

# 25<sup>th</sup> ENERGY EFFICIENCY COORDINATION GROUP MEETING - MINUTES AND CONCLUSIONS

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Wednesday, 17 March 2021, 9:30 - 16:00

Webex online meeting

The 25<sup>th</sup> Energy Efficiency Coordination Group (EECG) meeting was held online and attended by the representatives of Energy Community Contracting Parties (except Albania and Bosnia and Herzegovina), the European Commission (EC - DG ENER and DG NEAR), Delegation of the European Union to Georgia, SEE Change Net, donors and IFIs: the Council of Europe Development Bank, EBRD/ REEP Plus and ReDEWeB Fund, European Investment Bank, Green for Growth Fund, KfW, GIZ ORF - Energy, Transport and Climate Protection, OeEB, USAID, World Bank, as well as consultants and invited speakers from GFA SEE, ECA, E Co. Ltd, Karanović/Nikolić, 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 agenda, documents and presentations are available online on the Energy Community [website](#).

## 1. EECG Work Programme 2021-2022

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ECS (Mr. Borko Raičević) presented [EECG Work Programme 2021-2022](#) with focus on activities planned in 2021 (it was shared before meeting with CPs and donors). The Work Programme reflects the key common challenges and need for regional cooperation in implementation of energy efficiency directives and transposition of the EU Clean Energy Package. It builds on coordination of various regional assistance projects and discussion on new initiatives, including coordinated work on 2030 energy efficiency targets, EE dimension in the clean energy package and follow-up on the new developments in EU. It continues to follow the model of EU Concerted Actions, and includes 10 expert areas divided in 4 chapters, focused on: implementation of key requirements of EE directives in the Energy Community (in particular amended EED), promotion of the exemplary role of the public sector and energy services, efficiency on supply side, promotion of EE financing etc. The strong focus of EECG remains on EE in buildings, with activities related to the buildings' renovation wave - strategies, compliance with EPBD (incl. work on new requirements) and investment projects, as well as energy efficiency product policy (labelling and eco-design) and tackling number of horizontal and cross-cutting issues in cooperation with other EnC bodies (incl. Energy and Climate Committee and RE Coordination Group). EECG will continue to have three meetings per year, combined with training workshops.

The EECG elected Ms. Natalia Jamburia from the Ministry of Economy and Sustainable Development of Georgia as the EECG (Co-) Chair for the period 2021-2022, as well as the Expert Area Leaders from CPs and Observers, to coordinate implementation of respective WP Expert Areas.

## Conclusions:

- 1.1 EEEG adopted EEEG Work Programme 2021-2022, as presented by ECS, which focuses both on the implementation on the current EE legislation and the coordinated work on adaptations and transposition of the EU Clean Energy Package in the Energy Community.
- 1.2 EEEG elected the (Co-) Chair in the person of Ms. Natalia Jamburia from the Ministry of Economy and Sustainable Development of Georgia and the Expert Areas' Leaders, as proposed by ECS.
- 1.3 EEEG Work Programme 2021-2022 is available [online](#) and the EEEG (Expert Area Leaders) and donors' community are welcome to send any additional suggestions, related to the Work Programme implementation and relevant support programmes.

## **2. Expert Area 1: Policy planning, monitoring and verification of savings/ EED Implementation and new requirements**

*Contracting Parties* presented the progress in implementation of EED, with the focus on implementation of Articles 5, 7 and 8 of EE Directive (EED) - reporting on the rates of renovations of public and central government buildings, status with designed EEO schemes, performed energy audits etc. Presentations submitted by Georgia, Kosovo\*, Moldova, Montenegro, North Macedonia, Serbia and Ukraine are available on the [event](#) page ("EECG presentations" section).

*ECS (Ms. Violeta Kogalniceanu)* shared information on the ongoing process in the Energy Community and EE dimension in the EU Clean Energy Package, with the detailed presentation of [key amendments of the EU Energy Efficiency Directive](#), related to the 2030 EE targets, extended energy savings obligations and renovation rate, individual metering and billing provisions etc. ECS also praised Albania for recent adoption of EED compliant EE Law.

*The European Commission, DG ENER (Ms. Claudia Canevari)* presented the latest energy efficiency policy developments in EU (review and revision of EED and EU Renovation Wave). The Climate Target Plan has proposed the cut of net GHG emissions by 55% by 2030, and reiterated the need for prioritisation of EE. The Commission will be adopting the "Fit for 55" package by the end of June 2021, which will include the revision of seven pieces of legislation under the responsibility of DG CLIMA (five) and DG ENER (two). One of the two acts under the responsibility of DG ENER is the revision of EE Directive. Amongst the elements being considered there are the extension of obligations under Article 5 and Article 7, and the nature of the target. The final proposal will be the EED recast (i.e. follow procedure for complete renumbering of articles and adoption of a new legal act). This also follows on the extensive, positive and well represented responses during public consultation phase, series of stakeholders workshops (nine) and one EED expert group meeting. In parallel, the Commission worked on the impact assessment, with current work on final chapter related to preferred options. There is also ongoing work on recommendation and guidance on the "energy efficiency first principle", with the main idea to make this principle operational in all sectors of economy. This proposal is expected to be adopted together with the "Fit for 55" package.

