoing activities on amendments of the EE Law and drafting NECP (to integrate and implement new provisions from the CEP). Kosovo shared information on the progress with legislative and non-legislative measures implemented during reporting period (by-laws, projects, EE Fund, capacity buildings for energy auditors etc.), as well as the ongoing work on energy strategy and the implementing action plan. Moldova achieved the 2020 EE target (info to be sent officially as part of the annual report) and reported on the progress in adopting eco-design and labelling regulations and drafting building renovation strategy. Montenegro reported on the implementation of the NEEAP 2019-2021 and the ongoing work on target calculations, legislative amendments (recent Amendments to the

Law on Efficient Use of Energy), building renovation strategy and transition to integrated planning (NECP) and reporting. North Macedonia achieved the 2020 PEC EE target (a combination of implemented legislative and non-legislative measures, and the impact of the pandemic on the energy sector), highlighting the decrease in consumption in the largest transport sector. Serbia reported on the achievement of the 2020 EE target, ongoing activities to complete secondary legislation (after the adoption of the new Law on Energy Efficiency and Rational Use of Energy in 2021), to develop NECP, strengthening the institutional framework and creating a sustainable financing mechanism for energy efficiency. Ukraine achieved the 2020 EE target and approved the NEEAP in 2021, including the measures to achieve the 2030 EE targets. Ukraine will try to submit the annual EE report by the deadline, and continue work on the new energy efficiency policy – transposition of EE Directive, EPBD, and energy labelling and ecodesign requirements for energy-related products.

Despite the reported progress, all CPs still have outstanding secondary legislation to adopt, mostly in the area of EED (EEO scheme, heat metering, EED article 14 etc.). EECG will continue to tackle common issues related to the transposition of the 2021 CEP package, and coordinate regional policy support activities.

ECS (Ms. Violeta Kogalniceanu) briefed the EECG on the latest developments concerning the ongoing negotiating process on 2030 Targets for energy efficiency, renewable energy, and GHG emissions reduction. Bilateral meetings were conducted between the CPs, European Commission and ECS to discuss the proposed values. There is an ongoing discussion focused on clarification of assumptions and policy scenarios. In preparation for the Informal Ministerial Council in July 2022, it is expected to have further discussions and confirmations of the target values. Finally, the amendments to the CEP will be prepared (MC Decision) and proposed for adoption by the Ministerial Council in December 2022.

Contracting Parties reported on the progress with transposition and implementation of the labelling regulations, both existing and rescaled regulations adopted by EU in 2019 (and still to be adopted by EnC). Some CPs (Montenegro, North Macedonia, Serbia, Ukraine) are already advancing (either voluntary or as part of the EU accession negotiations) with the work on rescaled energy label regulations.

The European Commission, DG ENERGY (Ms. Claudia Canevari) [presented the latest energy efficiency policy developments under the REPowerEU energy package](#) – a plan to reduce EU energy dependence on fossil fuels from Russia in particular and to further accelerate the clean energy transition. To reach this goal, the EU has identified short-term and medium-term measures that have to be completed before 2027. These measures range from energy-saving measures and measures for diversification of energy supplies to the accelerated roll-out of renewable energy. The EU Save Energy Communication adopted on 18 May 2022 details measures to achieve short-term energy savings (including behavioural changes) and mid-term structural measures (including legislative amendments and increased EU 2030 EE target - from 9% to 13% compared to the 2020 scenario). The EC has also foreseen to launch the Energy Efficiency Financial Institutions Coalition in collaboration with the Member States, and promote EU funding sources. Public funds will serve as a catalyst for private investments. The leveraging of private financing and investments is conditional to achieve the EU climate and energy targets.

