



Crna Gora
Ministarstvo ekonomije



ENERGETSKA
EFIKASNOST
U CRNOJ GORI

EED Transposition and Implementation - experience of Montenegro -

Ministry of Economy of Montenegro
Directorate for Energy Efficiency

X Energy Efficiency Coordination Group Meeting -10 March 2016

Presentation content

- Existing legal framework
- EED new requirements
- Next steps

Development of the legal framework for EE

- **Law on Efficient Use of Energy - LoEUE** (O.G of Montenegro No. 57/14 from December 2014) regulates EE on side of final energy consumption; repealed Law on Energy Efficiency (from 2010)
- Reasons for the preparation of the new law:
 - “new” EU directives,
 - inadequate legal basis for the certain by-laws.
- Law transposed main requirements from all new EU directives:
 - Directive 2012/27/EU on energy efficiency;
 - Directive 2010/31/EU on energy performance in buildings;
 - Directive 2010/30/EU on energy labeling of energy related products;
 - Directive 2009/125/EC on eco design requirements for energy related products

Development of the legal framework for EE

- Full alignment achieved through **secondary legislation** - adoption of new and improvement of the existing by-laws
- In 2015, 17 new by-laws prepared with support of GIZ-ORF
- 16 by-laws adopted and published in O.G of Montenegro by February 2016; remaining 1 will be published by the end of the March 2016 (waiting for positive opinion of the Secretariat for Legislation)
- For 2016 planned preparation and adoption of several by-laws which should regulate energy labeling and eco-design requirements for specific energy related products

Dealing with the requirements of EED

- Focus will be given mainly to transposition and implementation of new requirements of EED:
 - Article 4 - Building renovation strategy
 - Article 5 - Reconstruction of public buildings
 - Article 6 - EE in public procurements
 - Article 7 - EEO schemes
 - Art. 14 and 15 - EE on supply side
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Building renovation strategy – Art. 4 of EED

- Requirements:
 - Establishment of a long-term strategy for mobilizing investment in the renovation of the national stock of residential and commercial buildings, both public and private;
 - Aspects which should be taken into account during strategy preparation;
 - Strategy should be regularly updated and submitted as a part of the NEEAP
- Transposition: There is no specific provision in the LoEUE requiring preparation of the Building Renovation Strategy; it will be considered as the part of the NEEAP
- Implementation: Strategy will be elaborated under project dealing with establishment of the Building Stock Inventory – supported by KfW TA

Building renovation strategy – Art. 4 of EED

- The main purpose of the Building Stock Inventory is to collect and provide key information about the existing building stock (statistical sampling):
 - Information needed to develop/adjust national reference buildings;
 - Input needed for evaluation/calculation of cost optimal levels for energy performance requirements;
 - **Input needed for calculation of national economic energy savings potential for each building category**
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Reconstruction of public buildings – Art. 5 of EED

■ Requirements:

- ❑ 1 % of the total floor area of buildings owned and occupied by its central government should be renovated each year to meet at least the minimum energy performance requirements; Threshold for buildings that should be taken into account - total floor area more than 500 m² (250 m² later);
- ❑ Preparation of the inventory of public buildings

■ Transposition:

- ❑ Main requirements transposed in Article 8 of the LoEUE (obligation to meet minimum EE requirements, adoption of the Decree and Plan for the reconstruction of administrative buildings by the Government)
- ❑ Decree on reconstruction of administrative buildings (O.G. of Montenegro No. 9/16 from 11.2.2016) completed transposition of EED requirements

Reconstruction of public buildings – Art. 5 of EED

■ Implementation:

- Adoption of the Plan for reconstruction of public administrative buildings is planned by the end 2016
 - Plan will contain detailed elaboration of building inventory and assessment of the buildings' performance
 - Funds for reconstruction of the first set of buildings is provided within the EEPPB projects supported by KfW (loan+grant) – reconstruction planned for 2017
- Ministry of Economy coordinates implementation of two projects dealing with improvement of energy performance in public buildings (educational, healthcare, social care and administrative buildings). Projects are financed by IBRD and KfW banks (loans + grants) with total portfolio more than 45 mill. Euro.
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EE in public procurement – Art. 6 of EED

■ Requirements:

- Ensure that central governments purchase only products, services and buildings with high energy-efficiency performance;
- Encourage public bodies, including at regional and local levels, to follow the exemplary role of their central governments to purchase only products, services and buildings with high EE performance

■ Transposition:

