

POLICY GUIDELINES

of the Energy Community Secretariat

**on the energy demand reduction measures in the
Energy Community Contracting Parties**

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1. Background and purpose of Policy Guidelines

After the Russian invasion of Ukraine in February 2022, European Union (EU) and Energy Community increasingly focused on energy security issues and the introduction of emergency measures for the rapid reduction of the use of natural gas from Russia, and an overall reduction in energy consumption.

In May 2022, the REPowerEU plan¹ was adopted, focusing on short-term measures aimed at energy savings, diversification of the energy supply, boosting green energy production and enabling smart investments and reforms. Moreover, in July 2022, the EU adopted an emergency regulation² proposing to the Member States a voluntary 15% gas demand reduction target between 1 August 2022 and 31 March 2023, compared to the average consumption of this period in the previous five years. In March 2023, the emergency regulation was prolonged for additional 12 months³. Finally, in September 2022, the EU adopted the regulation on emergency intervention to address high energy prices, agreeing on a voluntary 10% monthly reduction target in electricity consumption in the reference period from 1 November to 31 March in five consecutive years and on a mandatory 5% reduction target in electricity consumption during peak hours in the period between 1 December 2022 and 31 March 2023⁴.

After one year, some of the results of adopted measures in the EU were the following:

- most Member States achieved a 15% natural gas reduction target;
- imports of Russian natural gas dropped by 57%, gas demand in households was reduced by 15% in 2022 comparing to 2019-2021 and the platform for the common purchase of natural gas was established;
- several important documents on accelerating renewables were adopted⁵.

In Energy Community, at the Ministerial Council meeting in December 2022, Contracting Parties were invited to align with the measures taken by the European Union to mitigate the exposure to high energy prices to the extent applicable to their economies. Moreover, the Ministerial Council invited the Secretariat to assist Contracting Parties in this endeavour by developing tailored measures for demand reduction.

In this context, the Secretariat committed to developing policy guidelines with a set of recommendations supporting the effective implementation of gas and electricity demand reduction measures, with a particular focus on energy efficiency measures and contribution to the achievement of 2030 energy and climate targets in the Energy Community.

These Guidelines aim at:

- mapping priority policies and legal framework supporting both demand reductions and achievement of decarbonisation goals in the Energy Community (Chapter 2);

¹ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions: REPowerEU Plan

² Council Regulation (EU) 2022/1369 of 5 August 2022 on coordinated demand-reduction measures for gas

³ <https://www.consilium.europa.eu/en/press/press-releases/2023/03/28/member-states-agree-to-extend-voluntary-15-gas-demand-reduction-target/>

⁴ Council Regulation (EU) 2022/1854 of 6 October 2022 on an emergency intervention to address high energy prices

⁵ https://energy.ec.europa.eu/publications/repowereu-one-year_en

- identifying (in Chapter 3) all relevant energy demand reduction measures adopted by the governments of the Energy Community Contracting Parties during 2022 and 2023, to combat the energy crisis;
- addressing issues related to retail energy prices, market signals, and incentives for energy savings (Chapter 4);
- pointing to the specific demand-side challenges and noticeable end-use sectors, with identification best practices in the Energy Community and EU, with and recommendations of energy demand-reduction measures (in Chapter 5);
- summarising key findings and prioritising recommendations (Chapter 6).

At the meeting of the PHLG in March 2023, the Secretariat presented the set of measures and best practices for reducing energy demand adopted by the Contracting Parties to combat the energy crisis. This was followed by a presentation of concept of policy guidelines, at the PHLG meeting in June 2023. On the expert level, energy demand reduction measures adopted by Contracting Parties were reported and discussed at the Energy Efficiency Coordination Group in March and June 2023. These measures will be presented in Chapter 3.

2. Governance and legal framework in the Energy Community

The key prerequisite for the creation of a sustainable methodology and framework for an effective demand reduction is to complete the transposition and implementation of the Energy Community legal framework in the national legislative systems. In this regard, the Ministerial Council adopted in November 2021 the adapted **EU's Clean Energy for All Europeans package (CEP)**⁶ and **Decarbonisation Roadmap**⁷. In December 2022, Ministerial Council adopted **2030 energy and climate targets**⁸ for the reduction of energy consumption, increase of the share of renewable energy sources and reduction of greenhouse gas emissions, both cumulative for the Energy Community, and for each Contracting Party. Moreover, the 2022 package included the integration of the remaining legislative acts from the Electricity Package and the update of energy labelling regulations.

This entails streamlining of a **new governance model and integrated energy and climate planning**, as well as the timely adoption and implementation of legal acts transposing all legislative acts of the **Clean Energy Package**.

The Governance Regulation⁹ supports the achievement of climate and energy targets, with the set of common rules for integrated planning, reporting and monitoring of energy and climate. Under the Governance Regulation, Contracting Parties are obliged to develop **integrated National Energy and Climate Plans (NECPs)** and propose objectives and targets and respective policies and measures to cover all five dimensions of the Energy Union:

⁶ Decision 2021/14/MC-EnC: https://www.energy-community.org/dam/jcr:c755f9db-f6e7-448c-9cf5-0a5f02113ae2/19thMCDecision14_CEP11_30112021.pdf

⁷ https://www.energy-community.org/dam/jcr:c28b58eb-22db-4ad5-9ed1-4e93b5b613b7/19thMC_Decarbonisation_Roadmap_301121.pdf

⁸ https://www.energy-community.org/dam/jcr:421f0dca-1b16-4bb5-af86-067bc35fe073/Decision_02-2022-MC_CEP_2030targets_15122022.pdf

⁹ https://www.energy-community.org/dam/jcr:e24c911e-f0f6-4f26-a152-ec79d85ee1a4/Regulation_EU_2018_1999.pdf

1. Decarbonisation (incl. greenhouse gas reduction and renewables);
2. Energy security;
3. Energy efficiency;
4. Internal energy market, and
5. Research, innovation and competitiveness.

Contracting Parties have to submit draft NECPs by mid-2023 and final plans by mid-2024.

Using energy more efficiently leads to decreased energy consumption and lower energy bills, and brings other benefits such as improved indoor climate and quality of life, new local green jobs etc. It is also the cheapest, safest and cleanest way to reduce reliance on fossil fuels. To achieve these benefits, energy efficiency needs to be promoted and improved throughout the full energy chain, including the energy-demand side.

The **Energy Efficiency Directive 2012/27/EU** establishes a general policy framework for achievement of energy efficiency targets, by focusing on measures and sectors with the greatest potential for energy savings. The **amending Directive (EU) 2018/2002**¹⁰ adopted in 2021 as part of Clean Energy Package in the Energy Community, updated and extended the energy efficiency policy framework to 2030 and aligned it with Governance Regulation.

All Contracting Parties are required to use energy more efficiently at all stages, including energy generation, transmission, distribution and end-use of energy. Concerning **the 2030 energy efficiency target**, the **overall Energy Community energy consumption should be no more than 129.88 million tonnes of oil equivalent (Mtoe) of primary energy or 79.06 Mtoe of final energy**.

Buildings account for more than 40% of energy consumption in Energy Community. They are crucial for the achievement of energy efficiency and decarbonisation goals, but also the adequate warmth and comfort level in homes by avoiding high-energy costs. The **Directive 2010/31/EU on the Energy Performance of Buildings**¹¹ focuses on realisation of the energy saving potential in buildings. It requires adoption of **long-term renovation strategies** by Contracting Parties, as a key strategic documents (and input for NECP) to support the deep renovation of the national building stock into a high energy-efficient and decarbonised demand sector by 2050.

