

The background of the slide is a dark blue globe with glowing blue energy lines and nodes, suggesting a global energy network.

# EE/RE LEGAL FRAMEWORK IN THE ENERGY COMMUNITY

## >> Overview, transposition and implementation practices

Energy Policy Talks “Energy Efficiency and Renewable  
Energy in the Mainstream of Georgia’s Energy Policy ”

Tbilisi, 05 April 2016

# THE ENERGY COMMUNITY TREATY



## Mission, Objectives

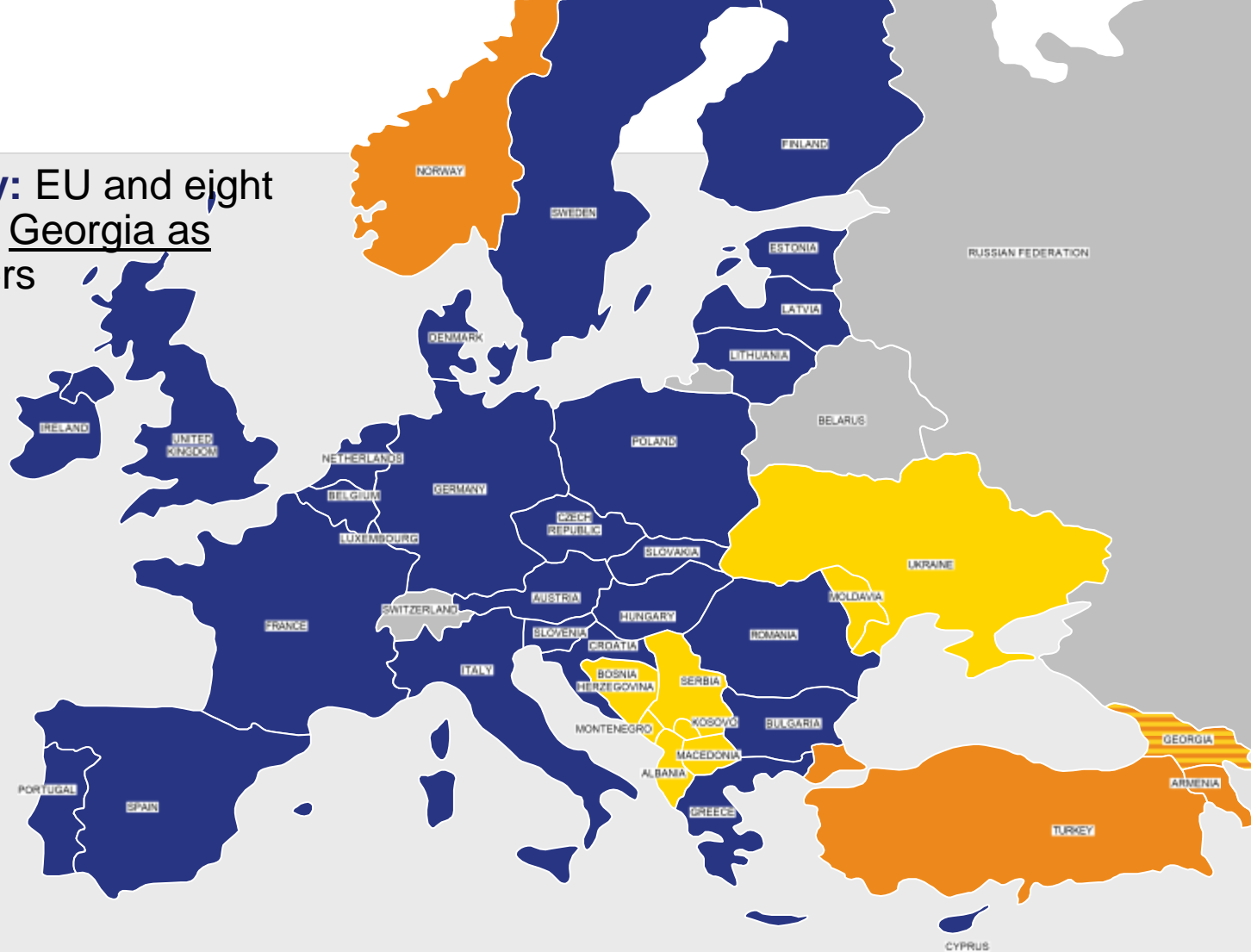


- ❖ **Mission - to extend the EU internal energy market** on the basis of a legally binding framework
- ❖ **The overall objective - to create a stable regulatory and market framework** in order to:
  1. **Attract investment (PEICs)**
  2. **Create an integrated energy market** allowing for cross-border energy trade and integration with the EU market;
  3. **Enhance the security of supply;**
  4. **Improve the environmental situation** in relation with energy supply in the region;
  5. **Enhance competition at regional level** and exploit economies of scale; and
- ❖ **Treaty extension** : HLRG and reforms, new cooperation with parliamentarians and CSOs, work on improvement of dispute settlement procedures....