ECS (Ms. Violeta Kogalniceanu and Mr. Borko Raičević) provided a brief update on the latest developments in the adoption of new product labelling regulations (introducing rescaled labels in the EnC). EC will in cooperation with ECS propose a 2022 MC Decision on adapting and incorporating certain Delegated Regulations on energy-related products, introducing rescaled labels in the Energy Community. An electronic label will stay unchanged for products registered in the EU EPREL product database; for products placed only on the markets of the Contracting Parties, the label QR code shall be linked directly to the manufacturer's webpage. The Commission will finalise a proposal soon and the product labelling regulations are expected to be adopted by the end of 2022.

The BMGI Consulting (Dr. Bernard Gindroz, Team Leader), shared [results of the successful IPA 2016 project supporting the Serbian Ministry of Mining and Energy](#) in implementing eco-design and energy labelling legislative requirements, strengthening institutional capacities (of market inspection, conformity assessment bodies etc.), and awareness raising and communication activities (including consumers behaviour change). This IPA project included a market survey of product groups, a survey of the potential conformity assessment bodies, training and TA to institutions, plans for sampling and testing of products, as well as design and implementation of awareness raising and communication campaign. The project recommends the continuation of awareness-raising activities in Serbia, regular updates of the market database, continuous capacity building for market surveillance and product testing, and use of project training materials and support tools.

Conclusions:

- 1.1. EECG thanked ECS for the presentation of the progress in implementing the EECG Work Programme and the forthcoming reporting obligations in 2022. All CPs are working on finalising the annual reports on EED implementation and 2020 targets achievement. ECS reminded CPs of the reporting deadline (end of June 2022), and the obligation of ECS to prepare an assessment under EED by 31 October 2022.
- 1.2. EECG members reported on the key energy efficiency policies and measures in CPs, including the transposition of the new EE Directive under the Clean Energy Package. Despite the reported progress, all CPs still have outstanding secondary legislation to adopt, and EECG will continue to support transposition of CEP, and coordinate regional policy support activities.
- 1.3. EECG thanked European Commission for the presentation of the latest energy efficiency policy developments under the REPowerEU energy package, including the EU Save Energy Communication and the new measures under the energy efficiency dimension of the package.
- 1.4. EECG thanked BMGI Consulting for presenting a successful IPA 2016 project supporting the implementation of eco-design and energy labelling legislative requirements in Serbia.

2. Regional Programmes and CP's Initiatives

The Swedish International Development Cooperation Agency (Mr. Jan Johansson) presented an [overview of Sida Programs in Ukraine, Moldova and Georgia](#), including new strategies and activities under the Eastern European Energy Efficiency and Environment Partnership (E5P). E5P is active in providing grants and loans for projects with a focus on improving municipal environmental infrastructure. E5P had a positive impact in Ukraine by supporting the Lviv wastewater biogas project, the Balti district heating project in Moldova and the Tbilisi school reconstruction project in Georgia.

EBRD (Ms. Stefania Racolta-Cruceru) and KfW (Mr. Matija Tadić) provided updates on the [Regional Energy Efficiency Programme for the Western Balkans \(REEP Plus\)](#), which contributes to the sustainable energy transition in the Western Balkans and achievement of EE/RES/GHG targets. Since the March 2022 EECG meeting, there was progress in both policy assistance and financing through direct lending and credit lines, especially for projects concerning buildings and district heating in Bosnia and Herzegovina, Kosovo, North Macedonia and Serbia. EBRD noted that funding and resources under the current REEP policy framework are available until September 2022. Ongoing policy assignments should be completed by then. The new activities under REEP Replenishment phase will further increase energy independence from fossil fuels in the Western Balkans, promoting the switch to clean, highly-efficient and renewable energy technologies.

The US Agency for International Development (Mr. Andrew Popelka) shared information on various [ongoing, new and future regional and bilateral activities in the Energy Community](#). USAID support

focuses on necessary legislative and regulatory changes, a commercially based approach for investments (with limited subsidies), sustainable financing mechanisms and practical implementation approaches. On top of various regional programmes, USAID is currently bilaterally supporting Serbia through the Better Energy Programme (EE improvements in municipal district heating systems and multi-apartment buildings, including project development TA and development of related legal documents). Further to that, Moldova Energy Security Activity (MESA) supports Moldova to improve compliance with ECS acquis and energy related investment support. USAID is a contributor to EP5, supporting municipal EE investments in Georgia, Moldova and Ukraine. Future regional activities will be supporting utilities, regulatory agencies and other stakeholders in the process of the clean energy transition as well as investments in developing energy assets.