The up-to-date information on the energy performance of different products and technologies should be available on the Energy Community market, to support consumers choose the energy efficient appliances and products, save energy and reduce the energy bills. The updated package of regulations for **energy labelling of energy-related products**¹² was adopted by the Energy Community Ministerial Council in December 2022. In addition to this, the EU **ecodesign legislation** eliminates the least-performing products from the market, by setting mandatory minimum standards for energy efficiency. Most Contracting Parties are in the process of updating of the labelling regulation (deadline: 31 December 2023), and often combining it with parallel adoption of the eco-design regulation (voluntarily

¹⁰ https://www.energy-community.org/dam/jcr:ea2050b7-f461-4106-aaa0-5acd795f0eed/DIRECTIVE_2012_27_EU.pdf

¹¹ https://www.energy-community.org/dam/jcr:6b3f4de1-fa7e-4b51-bc72-7918ace7fe54/Directive_2010_31_EE.pdf

¹² https://www.energy-community.org/dam/jcr:ff7d2710-4cf0-4c8b-83d9-9b64c7f1fb9d/Decision04_2022-MC_Labelling_15-12-2022.pdf

as it is not part of EnC Acquis) for specific product groups, to achieve maximal energy saving effect and creation of market for energy efficient products.

The Renewable Energy Directive (EU) 2018/2001 sets the framework for the accelerated deployment of the renewable energy technologies in the electricity, heating and transport markets. Concerning the 2030 renewable energy target, the overall Energy Community share of energy from renewable sources in gross final energy consumption should be at least 31%. The most important novelty is the framework that enabled consumers to install their own renewable-based electricity generation capacities on rooftops and consume such electricity. Citizens being active in the electricity market are becoming more aware of the need for energy savings and that way contribute to the energy and climate goals.

Finally, a package that relates to the electricity sector, namely **Internal Electricity Market Directive 2019/944** and **Internal Electricity Market Regulation 2019/943**, as well a set of network codes and guidelines, adopted at the Ministerial Council meeting in December 2022, enabled legal preconditions for further development of the electricity markets, increased cross-border trading of electricity, coal phase-out and larger integration of renewables, while keeping the same level of the security of electricity supply in the Contracting Parties.

The integrated approach and timely transposition of above Energy Community acquis will create the enabling framework for faster utilization of demand-side energy saving potential, with a positive impact on the energy security (short-term), green energy transition and achievement of 2030 energy and climate targets (mid-term) and long-term decarbonisation goals in the Energy Community.

While Contracting Parties are still transposing the new requirements (focusing on updates of primary legislation) there is a need to finalise this process (the deadlines for transposition of EED and RED II expired in December 2022, the deadline for adopting Building Renovation Strategies expired in March 2023 and the deadline for transposing the electricity package is approaching in December 2023) and shift to the implementation. The Secretariat will follow-up on cases of non-transposition by infringement procedures swiftly.

Enabling legal framework and governance - recommendations:

1. Finalise the transposition of the Clean Energy Package adopted by the Ministerial Council in 2021 and 2022.
2. Finalise NECP by incorporating 2030 energy and climate targets adopted by Ministerial Council in December 2022, and promotion of “energy efficiency first” principle.
3. Adopt and implement the Long-term Building Renovation Strategies¹³.
4. Adopt the up-to-date energy labelling regulation (possibly in combination with the eco-design regulation) to inform citizens and drive the market for energy efficient products.

¹³ In order to support renovation of the buildings sector, separate “Policy Guidelines and Recommendations for the Delivery of Building Renovation Strategies” will be developed in the course of 2023, with support of EU-funded “Regional Energy Efficiency Programme”, and in cooperation with the Secretariat and the Energy Efficiency Coordination Group.

6. The implementation of demand reduction measures on national level should be coordinated by establishing of inter-ministerial coordination group, and working groups for specific measures (e.g. public sector exemplary role, renovation of buildings, citizens' engagement and awareness campaigns, financing etc.)

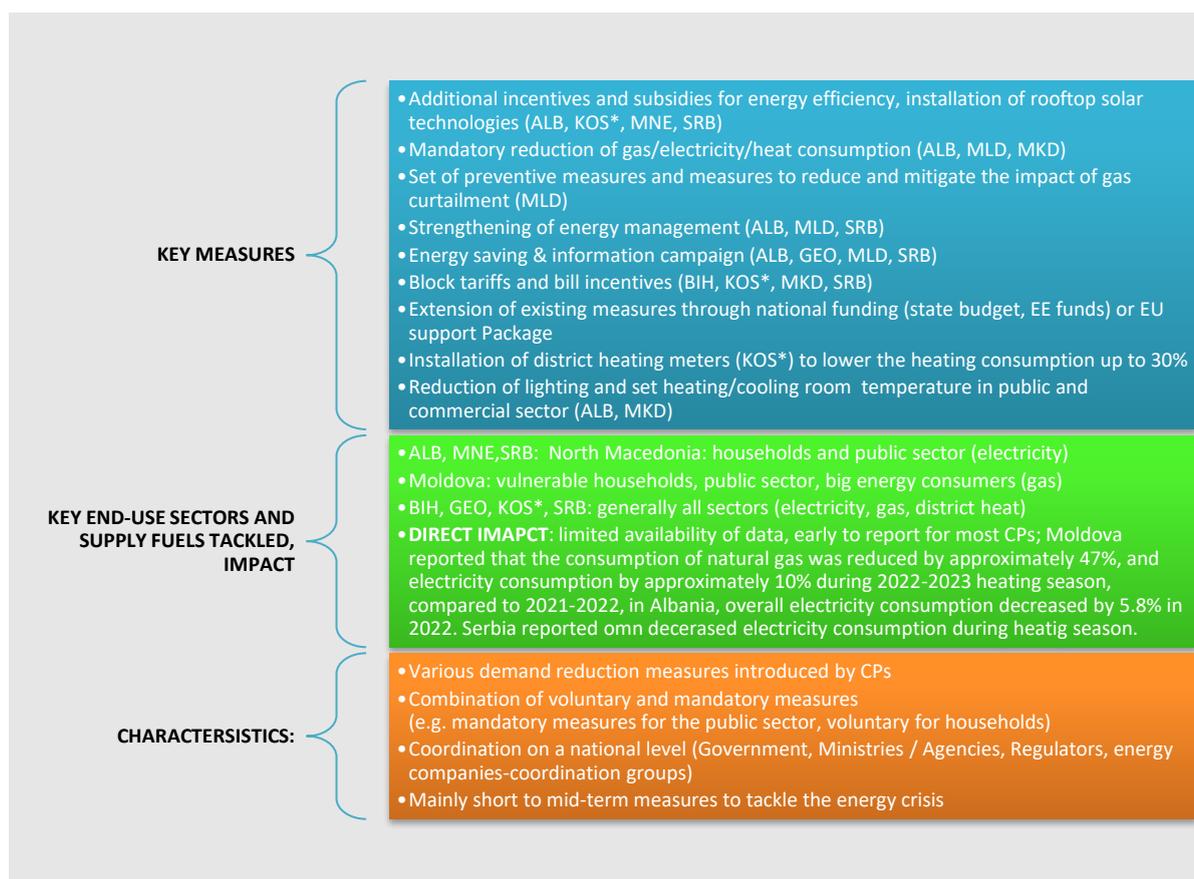
7. Support implementation and exchange of best practices, monitoring and reporting. Energy Community will coordinate activities through its Coordination Groups on Energy Efficiency, Renewable Energy, Energy Poverty, and Security of Supply.

3. Overview of the energy demand reduction measures adopted by the governments of the Energy Community Contracting Parties to combat the energy crisis¹⁴

In Energy Community, 2022 and 2023 were dominated by the energy crisis and related interventions in the electricity and gas sector by the Contracting Parties' Governments and national regulatory authorities. While not directly falling under the REPowerEU measures adopted by EU, Contracting Parties were taking a similar approach to mitigate the effects of the energy crisis. The general risk of supply disruptions, high-energy prices, and the need for protection of vulnerable households was the main driver for demand reduction measures. In some countries, the effect of the energy crisis was more severe than in others. For example, Moldova has been facing significant challenges in the gas market and the State of Emergency has been declared since October 2021, with significant price increases recorded. In case of North Macedonia, the energy crisis was also announced from September 2022 until April 2023. Albania declared the state of energy emergency in October 2021 with emergency measures which continue to apply to date.