**Parties to the Treaty: EU and eight Contracting Parties + Georgia as Candidate + Observers**

*Energy Community Map*

-  European Union
-  Contracting Parties
-  Candidate
-  Observers



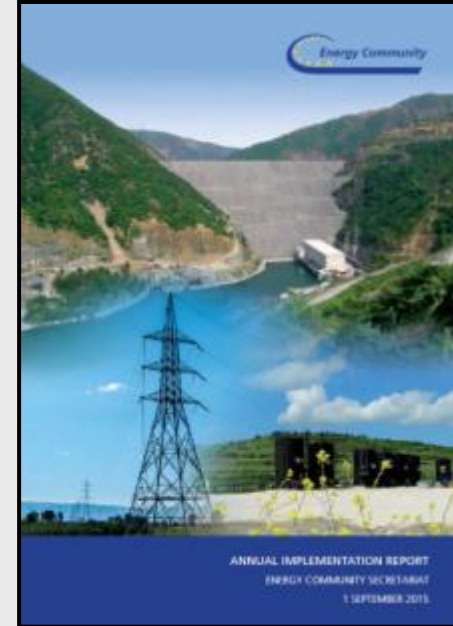


TABLE OF CONCORDANCE

# Contracting Party

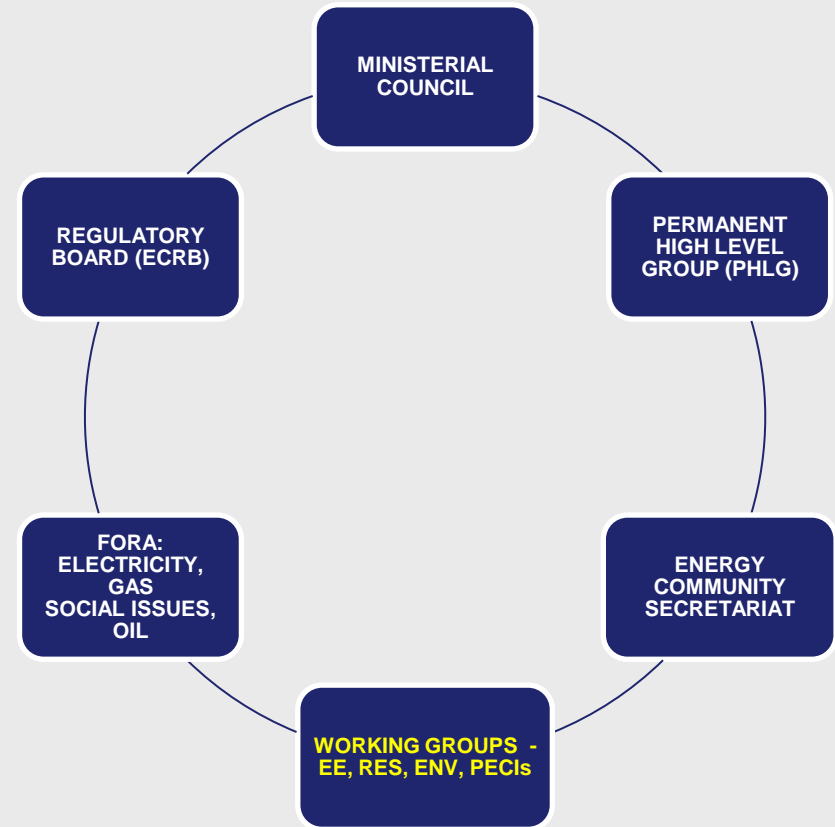
- ❖ *By signing the Energy Community Treaty, the **Contracting Parties** committed:*
  - *To implement the relevant EU legal framework:*

gas, electricity, environment, competition, renewable energy sources, energy efficiency, antitrust and state aid, statistics, oil.
  - *To develop an adequate regulatory framework and*
  - *To liberalise their energy markets in line with the Treaty acquis.*
  
