

A hand holds a tablet displaying a smart home control interface. The interface includes a house outline, a temperature gauge showing 21°C, a color-coded energy efficiency scale (A, B, C, D), and various icons for lighting, locks, and recycling. A finger is pointing at the screen.

Heating and Cooling: Legal and Regulatory Aspects

Biljana Grbić, 11 June 2020

Agenda

- **District Heating Systems in Contracting Parties**
- **Clean Energy Package rules on H&C and DHC**
 - **New Renewable Directive 2018/2001**
 - **Amend. Energy Efficiency Directive 2018/2002**
 - **Governance Regulation 2018/1999**

District Heating Systems in Energy Community

	Bosnia and Herzegovina	Kosovo*	Moldova	North Macedonia	Serbia	Ukraine
Number of DH systems	33	4	2	3	58	cc. 1600
Regulatory Authority	Local Authorities	Energy Regulatory Office (ERO)	ANRE	ERC	Local Authorities	NEURC, Local Authorities
Legislation	Decisions of local authorities	National law and regulations of ERO	National law and regulations of ANRE	National law and regulations of ERC	National law and decisions of local authorities	National law and regulations of NEURC
Ownership	Public and Private	Public	Public	Public and Private	Public	Public and private

*This designation is without prejudice to positions on status, and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo Declaration of Independence.

**At present, district heating network does not exist in Albania and Georgia
Montenegro is in the process of developing new biomass DHS in Zabljak municipality

Clean Energy Package – New Rules

Renewable Directive (RED II)

- H&C sector contribution to RE target (art. 23)
- Assessment of Potential (art.15(7)) and Infrastructure Development (art 20(3))
- DHC: contribution, third party access and disconnection (art. 24)

Amend. Energy Efficiency Directive

- Consumption Metering (art. 9a)
- Cost-allocation (art. 9b)
- Billing Information (art. 10a, 11a and Annex VIIa)

Governance Regulation

- Annex I – Template of Integrated National Energy and Climate Plans

RED II – H&C Contribution to the RE Target

- RE target – 32%
- Electricity, Transport and Heating and Cooling sectors contribution
- Before: NREAP 📍 Now: Integrated NECPs
- Heating and Cooling – increase for indicative 1,3 percentage points per year, taking as a baseline a share in 2020 in final energy consumption in the sector

RED II – District Heating Contribution Options

- 1. Increase of share of RE in DHC for indicative 1 ppt per year (measures to be included in NECPs)**

- 2. Opening Up the market:**
 - a) to connect independent producers**
 - b) to offer to connect and to purchase heat or cold**

Assessment of Potential and Infrastructure

- **Assessment of the renewable energy and waste heat and cold potential**
 - as a part of the comprehensive assessment under Article 14 EED
- **Assessment on the necessity to build new infrastructure for DHSs**
 - as part of the integrated NECPs

RED II – Consumer Rights on Disconnection

- **To be informed on energy performance and RE share in DHC**
- **Conditions for disconnection:**
 - **DHC is inefficient**
 - **to produce heating and cooling from renewable sources themselves**
 - **for multi-apartment blocks, disconnection may be exercised only at a whole building level**

EED – Metering and Sub-Metering

- Metering at the point of delivery or heat exchanger
- Sub-metering is a consumption measurement in individual units

Three options:

1. Heat meters – actual consumption, if technically feasible and cost effective
2. Heat cost allocators on each radiators, if cost-effective
3. Alternative methods of heat consumption measurement

- **The general criteria, methodologies and/or procedures to determine the technical non-feasibility and non-cost effectiveness shall be clearly set out**

EED – Cost allocation in multi-apartment buildings

CPs shall adopt national rules on the allocation of the cost of heating, cooling and domestic hot water of individual consumption in multi-apartment buildings

EED – Billing and Consumption Information

- a) Current actual price and actual consumption of energy
- b) Information about fuel mix used and related GHG emissions (it can be imposed only on DHS with thermal rated output exceeding 20 MW) and description of different taxes, levies and tariffs applied**
- c) Comparison of current consumption with consumption for the same period in the previous year
- d) Information for final customers` organisations
- e) Complaints procedures or alternative dispute resolution mechanisms
- f) Comparison with an average normalised or benchmarked final user in the same user category



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