Figure 1: Overview and characteristics of the key energy demand reduction measures in CPs

¹⁴ In Ukraine, the energy demand was significantly reduced due to war conditions and military aggression of Russia, with parallel urgent measures for recovery and rehabilitation of damaged energy infrastructure; these type of measures introduced by Ukraine are out of scope of this policy guidelines



Source: ECS and reports by the Energy Community Energy Efficiency Coordination Group, 2023

3.1. Actions taken by governments to reduce energy consumption (2022-2023)

Most of the CPs adopted recommendations for energy savings measures in end-use sectors, with a focus on the public sector (exemplary role) and citizens.

Albania imposed an obligation on public institutions to reduce electricity consumption by 15% compared to the same month of the last year. The 2022 Order of the Minister of Infrastructure and Energy "On the appointment of the energy administrator for taking special measures during the state of emergency in the electricity supply", put an obligation on nominated energy managers to report on the progress, and imposed penalties for not reaching the targets.

In Moldova, the Government Decision No. 606/2022 included Measures to Prevent and Mitigate Energy Crisis Impact in case of Gas Supply Curtailment and Preparation for 2022-2023 Heating Season. Three scenarios (35%, 50% and 100 of reduced gas deliveries) were developed, together with 33 prevention measures to prepare for the winter season, and 27 impact mitigation measures in case of limited gas deliveries. In July 2022, the Law on the Fund for Reduction of Energy Vulnerability was adopted, setting the measures supported by the state and ranking beneficiaries in 5 categories of energy vulnerability.

Bosnia and Herzegovina, Montenegro and Serbia published recommendations on how to reduce energy consumption, either covering all sectors (Serbia and Bosnia and Herzegovina), or focusing on the public sector and households (Montenegro).

North Macedonia introduced a combination of obligatory and voluntarily measures. The Government adopted a Decision imposing obligation to public institutions to achieve at least 15% reduction in energy

consumption compared to the previous year. Regular reporting to the Ministry and coordination between Ministries, TSO, DSO and big suppliers was established. Recommendations for households on how to save energy were published.

In order to incentivise electricity savings, state subsidies (Kosovo*) or discounts to their customers were offered by incumbent electricity companies (Montenegro and Serbia) in case they consume less electricity than in the same month in the previous year. This measure was applied from July to September 2022 in Montenegro and from October 2022 until March 2023 in Kosovo* and Serbia.

3.2. Actions taken by regulatory authorities to incentivize demand reduction

In 2022, the regulatory authorities of Bosnia and Herzegovina (Republika Srpska entity), Kosovo* and North Macedonia introduced the so-called block tariff systems for the public/universal supply of electricity, with a view to stimulating electricity savings. Block tariff systems are designed to enable application of different electricity prices to different consumption ranges (blocks) for end customers in a way that the lower prices are applied for lower consumption levels.

In Bosnia and Herzegovina, the Energy Regulatory Commission of Republika Srpska defined the block tariff system for households in the following way:

Table 1: Block tariff system for households in Bosnia and Herzegovina - Republika Srpska entity

Block	Euro cent/kWh
I: up to 500 kWh	2.78
II: 501 to 1500 kWh	4.67
III: more than 1500 kWh	10.29

Note: the prices are for active energy only

Source: ECRB

The Energy Regulatory Commission of North Macedonia introduced different electricity prices for blocks of energy consumptions in households.

Table 2: Block tariff system for households in North Macedonia

Block	Euro cent/kWh
High tariff	
I: up to 210 kWh	6.9
II: 211 to 630 kWh	7.9
III: 631 to 1050 kWh	10
IV: more than 1050 kWh	27
Low tariff	2.3

Note: the prices are for energy only

Source: ERC

The Energy Regulatory Office of Kosovo* also introduced two-block tariffs for the household customers, with the consumption threshold of 800 kWh. More details on blocks and tariffs are provided in the table below.

*Table 3: Block tariff system for households in Kosovo**

Block	Euro cent/kWh
Block I: up to 800 kWh	
Lower tariff	3.34
Higher tariff	7.79
Block II	
Lower tariff	6.81
Higher tariff	14.45

Note: the prices are end-user prices

Source: ERO

To stimulate electricity customers to reduce electricity consumption, the Government of Serbia recommended to the guaranteed supplier to calculate a discount on electricity charges to household customers (October 2022 - March 2023):

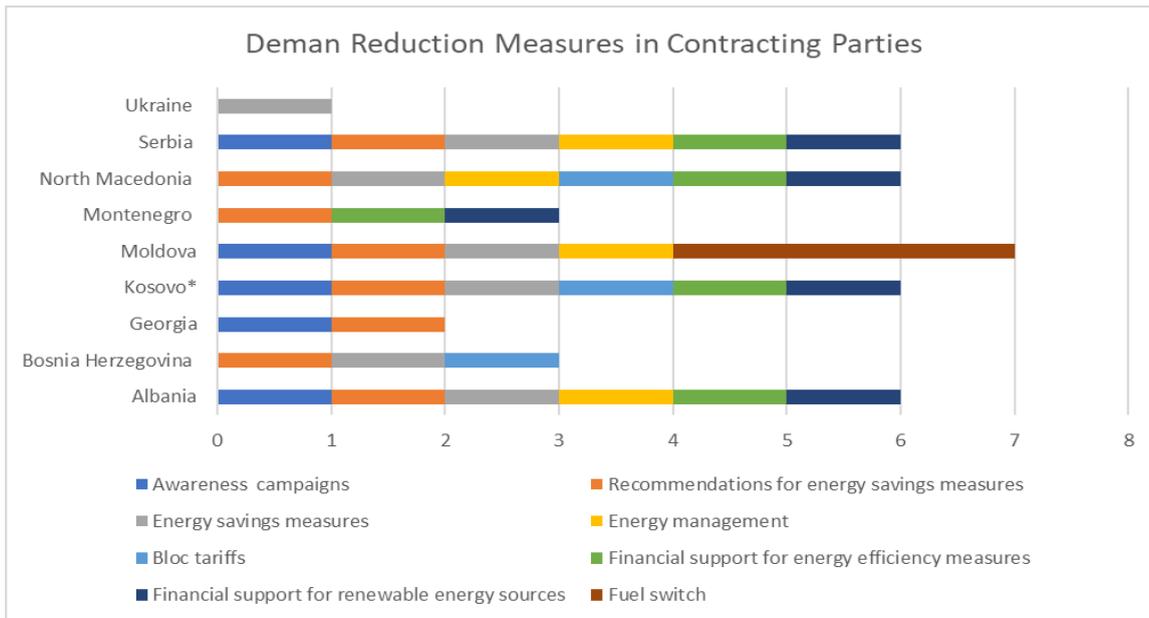
- 15% discount - for households that reduce electricity consumption compared to the same month of the previous year by more than 5% and less than or equal to 20%,
- 20% discount - for households that reduce electricity consumption compared to the same month of the previous year by more than 20% and less than or equal to 30%,
- 30% discount for households that reduce electricity consumption by more than 30% compared to the same month of the previous year.

3.3. Intensity of demand reduction measures introduced in Contracting Parties

From 2021 to 2023, Contracting Parties adopted a total of 40 measures directly or indirectly related to demand reduction. Programs that were initiated before and implemented during the energy crisis were not considered. Moreover, Contracting Parties introduced other measures to ensure affordability and security of supply. An overview is provided in Figure 2.

Figure 2¹⁵: Intensity of demand reduction measures introduced in Contracting Parties

¹⁵ Measures that can be at the same time categorised as demand reduction measures and security of supply measures (such as fuel switch) are taken into account. Measures that were intended to exclusively reduce the energy bill of customers (such as those adopted under the Energy Support Package) were not calculated.