- ❖ *The acquis must be implemented within a **fixed timeframe.***
- ❖ **EnC Secretariat monitors** implementation

Directive 2012/27/EU		Draft Law			Level of concordance / comment
Art.	Provision / Transposition deadline	Art. / draft Law	Provision	Provision (local language)	
9(1)	<b>Contracting Parties</b> shall ensure that, in so far as it is	1 (1)	1. The terms below shall be used in this Law in the following	1. У цьому Законі наведені нижче терміни вживаються в	Partially compliant Comments are provided in

# Common Legal Framework and Institutional Setting

- ▶ **Gas** (Third package) (3 Directives, 2 Regulations)
- ▶ **Electricity** (Third package) (2 Directives, 3 Regulations)
- ▶ **Environment** (5 Directives)
- ▶ **Competition** (some provisions of the Treaty)
- ▶ **Energy efficiency** (4 Framework Directives: EED/ESD, EPBD, ELD, 9 Technical Regulations)
- ▶ **Renewable energy sources** (RES Directive)
- ▶ **Antitrust and state aid** (some provisions of the Treaty)
- ▶ **Statistics** (1 Directive, 1 Regulation)
- ▶ **Oil** (1 Directive)
- ▶ **Infrastructure** (1 Regulation)



# DIRECTIVE 2006/32/EC

## ON THE ENERGY END USE EFFICIENCY AND ENERGY SERVICES (ESD)

### ◆ **Key directive for creation of overall framework for EE:**

- ▶ **Indicative energy saving target** (min. 9%) for 9 years of implementation, with methodology for calculation, including intermediate ES target and Authority
- ▶ **Exemplary role of the public sector** (implementation of procurement measures from annex VI, guidelines, authority, exchange of information)
- ▶ **Obligation of the energy companies** (aggregated statistical information, energy services)
- ▶ **Financial instruments** for energy savings (remove barriers in national legislation, model contract for energy services)
- ▶ **Fund and funding mechanisms** to subsidize the delivery of energy services and EE improvement measures,
- ▶ **Energy audit schemes** conducted in independent manner in order to identify ES potential
- ▶ **Metering and informative billing**
- ▶ Procedures for **monitoring and verification of energy savings** , etc.
- ▶ **Energy Efficiency Action Plans (EEAPs)**

### ◆ **Key transposition approaches: preparation of general EE law or extensive chapter in energy law + changes in procurement law + package of secondary legislation**

### ◆ **EEAPs (based on the template)**

# **DIRECTIVE 2010/31/EU**

## **ON THE ENERGY PERFORMANCE OF BUILDINGS (EPBD)**

### ◆ **Focused on EE improvements in building stock:**

- ▶ **The common framework / methodology for calculating the integrated EPB**
- ▶ **Minimum EP requirements for new and existing buildings, building units and technical building systems,**
- ▶ **Increasing the number of nearly zero energy buildings - national targets and plans**
- ▶ **Certification of buildings,**
- ▶ **Financial incentives,**
- ▶ **Regular inspection of heating and air-conditioning systems,**
- ▶ **Independent control system**

### ◆ **Key transposition approaches: amendments of the law for buildings + certain provisions in EE law + package of secondary legislation and standards**



# DIRECTIVE 2010/30/EU

## ON LABELING OF ENERGY-RELATED PRODUCTS AND IMPLEMENTING DIRECTIVES/DELEGATED ACTS (ELD)

- ◆ *Labels help consumers choosing energy efficient products*
- ◆ *Directive apply to energy related products with a significant direct or indirect impact on energy consumption*
- ◆ *Framework Directive establishes the legal framework for labelling and consumer information regarding energy consumption for energy-related products:*
  - ▶ *Responsibilities of suppliers and dealers ,*
  - ▶ *Public procurement and incentives*
  - ▶ *Conditions for distance selling, etc.*
- ◆ *The delegated regulations deal with the labelling of specific energy-related products:*
  - ▶ *Tumble driers, air conditioners, dishwashers, refrigerators, washing machines, TVs...*
- ◆ *Key transposition approaches: Basic provisions in EE Law (framework directive) + Technical Regulations for Energy Labelling + standards*





