

23rd ENERGY EFFICIENCY COORDINATION GROUP MEETING - MINUTES AND CONCLUSIONS

Wednesday, 10 June 2020, 9:30 - 13:30

Energy Community Secretariat, Am Hof 4, Vienna

The 23rd Energy Efficiency Coordination Group (EECG) meeting was held online and attended by the representatives of all Energy Community Contracting Parties, Observers (Turkey), the European Commission (EC) DG ENER and DG NEAR, donors and IFIs: Council of Europe Development Bank, EBRD/ REEP Plus and ReDEWeB Fund, European Investment Bank, GGF, KfW, GIZ ORF - Energy Efficiency, the Millennium Foundation, WBIF IPF and World Bank, as well as consultants and invited speakers from ECA, E Co. Ltd, Fraunhofer IBP, Jožef Stefan Institute, Karanovic/Nikolic, ZRMK, etc. The meeting was chaired by the Energy Community Secretariat (ECS).

ECS (Ms. Violeta Kogalniceanu) opened the meeting by welcoming the participants and presenting the meeting's agenda and objectives. The EECG documents and presentations are available online on the Energy Community [website](#).

1. EECG Work Programme 2019-2020 and EE measures in NECPs

ECS (Mr. Borko Raičević) reported on the status of realisation of the **EECG Work Programme and the key activities implemented since previous EECG meeting** (held on 11 March 2020 in Vienna). The brainstorming sessions from the previous EECG meeting were followed with new initiatives, including the organisation of the workshop and initiative for establishment of the Heating & Cooling network in the Energy Community, proposal for a new ecodesign framework directive and regulation, platform for building renovation projects and the webinar on nearly zero energy & emission buildings. ECS reminded CPs on the reporting deadline for the EED annual progress reports – 30 June 2020.

ECS (Mr. Tibor Schaffhauser) explained the process of **integrated energy and climate planning in the Energy Community**, NECP structure and important role of EE dimension. Both full integration of EE in NECPs or referencing to the certain aspects of last NEEAPs are acceptable approaches when submitting final NECPs to the Secretariat for review. The recommended timeline for NECP finalization is the end of 2020.

Albania and North Macedonia have already submitted the draft NECPs to ECS for assessment and comments. Other CPs are in different stages of NECP development and reported on the status: Ukraine is finalising NEEAP 2021-2030 which will be used as an input for NECP, and contribute to the further coordination of integrated energy and climate planning between various institutions in Ukraine. Serbia is working on both - finalisation of 4th NEEAP (short-term 3-year plan) and long-term 2030 NECP, as well as on the amendments of legislation. Montenegro with recent amendments of the Energy Law, introduced NECP as key document for integrated strategic planning, established institutional framework and now focuses on modelling, while NECP drafting should start soon. In Moldova, EE Agency conducted intensive data collection to populate new MVP tool used for monitoring and reporting on energy savings and emission reductions from implemented EE measures; this together with finalisation

of Building Renovation Strategy and TIMES modelling will be important input for NECP. Bosnia and Herzegovina is working on finalisation of last NEEAP 2019-2021, LEAP modelling trajectories and extended NECP coordination. In Kosovo*, the Government formation delayed adoption of 4th NEEAP, but parallel work on NECP is ongoing with support of GIZ experts; draft Law on Climate Change will serve as a legal base for NECP adoption. Georgia reported on recent adoption of EED and EPBD laws, as well as short-term NEEAP; work on NECP started with establishment of the Technical Working Group, data collection and drafting of first chapters.

2. Expert Areas 9 and 10: Energy labelling and ecodesign

As a follow-up of the brainstorming session held at the EECG meeting in March 2020, ECS (Mr. Borko Raičević) presented ECS proposal for **extension of the of the energy efficient product policy in the Energy Community** to the selected eco-design legislation: the framework directive and few selected implementing regulations covering light sources, air conditioners, solid fuel local space heaters and refrigerating appliances. The ecodesign in combination with labelling is one of the most effective measures with significant impact on the achievement of energy efficiency target, both in EU and EnC. Most CPs already have experience and the eco-design regulations are being implemented broadly on a voluntary basis and in combination with energy labelling regulation. The introduction of ecodesign is also being supported by REEP Plus and implemented in CPs through green procurement, EEO schemes, or financial incentives.

Montenegro (Mr. Božidar Pavlović) shared **experience of Montenegro in implementation of ecodesign regulations**. Since 2017, twenty-five eco-design rulebooks were adopted in Montenegro with very positive results and reports on savings achieved (this is part of 4th NEEAP adopted in June 2019). He highlighted importance of gradual implementation and prioritisation of product groups, based on impact on the market; contribution to the energy savings; local production etc. Adequate support and training to the market surveillance authorities are also important components of a successful implementation (in Montenegro this is supported by REEP Plus programme), as well as involvement of other relevant bodies and stakeholders (e.g. Standardisation office, Chamber of Economy, University etc.).