*The European Commission, DG ENER (Mr. Tomasz Jerzyniak and Mr. Fabian Kreuzer)* presented the state of play with the study related to the [extension of EU modelling capacities to EnC and each CP, and the adoption of the 2030 energy and climate framework](#). Study was launched in December 2020, and modelling (combined modelling suite) follows EU approach, including the establishment of reference scenario, projections and policy scenarios/variants for informed target setting process, based also on verified country data, consulted assumptions, workshop outcomes and feedback from CPs. Final goal is adoption of targets and accompanying legislative package by the Ministerial Council in last quarter of 2021. The active cooperation between the CPs, ECS, the Contractor and European

Commission is important, with positive results from the Energy and Climate Committee TWGs and Workshop organised in February 2020. This will be continued with bilateral workshops for further exchanges and capacity building. Verification and collection of data with the CPs is ongoing, with 31 March 2021 as deadline for the feedback.

Montenegro representative recalled the good results of the workshop held on 21 February 2021, and pointed to the issues discussed at the meeting - related to data availability and capacities of national institutions to validate the data. CPs may face difficulties to validate data and meet ambitious deadlines for recently sent and partly-completed templates related to the study. EC reiterated the importance of meeting the defined set deadlines, in order to have all inputs necessary for the timely construction of baseline scenario; all stakeholders should be timely informed and involved in this project and 2030 target setting process.

### Conclusions:

- 2.1 EECG thanked CPs for the updates on EED implementation, with the focus on the implementation of public sector exemplary role, design and functioning of EEOs, and the energy audit/management schemes.
- 2.2 ECS presented the ongoing process in the Energy Community related to the EE dimension in the EU Clean Energy Package, and key amendments in the EU Energy Efficiency Directive. While implementation of the existing EED is still not complete in CPs, EECG supports amendments and further developments of EED, which will be proposed by European Commission at the next Ministerial Council meeting, as important component of the 2030 framework for the Energy Community. This will also require both regional cooperation and donors' support in implementation.
- 2.3 EECG thanked European Commission DG ENER for updates on the latest energy efficiency policy developments in EU and activities related to the study for extension of EU modelling capacities to EnC and each CP, as well as the process adoption of the 2030 energy and climate framework. EECG reiterated its readiness to be actively involved and support Consultant as much as possible in delivering the best results.

### **3. Expert Areas 7 and 8: Building Renovation Strategies/ EPBD implementation and new requirements**

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*Contracting Parties* briefly reported on the progress in development of long-term building renovation strategies (BRSs). While all CPs confirmed transposition of relevant requirements in national legislation and reported on ongoing activities in drafting BRSs; the official adoption is still pending; Kosovo\*, Moldova, Montenegro, Serbia; Ukraine announced the adoption of its BRSs in the course of 2021, and Georgia in 2022 (according to the EE Law), either as standalone document or part of NECP. North Macedonia reported on the work on implementation of provisions from the EE Law, with ongoing activities on typology of residential buildings. The BRS drafting has not yet started.

ECS (Mr. Borko Raičević) presented [key amendments of the EU Energy Performance of Buildings Directive under the Clean Energy Package](#), coming both from the Governance regulation (EU) 2019/1999 (amendments related to governance/integrated reporting under NECPs and long-term decarbonisation targets for buildings) and the amending Directive (EU) 2018/844 (detailed amendments related to the use of smart technologies, support to e-mobility, BRSs, inspections and building automation, social aspects etc.).

ECS also updated EECG on the ongoing process of rescaling of energy labels during 2021 in EU for the 5 groups of products: household dishwashers, washing machines and washer-driers, refrigerators

and electronic displays (from 1 March 2021) and light sources (from 1 September 2021). This information will be also part of the next PHLG agenda, and according to 2018 MC Decision and amended Framework Regulation 2017/1369 (Articles 16 and 20), the Commission will inform and propose to the Ministerial Council timeline for the incorporation of updated labelling regulation in the Energy Community.

CPs will have extended timeline for adoption, but ECS is already recommending transposition of latest labelling regulation to countries who are working on updates or development of new labelling regulation.