# **DIRECTIVE 2012/27/EU**

## **ON ENERGY EFFICIENCY (EED)**



- ❖ *New in EnC: adopted in October 2015 (Ministerial Council Decision)*
- ❖ *Overall **transposition deadline**: 15 October 2017*
- ❖ ***Energy efficiency targets (Article 3)***
  - The Energy Community's 2020 energy consumption no more than 187 Mtoe of primary energy or no more than 133 Mtoe of final energy (draft proposal)
- ❖ ***Exemplary role of public bodies' buildings (Article 5)***
  - Renovation target 1% per year (3% in the EU)
- ❖ ***Energy Efficiency Obligation Schemes (Article 7)***
  - 0.7 % of the annual energy sales to final customers of all energy distributors or all retail energy sales companies... (1.5 % in EU)

# **DIRECTIVE 2012/27/EU**

## **ON ENERGY EFFICIENCY (EED)**



### **❖ Energy Services (Article 18)**

- available energy service contracts and clauses; financial instruments, incentives, grants and loans to support energy efficiency service projects; Available a list of energy service providers; Exemplary role of the public sector NEEAP measures

### **❖ Energy Efficiency National Fund, Financing and Technical Support (Article 20)**

- Setting up financing facilities and technical support schemes; Exchange of best practices; Option - Energy Efficiency National Fund and contribution; Revenues from environmental or any other energy taxes or levies may be used for the development of innovative financing mechanisms;

**>> Short timeframe for transposition and implementation => adequate support schemes by EU and EnC**

# EED transposition & implementation:

## KEY DATES



1 JAN.  
2017

- Deadline to prepare inventory of heated and/or cooled central government buildings > 500 m<sup>2</sup> & alternative measures (Article 5)

5 MARCH  
2017

- Notification of implementation plans - energy efficiency obligations and/or policy alternatives (Article 7)