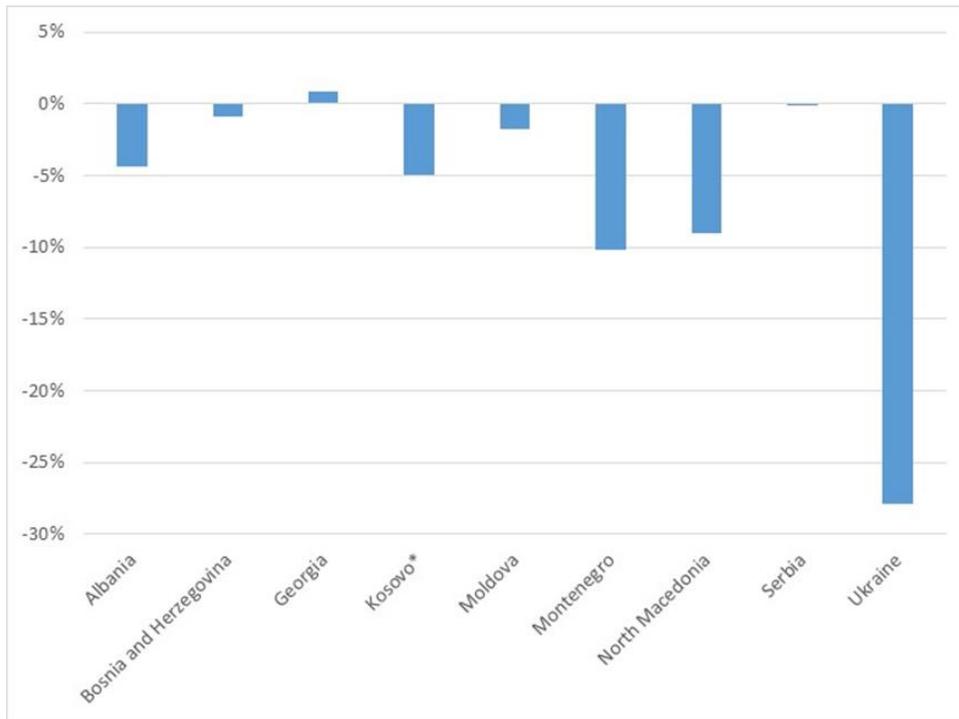


Source: EECG reports and ECS report “Protection of vulnerable households in the Western Balkans Contracting Parties in the context of rising energy prices and the EU Energy Support Package”, 2023

3.4. Impact on electricity demand

Like in the EU, the Energy Community Contracting Parties decreased their electricity demand in 2022 compared with the previous year. Caused (also) by mild winter weather conditions, electricity consumption reduction was mostly influenced by governments calling for energy savings and issuing instructions on achieving this. In Ukraine, electricity consumption fell significantly (around -28%) due to the Russian military aggression and the deconstruction/damage of many power system facilities. North Macedonian consumers decreased their electricity consumption by -9%, being exposed to large electricity imports and high wholesale electricity market prices. A more significant reduction was also observed in Montenegro due to the closure of the aluminium factory (-9%) and in Kosovo* (-5%), which faced affordability issues and was also exposed to the high wholesale prices. Albanian consumers under energy emergency measures saved around 4% of electricity compared with the previous year, while savings in other Contracting Parties were minor (-2% or less).

Figure 3. Gross Electricity Consumption Reduction in Contracting Parties 2022/2021



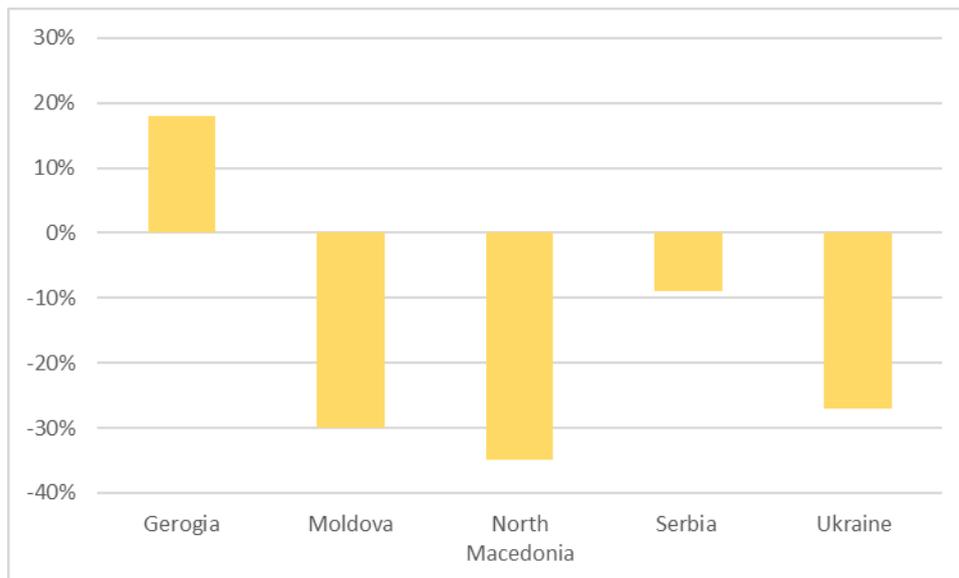
Source: Energy Community Secretariat and country reports

3.5. Impact on gas demand

Unlike the EU, the Energy Community has not transposed Regulation (EU) 2022/136916 on coordinated demand-reduction measures for gas. Yet the majority of the Contracting Parties implemented some reduction or energy efficiency measures. The impact of the demand reduction to specific consumption clusters is yet to be established. However, in Ukraine, the industry sector demand was significantly reduced due to war conditions and military activities. Moldova implemented various demand reduction measures, such as switching several big gas consumers to heavy oil, and biomass boilers, as well as limiting temperature in public buildings. Due to significantly increased retail gas tariffs, the household sector reduced its consumption further. These measures resulted in overall decrease of gas demand in the Energy Community.

Figure 4. Gas Demand Reduction in Contracting Parties 2022/2021

¹⁶ Council Regulation (EU) 2022/1369 of 5 August 2022 on coordinated demand-reduction measures for gas



Source: ECS estimations based on preliminary data

3.6. Summary

As a summary, a number of demand reduction measures were introduced by Contracting Parties during 2022-2023, as a response to the energy crisis. Their character (obligatory, voluntary or a combination) and prioritisation of energy source (electricity, gas, district heating) or end-use sector, varied between CPs. At this point, it was still too early to report on the direct impact of the demand reduction measures by most CPs (except for Albania and Moldova). However, the general reduction of both gas and electricity consumption can be associated with the combination of demand reduction measures in combination with mild weather conditions and reduced economic activities in the time of crisis. Some CPs established good coordination (e.g. between governmental bodies, key energy stakeholders and big consumers) and monitoring mechanisms to enable proper implementation and reporting, with the important role of leading implementing bodies (Ministries, Energy Efficiency Agencies, Energy Efficiency Funds) to monitor implementation of measures and report on the impact.

While the above measures were mostly of a short –and mid-term nature, and targeting primarily the consequences of the energy crisis, they could provide a good basis for a more forward-looking harmonised approach at the Energy Community level, in line with the long-term decarbonisation goals.

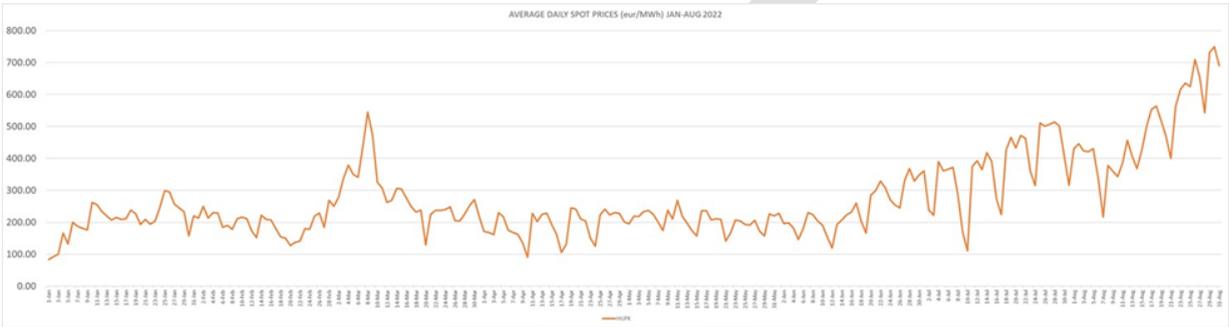
4. Context of retail energy prices, market signals and incentives for energy savings

The proper reflection of wholesale market prices at the retail level for all categories of consumers (incl. households) is an important measure contributing to the electricity demand reduction.