- Article 19 and 20 of the LoEUE (introduction of EE criteria in PP procedures; methodology for assessment of the level of EE in the public procurement)
- Rulebook on methodology for determining energy efficiency level in public procurement procedure (O.G. of Montenegro No. 9/16 from 11.2.2016)

EE in public procurement – Art. 6 of EED

■ Transposition (cont):

- ❑ Preparation of the Rulebook supported within REEP (EBRD TA)
- ❑ Initial proposal of the Rulebook significantly changed by Secretariat for Legislation of Montenegro due to the lack of the legal basis for certain provisions in the LoEUE

■ Implementation:

- ❑ Guidelines for the application of the Rulebook developed under the REEP need to be adjusted to the changed text of the Rulebook
- ❑ Application of the EE criteria in public procurement are voluntary–amendments to LoEUE needed in order to become obligatory

EEO schemes – Article 7 of EED

■ Requirements:

- ❑ Introduction of the energy saving targets for energy distributors and/or retail energy sales companies;
- ❑ Introduction of alternative approach: policy measures with amount of energy savings equivalent to the energy saving targets for energy distributors and/or retail energy sales companies

■ Transposition:

- ❑ There is no specific provision in the LoEUE establishing EE obligation schemes – energy saving targets are not established for energy suppliers/distributors
 - ❑ LoEUE requires from energy suppliers/distributors preparation of the three-years plans for improvement of EE with end consumers – preparation for the EEO schemes
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EEO schemes – Article 7 of EED

■ Transposition (cont):

- Support for further elaboration of the EEO schemes is provided within the REEP – consultant has prepared report with certain recommendation for MNE
- Consultant is working on drafting of necessary amendments of the LoEUE and relevant by-law necessary for implementation of EEO schemes

■ Implementation:

- Very demanding Article – additional TA is needed for further elaboration of the implementation strategies for EEO schemes
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Promotion of efficiency in heating and cooling - Article 14 of EED

■ Requirements:

- ❑ Preparation (and regular update) of assessment of the potential for the application of high-efficiency cogeneration and efficient district heating and cooling;
- ❑ Necessity of the cost-benefit analysis for all new/reconstructed energy generating facilities (thresholds specified within the EED)
- ❑ Guarantee of origin for the electricity produced by high-efficiency cogeneration

■ Transposition:

- ❑ All main requirements are transposed in the new Law on Energy (O.G. of Montenegro No. 5/16 from 20 January 2016)
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Promotion of efficiency in heating and cooling - Article 14 of EED

■ Transposition (cont):

- Completion of the transposition of the EED Art. 14 requirements will be achieved through by-laws which should be adopted by the end of 2016 – TA provided within IPA 2012 support (expected beginning of the project May 2016)

■ Implementation:

- Assessment of the potential for the application of high-efficiency cogeneration and efficient district heating and cooling will be prepared under TA provided within IPA 2011 project which is ongoing (expected by the end of 2016)
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Energy transformation, transmission and distribution - Article 15 of EED

■ Requirements:

- ❑ Larger involvement of the national regulatory authorities on energy efficiency on supply side especially through the development of network tariffs and regulations;
- ❑ Assessment of the EE potential and consideration of the energy efficiency improvement measures in planning of transmission and distribution infrastructure for electricity and gas
- ❑ Provide a guarantee and priority to transmission and distribution of electricity from high-efficiency cogeneration;

■ Transposition:

- ❑ All main requirements are transposed in the new Law on Energy (O.G. of Montenegro No. 5/16 from 20 January 2016)
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Energy transformation, transmission and distribution - Article 15 of EED

■ Transposition (cont):

- Completion of the transposition of the EED Art. 15 requirements regarding introduction of EE in network tariffs and regulation will be achieved through TA provided by REEP – ongoing. Consultant has prepared report with certain recommendation for MNE
- Consultant was involved in preparation of the new LoE and is working on relevant by-law necessary for implementation
- In addition support for development of the by-laws relevant for implementation of other EED Art. 15 requirements will be provided within TA under IPA 2012 support (expected beginning of the project May 2016)

Next steps

- Preparation of the relevant by-laws and planning documents recognized by LoEUE and new Law on Energy through existing TA projects: REEP, KfW IPA 2011 and IPA 2012
 - Implementation of the activities on reconstruction of public administrative building – initial financing provided by KfW (loan + grant)
 - Further elaboration of the implementation strategies for EEO schemes – further TA needed
 - Amendments to the LoEUE for improvement of the legal basis for EEO schemes and EE in public procurement (2016/2017)
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THANK YOU FOR YOUR ATTENTION!

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