30 MARCH  
2017

- Long-term strategies for renovation of national building stock

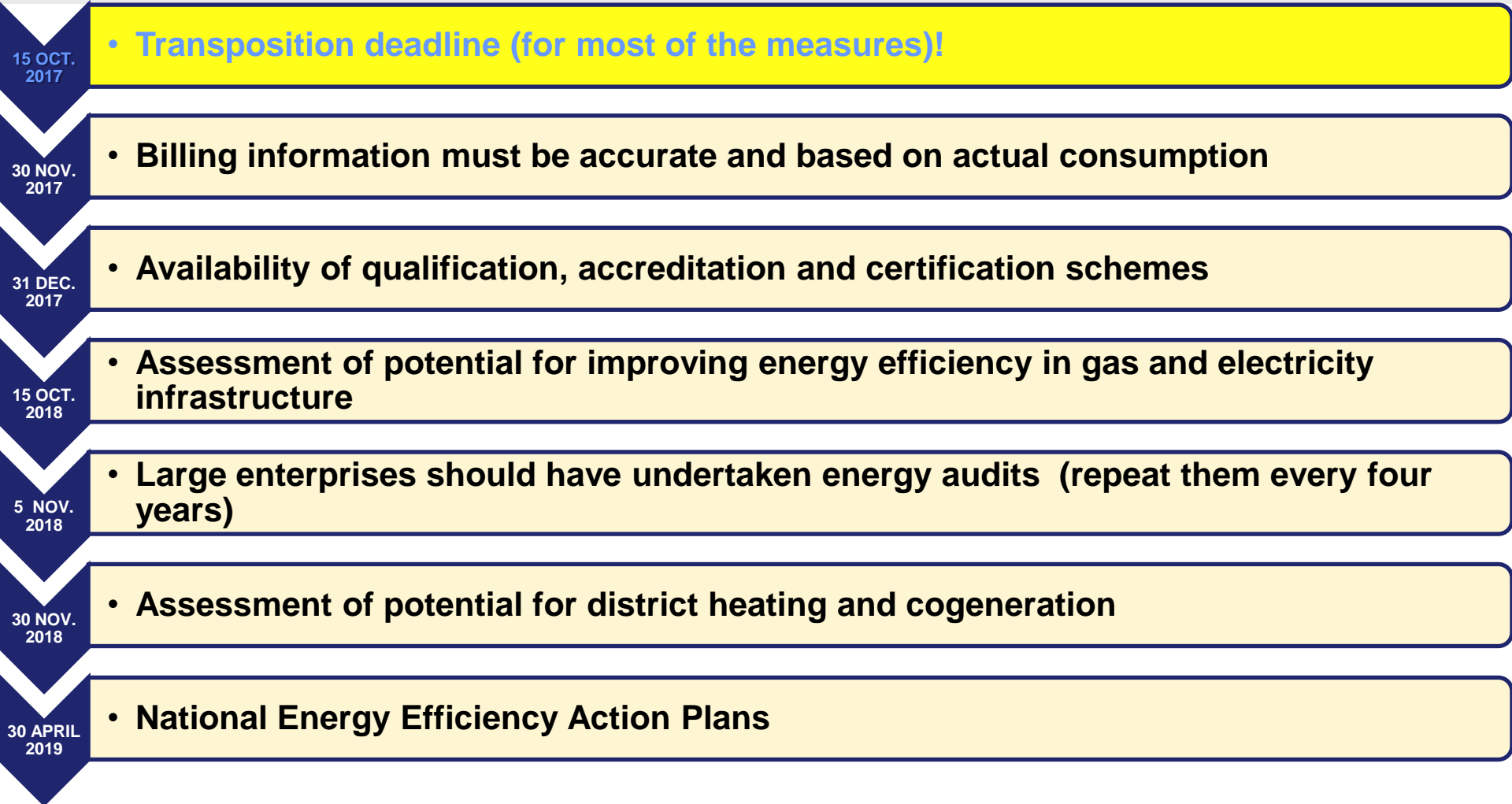
30 JUNE  
2017

- Indicative national energy efficiency targets (and report every year onwards on progress/main measures)

15 OCT.  
2017

- Transposition deadline (for most of the measures)!

# EED transposition & implementation: KEY DATES (cont.)



15 OCT. 2017

- Transposition deadline (for most of the measures)!

30 NOV. 2017

- Billing information must be accurate and based on actual consumption

31 DEC. 2017

- Availability of qualification, accreditation and certification schemes

15 OCT. 2018

- Assessment of potential for improving energy efficiency in gas and electricity infrastructure

5 NOV. 2018

- Large enterprises should have undertaken energy audits (repeat them every four years)

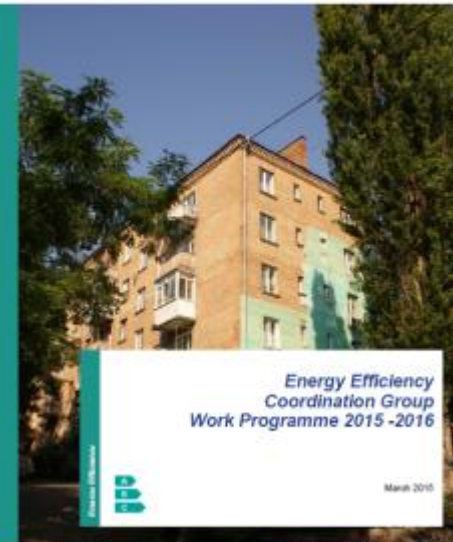
30 NOV. 2018

- Assessment of potential for district heating and cogeneration

30 APRIL 2019

- National Energy Efficiency Action Plans

# Energy Efficiency Coordination Group



- ✓ **Regional Group** (Ministries/EE agencies, ECS, EC, Donors) - supports harmonised implementation of the EE acquis in the Energy Community; platform for sharing experience; implementation partner for the TA and investment programmes.
- ✓ **EECG Meetings: 3 per year, combined with workshops**
- ✓ **Supported by EnC EE Forum** – web communication platform for cooperation and discussion on EE-related issues among EECG members and beyond
- ✓ **EECG Work Programme 2015 – 2016:**
  1. Implementation of current and new energy efficiency directives in the Energy Community
  2. Development of the next round of Energy Efficiency Action Plans and their monitoring (NEEAP Template, 3rd NEEAP by 30 June 2016, MVP + financing options)  
EECG + NEEAP Workshop 17-18 November
  3. Promotion of the exemplary role of public sector and energy services,
  4. Coordination of donors support for energy efficiency,
  5. Promotion of existing regional support initiatives and design of new ones
  6. Exchange of best implementation practices in CPs and EU

# 3<sup>rd</sup> NEEAPs in CPs: DEVELOPMENT PROCESS



**EECG WORK PROGRAMME 2015-2016 / CORE TOPIC 2 (TASK 2)  
PREPARATION OF THE NEW ROUND EEAPS AND ANALYSIS/INTRODUCTION OF THE NEW EU REQUIREMENTS**