The wholesale electricity market prices at the European power exchanges were steadily growing from the level of approximately 50 EUR/MWh in June 2021 up to 700 EUR/MWh in August 2022 as a result of post-COVID economic recovery and later due to intended disruptions at the gas market related to the Russian military aggression against Ukraine. Since gas-fired power plants are the marginal source of

electricity production in many European countries, gas prices directly determine the wholesale prices of electricity. An additional increase in wholesale electricity prices also happened due to a sharp rise in emission allowances prices. The wholesale prices were similar in all European power exchanges, including SEEPEX, where the average base price increased from 39 EUR/MWh in 2020, 114 EUR/MWh in 2021, to 273 EUR/MWh in 2022. The wholesale electricity market prices at the EU level were reflected in a majority of Member States at the retail level by increasing prices for consumers by an average of +57% (households, Band DC consumption 2500-5000 kWh, EU27, 2nd semester of 22/21) and +93% for the industry (Band DC consumption 500-2000 MWh)

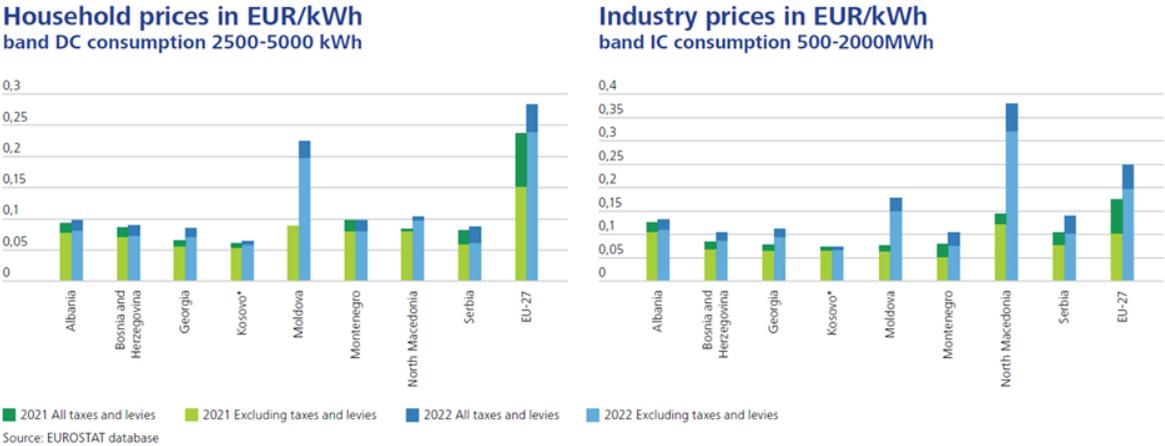
Figure 5: Average daily spot prices at Hungarian power exchange (HUPX) from January 2022 until August 2022



Source: HUPX

Although the prices charged to households increased in 2022 in all Contracting Parties, the price signals from the wholesale market were mitigated in many Contracting Parties, partly due to the fact that consumption of households falls under the scheme of public service obligation with implicitly or explicitly regulated prices. The missed opportunity to properly reflect the wholesale market prices at the retail level and large disproportion of the wholesale and retail prices does not bring proper signal regarding further electricity demand reductions.

Figure 6: Retail prices in EUR/kWh



Source: Energy Community CBAM-Readiness Tracker, 2023

The retail prices for households and the industry increased in all Contracting Parties in 2022. The highest increase was observed in Moldova (+153% for the households and +134% for the industry) and North

Macedonia (+23% for the households and +162% for the industry). Prices for industrial end users in the second semester of 2022 were higher than in 2021 in all Contracting Parties, with the highest increase in North Macedonia of (+162%) and Moldova (+135%). Other countries increased the retail prices by less than 10%, comparing with a +139% rise in the wholesale electricity price in average. A majority of the burden was put on the industrial consumers who have to pay a larger electricity price, but still less than in the EU27.

The final consumption was not significantly affected by the price surge, especially industry consumption. The total consumption of industrial consumers decreased in Montenegro, North Macedonia and Moldova. Consumption of households decreased in Albania, Moldova, North Macedonia and Serbia, and especially where energy saving measures in combination with incentives for demand reduction were introduced, such as block tariffs and discounts for lower consumption.

While all Contracting Parties focused on limiting price increase for households during 2022, Moldova and Serbia also increased the efforts to support vulnerable consumers by introducing new or amending the existing support measures. However, none of these measures aimed at incentivising energy savings.

In order to support the Western Balkans Contracting Parties to mitigate the immediate socio-economic impact of the energy crisis, but also to increase the resilience and facilitate clean energy transition, the European Commission created the Energy Support Package of 1 billion EUR in November 2022. For the immediate measures, a budget support of up to 500 million EUR was granted to address the impact of increased energy prices on small and medium-sized enterprises and vulnerable households. Further 500 million EUR were provided via the Western Balkans Investment Framework to advance the energy transition and energy security, which should also contribute to energy savings in the region. Following the adoption of the Action Documents for State and Resilience Building Contract with the European Commission, the Western Balkans Contracting Parties allocated a substantial part of the funds to maintain price regulation for all households, but also to support vulnerable consumers through existing measures. Only North Macedonia and Kosovo* allocated a part of the funds to energy efficiency measures for energy poor¹⁷.

Recommendations:

Retail electricity prices, especially related to households (which are generally protected under regulated prices and public service obligation) should properly reflect the wholesale electricity prices.

This may be achieved by gradually decreasing the number of households under the public service obligation scheme, by further developing the retail market and increasing the number of active suppliers.

Regulated prices under the public service obligation scheme should not be significantly lower compared with the prices offered by commercial suppliers.

Many consumers would then correctly react to the high wholesale electricity market prices by decreasing

¹⁷ Energy Community Secretariat – Report “Protection of vulnerable households in the Western Balkans Contracting Parties in the context of rising energy prices and the EU Energy Support Package” 2023: https://www.energy-community.org/dam/jcr:2a73dc15-48e4-41d5-8a14-021dc4513b19/Energy%20Support%20Package%20Report_2023_Final_UPDATED.pdf

their consumption and helping to stabilise the market price at a lower level.

This measure would also increase the number of prosumers and accelerate private investments in renewable energy sources.

Domestic power producers, who provide a public service and decreased their financial income due to low regulated prices compared with the ones which would be achievable at the market, would have a better financial position to further invest in competitive electricity sources, mainly renewables, due to their relatively low investment costs and almost zero variable costs. Such producers also need increased financial income to modernise their aged and sometimes deteriorated generation fleet. Decreased consumption and increased investments in competitive electricity production sources would move gas-fired power plants from the market, decrease the wholesale electricity market price and decrease the risk of future price spikes and energy crises.

In addition to ensuring market-based supply prices for households, the Contracting Parties should employ adequate measures for protection of energy poor and vulnerable customers pursuant to the Energy Community legislation. In addition to tackling the causes of energy poverty and providing long-term help to vulnerable citizens, these measures should incentivize energy saving and demand reduction.

5. Specific demand-side measures: challenges, best practices and recommendations

This section proposes measures that should enable better preparedness of both market players and consumers for possible future market disruptions, empower consumers to reduce energy consumption and become active in the energy market and improve access to affordable and renewable-based energy and reduce the dependence on fossil fuels.

5.1. Empowering citizens and small businesses to save energy

Challenge:

While the utilization of the energy efficiency potential requires structural changes, immediate measures can be implemented voluntarily by citizens if information on benefits is properly shared, enabling citizens to make an informed decision. For example, turning down the thermostat in your home by just 1 °C would save around 6-7% of the energy you use for heating. SMEs are together with households increasingly feeling the burden of the energy crisis in the Energy Community, like in the EU.

Recommendations:

National authorities (Ministries or implementing agencies) should empower consumers and small businesses to save energy by providing them with information on energy saving measures. The EU/IEA "[Playing my part](#)" guidance provides a set of measures, including turning down heating and using less air conditioning, working from home when possible to avoid commuting, car-pooling or travelling by public transport when available etc.