Due to the time limit of the EECG meeting, representatives of CPs agreed to report in writing after the meeting, with regards to the status with transposition of labelling regulation EU 2017/1369 and delegated acts (as a separate report or part of annual progress report).

Conclusions:

- 1.1 The EECG Work Programme 2019-2020 is under implementation, with all expert areas being tackled and focus in 2020 on implementation of existing EE acquis and on horizontal and cross cutting issues: NECPs and 2030 energy and climate framework, EE financing and technical assistance, high-efficient district heating and cooling, new EE product policy etc.
- 1.2 ECS reminded EECG members from CPs about the deadline for submission of the 4th EED annual progress reports (30 June 2020). ECS will share the updated 2019 reporting template.
- 1.3 EECG reported and confirmed progress in finalisation of last NEEAPs and work on new NECPs. Albania and North Macedonia are praised for being the first CPs to submit draft NECPs to ECS for comments.
- 1.4 EECG took notice on the ECS proposal for the extension of the of the energy efficient product policy in the Energy Community to eco-design framework directive and selected implementing delegated regulations, and agreed that this proposal is tabled for the next PHLG for discussion, and eventual adoption of new regulation by the Ministerial Council.

3. EED - Expert Area 4: Efficiency in energy supply, CHP and heating/cooling

EED Concerted Action Coordinator (Mr. Stane Merše, Jožef Stefan Institute, Slovenia) presented **updates with regard to the comprehensive assessment and role of the heating and cooling policy in the EU Clean Energy Package.** The revised EED and EPBD Directives in combination with new RES and waste-heat H&C targets introduced in recast REDS Directive and integrated NECPs further strengthened decarbonisation of heating and cooling sector in EU. The clearer structure defined by revised Annex VIII of EED promotes comprehensive assessment of the potential for the application of high efficient CHP and efficient district heating and cooling, identification of both technical and economic potential and creation of excellent basis for policymaking and implementation approaches for CHP and district H&C. Mapping and visualisation of heating and cooling is important component of this process. The last EED Concerted Action meeting discussed this issue and while recognising the huge potential of the H&C sector, pointed to the data availability as key challenge and need for further guidance and clarifications (e.g. definitions of waste heat, cooling, RES integration etc.).

Some EECG members reported on the activities with regard to the comprehensive assessment of the potential for the application of high efficient CHP and efficient district heating and cooling. In Bosnia and Herzegovina, the Technical Working Group on high-efficiency cogeneration and efficient district heating and cooling was established and there is ongoing work with support of GIZ TA. In Montenegro, EU IPA 2011 project supported development of the Study and Action plan on DHC and high-efficient CHP in Montenegro. However, given the recent developments, Montenegro is interested to get support for upgrade and finalization of comprehensive assessment, which is possible under ReDeWEB or REEP Plus.

Conclusions:

- 3.1 EECG thanked the CA EED representative for presentation of EU experience in implementation of EED Article 14, as well as the role of the heating and cooling policy in the EU Clean Energy Package. Knowledge and experience sharing between CA EED and EECG is very beneficial and will continue in the future.
- 3.2 EECG recognises significant role of the heating and cooling sector in the Energy Community, and importance for strengthened monitoring and implementation. EECG thanked ECS and EBRD for joint promotion of regional cooperation in this area, organisation of the thematic workshop focused on district heating and cooling and presentation of new initiative for the establishment of the Network for Heating and Cooling in the Energy Community.

4. Regional Programmes and Initiatives

The European Commission, DG NEAR and DG ENER (Mr. Wojtek Kowalsky and Ms. Claudia Canevari) provided updates on **EU activities, Green Agenda and Economic Recovery Package relevant for the Energy Community.** EU focus in previous period was on the immediate EU solidarity actions both internally and with EU neighbours, as response to the current pandemic. The Green Deal envisages development of Green Agenda for the Western Balkans, which will together with the green digital transition be important part of the EU long-term economic and recovery plan for the region. The work on Green Agenda is ongoing (currently in brainstorming phase and consultation with stakeholders) and it follows the structure of the Green Deal, but tailored to the situation in the region and clustered in 5 dimensions tackling decarbonisation, circular economy, air-pollution, food and biodiversity. Important energy aspects are implementation of EE first principle, related to introduction of ETS, just transition initiative and related social issues. DG ENER informed EECG on the current activities in EU under Green Deal, including ongoing work on review and possible revision of EED, the public consultation on

the roadmap for buildings renovation wave initiative, and new investment and financing initiatives planned under renovation package. The 2030 energy and climate modelling capacity study for EnC is in the evaluation stage and the implementation will start soon. Close cooperation with relevant EnC Expert Groups and country experts is envisaged, as well as adoption of the 2030 energy and climate targets and EnC clean energy package by the Ministerial Council in 2021.