The representative of the Ministry of Capital Investments of Montenegro (Mr. Nikola Vujošević) presented [the key EE projects in Montenegro, including recent Solar 3000+ and Solar 500](#) projects launched and implemented by state electricity utility EPCG and state ECO fund; Current project value is around EUR 30 mil., with 20% maximal subsidy component. The overall goal is to enable a low-carbon development through renewable energy, energy efficiency and security of supply. The programme foresees the installation of rooftop PV systems on residential (Solar 3000+) and commercial buildings (Solar 500), with several selection criteria (e.g. country regional distribution, roof position, annual consumption, regular payment of bills etc.). The 2021 public call resulted in more than 14 thousand submitted applications. Ministry also presented a successful “Energy Efficient Home” programme for subsidising interest loans for households to finance various EE measures, which also resulted in a significant increase in citizens’ awareness of the effects of EE measures.

The representative of the Ministry of Mining and Energy of Serbia (Ms. Antonela Solujić) presented the benefits of the [establishment of the Administration for Financing and Encouraging Energy Efficiency](#) within the Ministry of Mining and Energy of Serbia, which supports and attracts more EE funding (from the state budget, donations and loans) for improvements of residential and public buildings (current focus), as well as the implementation of promotional activities in Serbia. Support to citizens is provided through the subsidy scheme and regular public calls under a dedicated Programme for energy rehabilitation of family houses, apartments and residential buildings. Support for EE in public buildings has been active since 2014 from the Budgetary Fund for Energy Efficiency, and since recently for central government buildings. In 2022, the Phase V of the Rehabilitation of district heating systems started.

The Fraunhofer Institute for Systems and Innovation Research ISI (Mr. Wolfgang Eichhammer) presented the new [ODYSEE-MURE CET LIFE PROJECT 2022-2025 “Monitoring the Energy Efficiency Pillar for Climate Neutrality”](#) intended to update databases, features and tools for comprehensive monitoring of energy efficiency trends and policies. The project also envisages the inclusion of nine Energy Community CPs through subcontracts, and is expected to start in October 2022. As a result of previous cooperation with the EECG, most Partners in Energy Community have been identified and selected. Additional nominations or confirmation of partners will be required by some countries (BIH, Georgia, and Montenegro) in interaction with the Energy Community Secretariat. The future interaction with EECG/ECS will be realised by providing regular project updates, discussing suggestions and support for project implementation/dissemination activities.

Conclusions:

- 2.1. EECG thanked SIDA and USAID for the latest updates on their ongoing or planned programmes in the Energy Community Contracting Parties.
- 2.2. EECG thanked EBRD and KfW for providing an update on recent progress under REEP Plus Programme, and planned activities under the replenishment phase. The funding and resources

under the current REEP policy framework are available until September 2022, linked with the implementation of ongoing projects.

- 2.3. The EECG representatives from the Ministry of Capital Investments of Montenegro and the Ministry of Mining and Energy of Serbia shared the best examples of the successful energy efficiency programmes, as well as policy measures for strengthening of institutional and financial framework in a sustainable manner.
- 2.4. EECG thanked the representative of the Fraunhofer Institute for cooperation and presentation of the latest updates on the new ODYSEE-MURE CET LIFE project "Monitoring the Energy Efficiency Pillar for Climate Neutrality". EECG members played an important role in providing support letters and identification of possible national partners in Energy Community Countries. The project will continue to interact with EECG/ECS by providing regularly project updates and coordination for successful project implementation. Additional nominations or confirmations of partners will be required by some countries, in interaction with the Energy Community Secretariat.

The next EECG meeting and EE Workshop are planned to take place on 9 and 10 November 2022 in Vienna.