Employers have a role to play to promote energy saving actions within enterprises and by employees, encourage teleworking, and train journeys instead of short-haul flights. The EU/IEA guide "[Coping with the crisis – increasing resilience in SMEs through energy efficiency](#)" provides advice on immediately actionable steps enterprises can take to reduce energy consumption and improve energy efficiency.

Promote no-cost or low-cost energy saving measures and educate consumers (e.g. regulating temperature, turning off of stand-by devices, decreasing/turning off lighting when not necessary, decreasing the time for cooking, go by stairs, walking, cycling or using public transport)

National (and local) authorities should publish (on dedicated web pages) guidance and advice for citizens, as well as information on the available support and financing for energy of efficiency and renewable energy measures in households and SMEs.

For a comprehensive and long-lasting utilization of the energy saving potential, national authorities should support energy advice and audits to be performed by SMEs and industry and establishment of the energy management system, in accordance with Directive 2012/27/EU on Energy Efficiency.

Best practices:

In 2022, the European Commission and the International Energy Agency (IEA), published the "[Playing my part](#)" guidance, with simple actions citizens can take to reduce energy use, save money and at the same time reducing the EU's dependence on fossil fuels. It suggests nine individual actions which, if implemented by many, can make a difference.

In addition to this IEA/EU guide "[Coping with the crisis – increasing resilience in SMEs through energy efficiency](#)" provides advice on immediately actionable steps enterprises can take to reduce energy consumption and improve energy efficiency.

The [Reduce Your Use](#) campaign in Ireland successfully targeted citizens and businesses to tackle the impact of the energy crisis by reducing the daily energy use.

Through the dedicated website "[Energy Efficiency in Montenegro](#)", the Ministry of Capital Investments of Montenegro is providing information on the ongoing projects, available financial support, policy developments and activities related to energy efficiency.

5.2. Public sector exemplary role

Challenge:

Public bodies at national, regional and local level should play an exemplary role as regards energy efficiency. While the energy consumption of the public sector is not significant, it should have a leading and exemplary role to play in demand reduction, and constitute an important driver to stimulate market demand towards more efficient products, buildings and services, as well as to trigger behavioural changes in energy consumption by citizens and enterprises. Decreasing energy consumption can also free up public resources for other purposes.

Recommendations:

The public sector should play an exemplary role by implementing demand reduction measures in its

premises (public buildings, public transport, organisational and behavioural measures etc.) and communicate the multiple benefits of measures to the wider public.

One approach can be mandatory reduction of gas and electricity consumption in public buildings, and encouraging consumption reductions in commercial centres, offices and public spaces.

The public sector should increase the annual renovation rate of public buildings. For central government buildings the annual renovation rate should increase from 1% to 3% (starting from 2025), in accordance with the latest amendments to the Energy Efficiency Directive, to meet at least the minimum energy performance requirements set in accordance with the Energy Performance of Buildings Directive.

The public sector should lead by example and purchase products, services and buildings with high energy-efficiency performance¹⁸. It should strengthen the use of energy efficiency criteria in public procurement procedures, including purchase or rental agreements for buildings that comply at least with the minimum energy performance requirements, and purchase of products and appliances with highest energy-efficiency class.

It should promote public-private partnership in implementation of energy demand reduction measures (including ESCOs) and provide model contracts for energy performance contracting.

Best practices:

The Ireland's Reduce Your Use initiative 2022/23 was part of a whole-of-government national campaign to reduce energy use. It ran from September 2022 to March 2023 and included an energy awareness campaign for public sector staff, jointly provided by Sustainable Energy Authority of Ireland (SEAI) and the Office of Public Works, as well as a set of mandatory requirements regarding heating, lighting, hours of operation and energy auditing.

Albania imposed an obligation on public institutions to reduce electricity consumption by 15% compared to the same month of the last year. The 2022 Order of the Minister of Infrastructure and Energy "On the appointment of the energy administrator for taking special measures during the state of emergency in the electricity supply" put an obligation on nominated energy managers to report on the progress, and imposed penalties for not reaching the targets.

Bosnia and Herzegovina, Montenegro and Serbia published recommendations on how to reduce energy consumption, either covering all sectors (Serbia and Bosnia and Herzegovina) or focusing on public sector and households (Montenegro).

5.3. Renovation of Buildings

Challenge:

Buildings are responsible for about 40% of total energy consumption in EU, and this share is even higher

¹⁸ The Energy Efficiency Directive (Article 6 and Annex III) list requirements for purchasing products, services and buildings by central government. The EU Directive on Public Procurement requires public authorities and undertakings with special or exclusive rights to procure energy efficient products and services (as important selection criterion)

in the Energy Community (41-43%, depending on the year). Buildings represent the top energy-consuming sector in the Energy Community, and are crucial for achievement of decarbonisation goals. But at the same time, the current energy renovation rate in Energy Community is low. The Contracting Parties were required to submit their Long-term Renovation Strategies under the revised Energy Performance of Buildings Directive and incorporate them in the NECPs. The fundamental challenge is to stimulate a step change in demand and match it with delivery capacity by effectively executing the Strategies.

The renovation of the multi-apartment residential buildings is one of the most complex types of end-use sector renovation because it involves challenges that are not present in other end-use sectors, such as complex decision-making, different types of ownership, split incentives between landlord and tenant, lack of awareness and capacity for financial, technical and legal contracting by building owners.

While there are plenty of opportunities for financing projects from international and national streams¹⁹, the utilisation of such funds by the end users' sector is not as straightforward as possible. Namely, multi-apartment buildings are usually not recognized by banks as parties with financial capability. Moreover, the renovation of buildings takes a big share of the home budget and citizens are reluctant to take such financial risks.

Therefore, renovating multi-apartment residential buildings requires proper coordination of multiple stakeholders and allocation of various risks. For this reason, local and/or state governments have to introduce programs and mechanisms for utilising available financial streams and provide the necessary information and technical assistance to building owners. It will not only prepare governments and consumers for future potential crises but will increase the financial solvency of properties.

Recommendations:

Contracting Parties should promote staged deep renovation of buildings and improve current support programs with an integrated approach, which includes implementation of both energy efficiency measures and renewable technologies in buildings.

This can be improvement of energy efficiency of the building envelope (walls and windows) in combination with installation of efficient H&C systems (heat pumps or renewable-based district heating) and rooftop solar on buildings.

They should adopt Long-term Building Renovation Strategies to foster investments in the renovation of residential and commercial buildings. The Secretariat will publish separate Policy Guidelines on how to deliver Building Renovation Strategies. The purpose of these Guidelines is to provide practical assistance to Contracting Parties to support them in effectively implementing their Strategies.

For complex projects of renovation of multi-apartment buildings, an intermediary (between financial

¹⁹ For example, EU funds (the recent Energy Support Package), Western Balkan Investment Frameworks, REEP, GEFF, GGF (which are implemented via local commercial banks), but also national streams, such as national funds for energy efficiency. For more details see [Donor coordination platform of the Energy Community](#)

institutions, ESCO companies, as service providers and multi-apartment buildings) should be established. An intermediary can be a public entity established by a state or a city that could have multiple roles and responsibilities:

- a) supporting financing, by providing loans/grants/guarantees, forfeiting receivables of ESCO, etc.
- b) providing technical support, by providing consultancies on renovation projects (energy efficiency measures to be implemented, estimated costs, construction companies available...)
- c) organising information campaigns and training, by creating a dedicated webpage that would have information on available funds, and consumer-friendly step-by-step guidance, and establishing a one-stop-shop. Associations of homeowners and managers of buildings, as important players in the renovation process, should be actively involved and educated on building renovation mechanisms.

Contracting Parties should prioritise renovation of those multi-apartment buildings with highest energy consumption and worst energy performance level.

Best practices:

Denmark established an inter-ministerial task force to coordinate efforts and discuss cross-cutting initiatives and issues related to the implementation of Long-term Renovation Strategy. Six working groups were created to formulate initiatives - single family houses, flats, public buildings, businesses, financing and economic security, and innovation and green business. Stakeholders agreed to participate without any financial compensation.