**MODEL TEMPLATE FOR THE 3<sup>rd</sup> NEEAP ELABORATED AND ADJUSTED BY THE ECS/EECG,  
IN LINE WITH MINISTERIAL COUNCIL DECISIONS (OCTOBER-NOVEMBER 2016)**

**TRAINING SESSION ON THE PREPARATION OF THE EEAPs AND MVP  
ORGANISED BY THE ECS AND GIZ ORF EE (NOVEMBER 2016)**

**HARMONISED REPORTING ON ACHIEVEMENTS, USE OF MVP (ONGOING)  
FINANCING OPTIONS TO IMPLEMENT NEEAPs & EED - WORKSHOP (MARCH 2016)**

**NEEAP PREPARATION, ECS COMMENTS , FINALISATION AND ADOPTION (BY JUNE 2016)**

**THE SECRETARIAT'S EEAP ASSESSMENTS (JUNE – DECEMBER 2016)**

# ECS NEEAP ASSESSMENT (2014)

## KEY RECOMMENDATIONS



1. ..to **timely finalise and adopt** the NEEAPs, following requirements of the ESD (now EED) and NEEAP Template.
2. **Strengthening of the institutional capacities** in most Contracting Parties is important, as the existing structures were insufficient during the realization of NEEAP. Institutional framework for NEEAP implementation should be further developed and strengthened, with **clearly defined roles and responsibilities** for NEEAP implementation.
3. For effective implementation of many measures, **further legislative reforms are necessary**, especially adoption of the existing draft **legislative package for implementation of EPBD**.
4. Most Contracting Parties are lacking sufficient **data and system for calculation of energy efficiency indicators and savings, as well as monitoring** of NEEAP implementation. Adequate resources (human and financial) should be dedicated to improve situation in this area.
5. Clear **identification and allocation of necessary funds** is important for timely and effective implementation of NEEAPs. A more precise assessment of necessary financial resources as well as sources of financing should be further elaborated in the programs and plans for the implementation of specific energy efficiency measures identified in NEEAP.

# Renewable Energy Directive

## 2009/28/EC



- ❖ **18 October 2012 - Ministerial Council Decision on the adoption of the new RES Directive in the Energy Community – D2012/04/MC-EnC**