Montenegro pointed that, during the transition period, the problem of new labels appearing on the market prior to the adoption of national regulation, may be resolved with effective communication between state EE institutions and market surveillance bodies, as well as timely information and awareness raising activities toward other participants, including customers. Serbia is already in the process of finalisation of three new rulebooks (for dishwashers, washing machines and refrigerators, following market demand) with envisaged 3-month transitional period during 2021 to switch to new rescaled label.

#### **Conclusions:**

- 3.1 ECS presented key amendments in the EU Energy Performance of Buildings Directive and thanked EECG CPs for reporting on the progress in development of long-term building renovation strategies.
- 3.2 ECS encourages CPs to finalise BRSs as important strategic and investment documents (with clear long-term building renovation vision and prioritisation of renovation projects), together with strict implementation end enforcement of EPBD requirements.
- 3.3 Having in mind demanding process of development of building renovation strategies and EPBD implementation, EECG appreciates the available donors' support (from EU, EBRD/REEP, GIZ, KfW and others). Support and experience sharing coordinated through EECG is very beneficial and should continue through the activities envisaged by the new Work Programme.
- 3.4 EECG exchanged information with relation to the ongoing process of rescaling of energy labels in EU and Energy Community (on voluntary basis). Some CPs are already reacting to market demand and started with rescaling process, while ECS already recommends for CPs, who are working on updates or development of new by-laws, to focus on transposition of new labelling regulation. This information will be also part of the next PHLG agenda, and the Commission will inform and further propose to the Ministerial Council timeline for the incorporation of updated labelling regulation in the Energy Community.

#### **4. Regional Programmes and Initiatives**

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*The European Bank for Reconstruction and Development (Mr. Nigel Jollands, Ms. Ana Bachurova and Mr. Remon Zakaria) and KfW (Mr. Simon Martz and Ms. Lydia Glock) reported on the [progress and latest results under Regional Energy Efficiency Programme for the Western Balkans \(REEP Plus\)](#), since the last EECG meeting in November 2020, with examples of implemented projects, communication and visibility activities and the ongoing REEP replenishment process. REEP Plus in cooperation with ECS supported development of 72 policy documents (incl. legislation and strategic documents, as well as technical rulebooks and software for EP certification, combined with capacity buildings), as well as supported the preparation of 46 ESCO projects. Since the last EECG, REEP Plus followed the finalisation and adoption of EE Law in Albania, organised EPBD related workshops in North Macedonia and Bosnia and Herzegovina, and finalised deliverables (related to EEO and development of Building Renovation Strategy) in Kosovo\*. Despite pandemic, both (ongoing and new) intermediate and direct*

financing demand and projects progressed well. GEF credit line also increased signings with commercial banks in North Macedonia and Kosovo\*, and notably GEF signings and launching event in Montenegro (now covering all WB6 countries). The updated structure and new themes under REEP replenishment process (Renovation Wave, innovation and smart solutions in buildings, sustainable heating and cooling) were presented and discussed with EECG.

*The European Investment Bank (Mr. Grigorios Krallis)* provided information on [EIB ongoing and planned activities and investments related to energy efficiency in the Energy Community countries](#). EIB works in line with the Energy Lending Policy approved in 2019 and the Climate Bank Roadmap 2021-2025 focusing, amongst others, on decarbonisation of energy supply and energy efficiency first principle, with increased lending trends in these areas. EIB plan to increase the activities in energy efficiency financing in the Energy Community countries, especially in the Western Balkans. EIB can support EE projects through various ongoing or new financing facilities and could utilize advisory facilities (ELENA, JASPERS). EIB has an increased presence in the Western Balkans where except the regional office in Serbia has desk officers in Bosnia and Herzegovina and Albania and together with colleagues from Luxembourg could engage with IFIs, CP and ECS to coordinate further EE activities.

ECS pointed to the need of parallel work on increase of capacities and human resources in EnC CPs to be able to follow and absorb various planned initiatives, including both policy work related to the transposition and implementation of EE acquis and investment programmes.

#### **Conclusions:**

- 3.5 EECG thanked EBRD and KfW for updates on activities under REEP Plus programme, and noted the planned replenishment and the new initiatives under this programme; EECG also welcomed the good progress and alignment with the Renovation Wave for the Western Balkan.
- 3.6 EECG thanked EIB for the updates of their activities and plans to increase sustainable financing in the Energy Community, focused on energy efficiency and decarbonisation projects.
- 3.7 Under the new Work Programme, EECG will continue to be actively involved (as a regional steering group) in the promotion and implementation of regional support programmes.

The next EECG meeting and EE Workshop are scheduled to take place tentatively on 23 and 24 June 2021 (Webex online meeting).