Latvia's Building Energy Efficiency Facility²⁰:

Latvia has established via [a project SUNSHINE](#) a Building Energy Efficiency Facility (LABEEF), which enabled the renovation of multi-apartment Soviet-era residential buildings by energy service companies ESCOs based on energy performance contracting (EPC). ESCOs are in charge of performing an initial communication with owners' selection of buildings, energy audits and project design, implementation of measures, guaranteeing specific energy savings and maintenance, as well as agreeing on the payment method, which involves fixed payments over a period of 18 years, increased for about 15% higher than the original energy bill.

LABEEF supported ESCOs in implementing renovation measures in multifamily buildings, by forfeiting²¹ receivables from ESCO companies. The European Bank for Reconstruction and Development (EBRD) has provided LABEEF with the necessary funds to collect receivables from ESCOs. Therefore, the

²⁰ Additional sources about the program in Latvia

https://cor.europa.eu/en/events/Documents/CINEA_Building%20renovation%20-%20A.%20Bullier.pdf

<https://www.euki.de/en/euki-publications/factsheet-latvian-energy-efficiency-facility-labeef/>

<https://fcubed.eu/wp-content/uploads/2021/03/20210302-Sunshine-Platform-Software-Description.pdf>

²¹ Forfeiting occurs when one entity takes over the claim from a creditor, as well as the future cashflow of an investment. In our case, LABBEEF is the forfeiting party, taking over receivables of ESCO that has toward beneficiaries, namely buildings

financing risk is transferred to LABEEF, while the ESCO is still responsible for the energy savings that need to be achieved upon the renovation and bears the execution risk. The concept is replicated in other Member States, such as Slovakia, Poland, and Romania.

Another good example of the renovation of multifamily buildings in Lithuania can be found in the [Policy Guidelines on centralised energy efficiency financing mechanisms](#), of the Secretariat. The guidelines provide an explanation of the major components of financing mechanisms, as well as the centralised financing mechanisms in Energy Community Contracting Parties and regional programs.

5.5. Implementation of consumption-based billing in district heating

To reach climate targets, the residential sector would have to undergo the highest reduction in energy demand in heating and cooling, ranging between -19% to -23% compared to 2015.²² This could be achieved by introducing consumption-based billing of district heating that could bring around 20% of energy savings.²³

In most district heating systems in Contracting Parties, and especially in the old multi-apartment buildings, district heating consumers do not have the possibility to change their behaviour and reduce consumption, by controlling the room temperature or shutting off radiators. Opening the window is the only measure for most consumers for the reduction of temperature. Moreover, consumers are not informed about their consumption, and they pay a flat rate per square meter of apartments. Introducing consumption-based billing is a great challenge, primarily because of the inefficient buildings that need a large amount of energy to achieve adequate warmth, but also because of the potential increase in energy bills which is not aligned with the political interest.

A current way of dealing with metering and billing of district heating in most Contracting Parties does not contribute to the goals of decarbonisation, security of supply and affordability. Thus, this challenge should be tackled in a persistent manner.

Recommendations:

Create a working group involving all important stakeholders: district heating companies, local authorities, representatives of consumers' organisation, service providers (installers of equipment, companies for reading meters), financial institutions, etc.) that will work on the implementation of articles 9 to 11 of Energy Efficiency Directive 2012/27/EU, and Directive (EU) 2018/2002;

Adopt an action plan for the introduction of consumption-based billing, including measures, stakeholders, timelines and a budget for the implementation of the measures. The measures should cover at least the following:

- the adoption of necessary legislation, including heat cost allocation rules and criteria, methodologies and procedures for exemption from the sub-metering requirement in multi-apartment buildings, as

²² Building renovation Strategy - A Renovation Wave for Europe - greening our buildings, creating jobs, improving lives, COM/2020/662 final

²³ Clemens Felsmann, Juliane Schmidt, Tomasz Mróz, Effects of Consumption-Based Billing Depending on the Energy Qualities of Buildings in the EU, December 2015

required by the Energy Efficiency Directive

- * establishing mechanisms for financing the installation of heat meters
- * deciding on responsibility for the procurement, execution of work and maintenance
- * installing remote readable devices
- * aligning billing information with the requirements from Energy Efficiency Directive

- If needed, adopt a gradual approach, starting from the implementation of consumption-based billing at the building level to the apartment level metering.

- Organise training to equip all stakeholders with the necessary knowledge and skills, including local authorities, building managers, end users, installers, and district heating companies, as well as information campaigns to inform customers about benefits.

- Procure or create an online platform for providing customers online access to information on their consumption and billing.

Best practices:

Consumption-based billing in Niš, Serbia: in 2013, the city of Niš became one of the first cities in Serbia that changed the district heating billing method. Consumption-based billing replaced flat rate billing based on square meter of apartments. In the initial phase of implementation, the new approach of billing was not accepted by consumers due to higher heating bills, incorrect implementation of the Rulebook on heat cost allocation and limited options for disconnection. Several protests in the period 2015 to 2017, were organised by consumers of district heating.

Local authorities and local district heating utility introduced the following measures to reconcile the dissatisfaction of consumers with a proper and energy-efficient method of billing:

1. Local regulations (decisions on heat supply, tariff system, heat cost allocation rules and connection) were changed frequently (more than 30 times in several years), to address consumer complaints
2. District heating prices are monitored and, if necessary, adjusted each month for the reason of fuel price change, despite the complexity of the process and the administrative burden.
3. Residential and commercial consumers were charged with the same tariff, cross-subsidisation is abandoned
4. Consumers representation is ensured by holding regular meetings with the utility, and being present in the supervisory board of the district heating utility and advisory board for pricing
5. Consumers can use online tools for checking bills, submitting different requests, notifying change of apartment ownership, obtaining a model contract for heat supply, etc.

With enhanced communication with consumers and a joint approach to solving problems, technical support for drafting needed local regulations, benefits of the introduction of consumption-based billing were a decreased average heat consumption in multi-apartment buildings connected to district heating by 25% in 6 years, from 92.50 kWh/m² /annually (2013/14) to 69.43 kWh/m² /annually (2019/20).

6. Conclusions and summary of recommendations

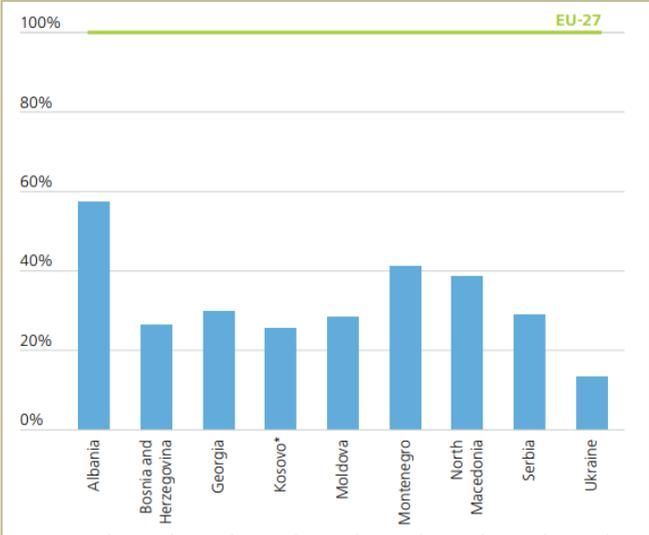
During 2022 and 2023, a number of energy demand reduction measures were introduced by Contracting Parties. Their type (obligatory, voluntary or a combination), prioritization of energy source (electricity, gas, district heating) or end-use sector, varied between Contracting Parties. While it is too early to report on the direct impact of these measures, the general reduction in both gas and electricity consumption can be associated with the combination of the demand reduction measures, mild weather conditions and reduced economic activities in the time of crisis.

Demand reduction measures were mostly of a short –and mid-term nature, targeting primarily the consequences of the energy crisis. They could provide for a good basis for more structural and forward-looking measures, in line with the Energy Community long-term decarbonisation goals.