<http://www.energy-community.org/pls/portal/docs/1766219.PDF>

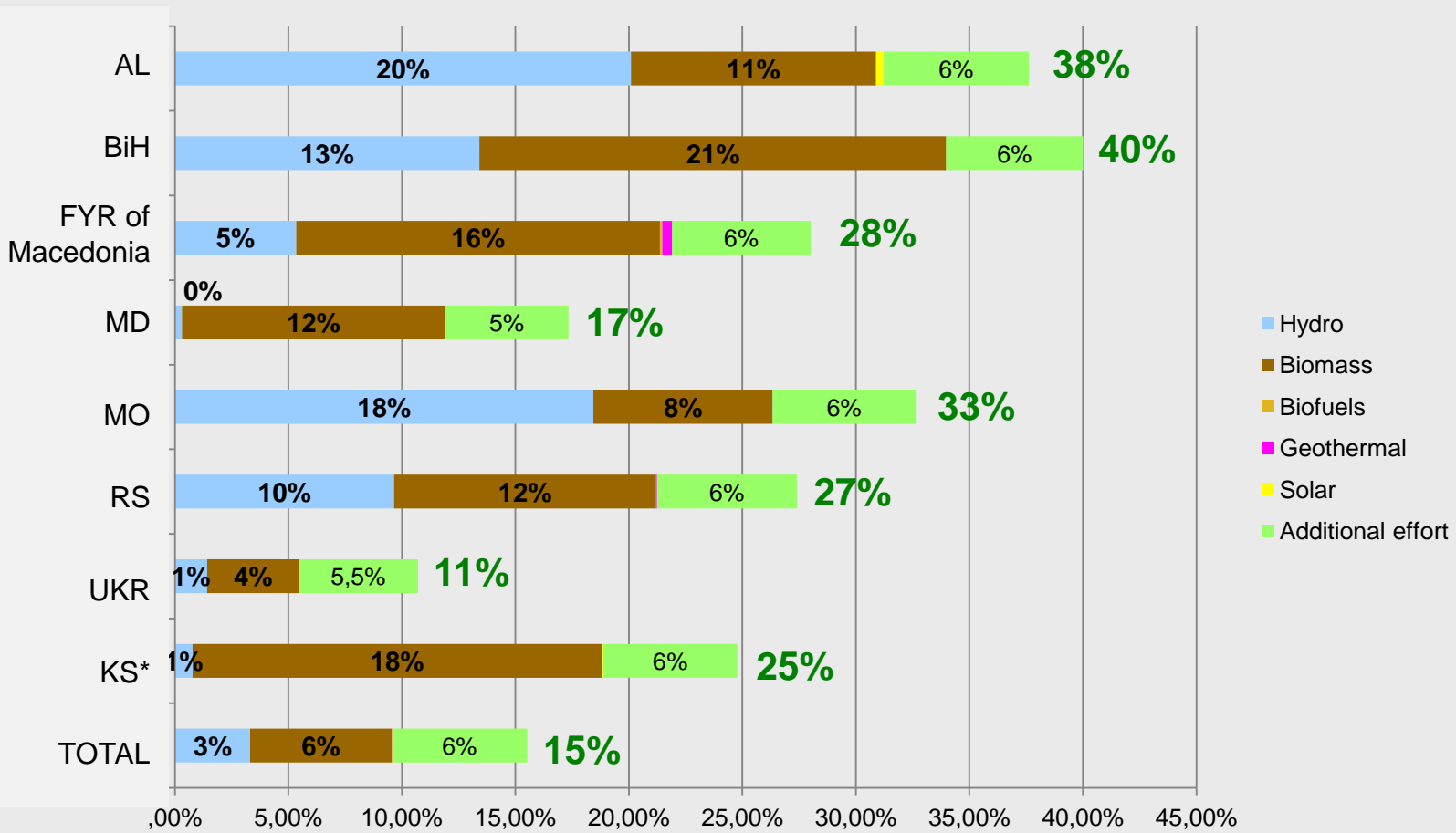
- ❖ *Included in energy acquis - Article 20 of the Treaty establishing the Energy Community*
- ❖ *Mandatory overall targets to 2020, 10% RES in transport*
  - *Indicative trajectories to 2020*
  - *Indicative per sector: RES-E, RES-H*
  - *Binding for RES-T*
- ❖ *Deadline for implementation - 1 January 2014*
- ❖ *Deadline for submission of NREAP – 30 June 2013*



# NREAP status

	NREAP ADOPTED	PROGRESS REPORT
Albania	✓	✓
Bosnia and Herzegovina	✗	✗
Kosovo*	✓	✓
Former Yugoslav Republic of Macedonia	✓*	✓
Moldova	✓	✓
Montenegro	✓	✓
Serbia	✓	✓
Ukraine	✓	✓

# 2020 RES Targets



## **Renewable Energy Coordination Group established**

- *Work on the reform of support schemes*
- *Monitor the progress in promotion of RES*
  - *second CPs progress report - end 2016*
  - *second Energy Community Progress Report to MC – 2017*
- *Renewable Energy framework post 2020*
- *ECS will assist Contracting Parties in the implementation with Donors' support*

## **Link with EE** (from NREAPSs Assessment ):

*properly address RE in the heating and cooling sector ; regulate minimum use of RE in the building sector ; potential of RES like biomass, solar thermal and geothermal to contribute to the targets...*

# RECENT EE/RES PUBLICATIONS

- ❖ ENERGY COMMUNITY – TAPPING ON ITS ENERGY EFFICIENCY POTENTIAL (June 2015)
- ❖ ANNUAL IMPLEMENTATION REPORT (October 2015)
- ❖ ASSESSMENT OF RENEWABLE ENERGY ACTION PLAN IMPLEMENTATION (October 2015)
- ❖ POLICY GUIDELINES FOR THE REFORM OF THE SUPPORT SCHEMES FOR ENERGY FROM RENEWABLE SOURCES (December 2015)
- ❖ “SAVE ENERGY, SAVE COSTS, DEVELOP YOUR BUSINESS - A PRACTICAL GUIDE TO ENERGY EFFICIENT BUSINESS SOLUTIONS” (GGF, 2016)
- ❖ EE LEGAL FRAMEWORK, SPECIAL EDITION (to be published by June 2016)

[www.energy-community.org](http://www.energy-community.org)



The background is a satellite-style image of the Earth at night, showing city lights. Overlaid on this is a complex network of glowing blue lines that connect various points across the globe, symbolizing a global energy or communication network.

*Thank you  
for your attention!*

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