KfW (Mr. Bodo Schmülling) continued the interesting topic from previous EECG meeting and together with former CA EPBD representatives (*Mr. Hans Erhorn and Ms. Heike Erhorn-Kluttig from Fraunhofer IBP and CA EPBD representative Ms. Marjana Šijanec-Zavrl from GI ZRMK*) provided deeper **explanation of the concept of Nearly-Zero-Energy & Emission Buildings and Plus-Energy Houses**. The EPBD highlights that the new buildings occupied and owned by public authorities have to be NZEB by mid-2018 in EU MSs (by mid-2019 in EnC CPs), while all other new buildings have to be NZEB by mid-2020 (by mid-2021 in EnC CPs). Furthermore, to reach net zero emissions by 2050 and the goals of the European Green Deal, the building sector has to be incentivised. CA EPBD supports implementation and mapped the EU MS national applications and the NZEB definition - there is not one NZEB definition that fits all countries, but it should be tailored and tested in advance, in combination with pilot projects of and demonstrations buildings (one example in EnC is KfW support to the project of nearly-zero government building in Montenegro). Useful NZEB examples were presented (with focus on Germany and Slovenia) and reference to the broader CA EPBD Report provided. As future outlook, KfW/Fraunhofer IBP are offering country-specific NZEB/Energy Plus House workshops, study trip on NZEB / Energy Plus Houses planned for late 2020 / early 2021, and proposal (under REEP Plus) for NZEB / Energy Plus Houses (TA and investments).

The European Bank for Reconstruction and Development (Mr. Nigel Jollands, Mr. Remon Zakaria, Ms. Ana Bachurova) and KfW (Mr. Bodo Schmülling) reported on the **progress and new assignments under Regional Energy Efficiency Programme for the Western Balkans** (REEP Plus) since last EECG meeting, as well as impact of COVID-19 on REEP support, EBRD response and planned REEP replenishment. Despite pandemic, REEP progressed with 3 new policy assignments (under preparation), 2 kick-off meetings and 3 finalized assignments, as well as with financing under GEFF, WBSEFF II and Public Buildings Window. ESCO project preparation is on-hold in most countries. Investments targeting energy efficiency in buildings are recognized as key opportunity for COVID-19 recovery.

ECS (Ms. Violeta Kogalniceanu) briefly presented the idea behind the upcoming **first DH Workshop as part of the initiative for the establishment of the H&C Network in the Energy Community**. The aim is to build on previous experience and gather all relevant stakeholders to share experience and knowledge, and to acquire a better understanding of different DH operations and EU Clean Energy Package implementation. This is done in cooperation with the EBRD ReDEWeB Programme which aims to enable investments in the renewable district energy, in particular to facilitate the development of ReDE projects, and to provide the policy and technical support needed to implement investment.

Finally, *ECS (Mr. Mathieu Rochambeau)* presented updates on the **donor's platform and the state of play on buildings renovation investment programmes in the Energy Community**. While all CPs have ongoing building renovation programmes (focusing on public sector), some reports are lacking detailed information on the EE measures in building, including energy savings, emission reduction, number of renovated buildings etc. This will be communicated separately with CPs or donors.

Conclusions:

- 4.1 EECG noted progress in EU with regards to the implementation of Green Agenda and thanked European Commission DG NEAR and DG ENER for updates and support, both immediate and long-term, and for integrating green energy transformation planned under economic and recovery package for the region. EECG also reiterated redlines to be involved in work on 2030 targets and new clean energy legislative package.

- 4.2 EEGC thanked KfW for the organisation of the EEGC session on concept of Nearly-Zero-Energy & Emission Buildings and Plus-Energy Houses, and planned forthcoming activities and support to the EnC CPs.
- 4.3 EEGC thanked EBRD and KfW for updates on activities under REEP Plus programme, and acknowledged the good progress with REEP Plus, as well as proposal for REEP replenishment phase, focused on the green H&C technologies and smart building renovation. EEGC will continue to be actively involved (as a regional steering group) in the promotion and implementation of REEP Plus and other regional support programmes.
- 4.4 EEGC thanked the EU and donor's community for its continuous support in financing energy efficiency measures and especially plans to include EE financing as part of COVID recovery package. EEGC will actively follow and contribute to the implementation of regional programmes.

The next EEGC meeting and EE Workshop are scheduled to take place on 17 and 18 November in Vienna, Austria. However, this is still tentative location, to be confirmed by ECS.