Utilisation of demand side energy saving potential will have a positive impact on the energy security (short-term) and decarbonisation goals (in combination with promotion of renewables on demand-side)

It became evident that the energy-demand reduction measures can contribute not only to combating the energy crisis but also to the achievement of the Energy Community 2030 energy and climate targets and decarbonisation goals. Even though the Energy Community achieved the 2020 headline target for energy efficiency set by the Energy Efficiency Directive, there is significant untapped energy efficiency potential. The energy productivity in CPs remains significantly lower than in the EU (Figure 7).

Figure 7. Energy productivity in 2021 [% of EU average]



Source: Energy Community Secretariat

Moreover, the high GHG intensity of Energy Community economies indicates significant room for decarbonisation of the energy sector (including the demand side) and the need for integrated implementation of energy efficiency measures and distributed renewable technologies, with demand management and response for optimization of the system.

Based on the elaborations in the previous sections, the Energy Community Secretariat recommends to the Contracting Parties the following:

1. ENABLING LEGAL FRAMEWORK AND GOVERNANCE

- 1.1. Finalise the transposition and implement the Clean Energy Package adopted by the Ministerial Council in 2021 and 2022.
- 1.2. Finalise NECP by incorporating 2030 energy and climate targets adopted by Ministerial Council in December 2022, and promotion of “energy efficiency first” principle.
- 1.3. Adopt and deliver the Long-term Building Renovation Strategies.
- 1.4. Adopt the up-to-date update energy labelling regulation (possibly in combination with the eco-design regulation) to inform citizens and drive the market for energy efficient products.
- 1.5. The implementation of demand reduction measures on national level should be coordinated by establishing of inter-ministerial coordination group, and working groups for specific measures (e.g. public sector exemplary role, renovation of buildings, citizens’ engagement and awareness campaigns, financing etc.)
- 1.6. Support implementation and exchange of best practices, monitoring and reporting. Energy Community will coordinate activities through its Coordination Groups on Energy Efficiency, Renewable Energy, Energy Poverty, and Security of Supply.

2. RETAIL ENERGY PRICES, MARKET SIGNALS AND INCENTIVES FOR ENERGY SAVINGS

- 2.1. Properly reflect the wholesale market prices at the retail level and decrease the number of users under public service obligation by reflecting these prices at the regulated level.
- 2.2. Regulated prices under the public service obligation scheme should not be significantly lower compared with the prices offered or should be offered by commercial suppliers.
- 2.3. In addition to ensuring market-based supply prices for households, the Contracting Parties should employ adequate measures for protection of energy poor and vulnerable customers pursuant to the Energy Community legislation. In addition to tackling the causes of energy poverty and providing long-term help to vulnerable citizens, these measures should incentivize energy saving and demand reduction.

3. EMPOWERING CITIZENS AND SMALL BUSINESSES TO SAVE ENERGY

- 3.1. National authorities (Ministries or implementing agencies) should empower consumers and small businesses to save energy by providing them with information on energy saving measures.

The EU/IEA ["Playing my part"](#) guidance provides a set of measures, including turning down heating and using less air conditioning, working from home when possible to avoid commuting, car-pooling or travelling by public transport when available etc.

- 3.2. Employers have a role to play to promote energy saving actions within enterprises and by employees, encourage teleworking, and train journeys instead of short-haul flights.

The EU/IEA guide "[Coping with the crisis – increasing resilience in SMEs through energy efficiency](#)" provides advice on immediately actionable steps enterprises can take to reduce energy consumption and improve energy efficiency.

- 3.3. Promote no-cost or low-cost energy saving measures and educate consumers (e.g. temperature adjustments, turning off of stand-by devices, decreasing/turning off lighting when not necessary, decreasing the time for cooking, go by stairs, walking, cycling or using public transport).
- 3.4. National (and local) authorities should publish (on dedicated web pages) guidance and advice for citizens, as well as information on the available support and financing for energy of efficiency and renewable energy measures in households and SMEs.
- 3.5. For a comprehensive and long-lasting utilization of the energy saving potential, national authorities should support energy advice and audits to be performed by SMEs and industry and establishment of the energy management system, in accordance with Directive 2012/27/EU on Energy Efficiency.

4. PUBLIC SECTOR EXEMPLARY ROLE

- 4.1. The public sector should play an exemplary role by implementing demand reduction measures in its premises (public buildings, public transport, organisational and behavioural measures etc.) and communicate the multiple benefits of measures to the wider public.
- 4.2. One approach can be mandatory reduction of gas and electricity consumption in public buildings, and encouraging consumption reductions in commercial centres, offices and public spaces.
- 4.3. The public sector should increase the annual renovation rate of public buildings. For central government buildings the annual renovation rate should increase from 1% to 3% (starting from 2025), in accordance with the latest amendments to the Energy Efficiency Directive, to meet at least the minimum energy performance requirements set in accordance with the Energy Performance of Buildings Directive.
- 4.4. The public sector should lead by example and purchase products, services and buildings with high energy-efficiency performance²⁴. It should strengthen the use of energy efficiency criteria in public procurement procedures, including purchase or rental agreements for buildings that comply at least with the minimum energy performance requirements, and purchase of products and appliances with highest energy-efficiency class.
- 4.5. The public sector should promote public-private partnership in implementation of energy demand reduction measures (including ESCOs) and provide model contracts for energy performance contracting.

²⁴ The Energy Efficiency Directive (Article 6 and Annex III) list requirements for purchasing products, services and buildings by central government. The EU Directive on Public Procurement requires public authorities and undertakings with special or exclusive rights to procure energy efficient products and services (as important selection criterion)

5. RENOVATION OF BUILDINGS

- 5.1. Promote staged deep renovation of buildings and improve current support programs with an integrated approach, which includes implementation of both energy efficiency measures and renewable technologies in buildings.
- 5.2. Adopt the Long-term Building Renovation Strategies to foster investments in the renovation of residential and commercial buildings. The Secretariat will publish separate Policy Guidelines on how to deliver Building Renovation Strategies.
- 5.3. For complex projects of renovation of multi-apartment buildings, an intermediary (between financial institutions, ESCO companies, as service providers and multi-apartment buildings) should be established. An intermediary can be a public entity established by a state or a city that could have multiple roles and responsibilities: supporting financing, technical support, organising information campaigns and training.
- 5.4. Contracting Parties should prioritise renovation of those multi-apartment buildings with highest energy consumption and worst energy performance level.

6. IMPLEMENTATION OF CONSUMPTION-BASED BILLING IN DISTRICT HEATING

- 6.1. Create a working group involving all important stakeholders: district heating companies, local authorities, representatives of consumers' organisation, service providers (installers of equipment, companies for reading meters), financial institutions, etc.
- 6.2. Adopt an Action Plan for the introduction of consumption-based billing, including measures, stakeholders, timelines and a budget for the implementation of the measures.
- 6.3. If needed, adopt a gradual approach, starting from the implementation of consumption-based billing at the building level to the apartment level metering.
- 6.4. Organise training to equip all stakeholders with the necessary knowledge and skills, including local authorities, building managers, end users, installers, and district heating companies, as well as information campaigns to inform customers about benefits.
- 6.5. Procure or create an online platform for providing customers online access to information on their consumption and billing.
- 6.6. New temperature and hourly thresholds for district heating in the household sector using gas; encourage a temporary thermostat adjustment for all customers.

7. OTHER GAS AND ELECTRICITY RELATED MEASURES

- 7.1. Modernise transmission and distribution networks to decrease the level of losses. Optimise power system control to minimise losses. By using performance-based regulation, stimulate system operators to increase the efficiency of their networks.
- 7.2. Encourage electricity users to invest in their own electricity sources, mainly solar panels and batteries, preferably to cover their own consumption.
- 7.3. Accelerate investments in heat pumps, especially speed up the replacement of gas boilers with heat pumps.

- 7.4. Gas: fuel switch in industry and power and heat sectors: preferably towards renewables and cleaner energy sources - maximise generation from existing dispatchable low-emissions sources if not possible, dispatch coal and other heavy fuels where necessary and on a temporary basis.
- 7.5. Case-by-case derogations are to be considered on an exceptional and temporary basis for certain environmental regulations.
- 7.6. Interruptible contracts for gas consumption, to allow for reduced use when needed.

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