

Identification and Importance of Key Obstacles to Implementing Energy Efficiency: Review of EE Stocktaking Report Findings



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ALLIANCE TO
SAVE ENERGY

Creating an Energy-Efficient World

Objectives of the EE Stocktaking

- Assessing the legal and regulatory coverage for promoting energy efficiency (EE)
- Evaluating the EE policies enforced, ongoing and envisioned EE programs
- Identifying existing institutional capacities to implement the above for:
 - Compliance with the European Directives in the sphere of end-use EE and energy services
 - Meeting national energy saving targets.
- Revealing the gaps and proposing actions to eliminate them

Coverage : Energy Community Contracting Parties and Observer countries

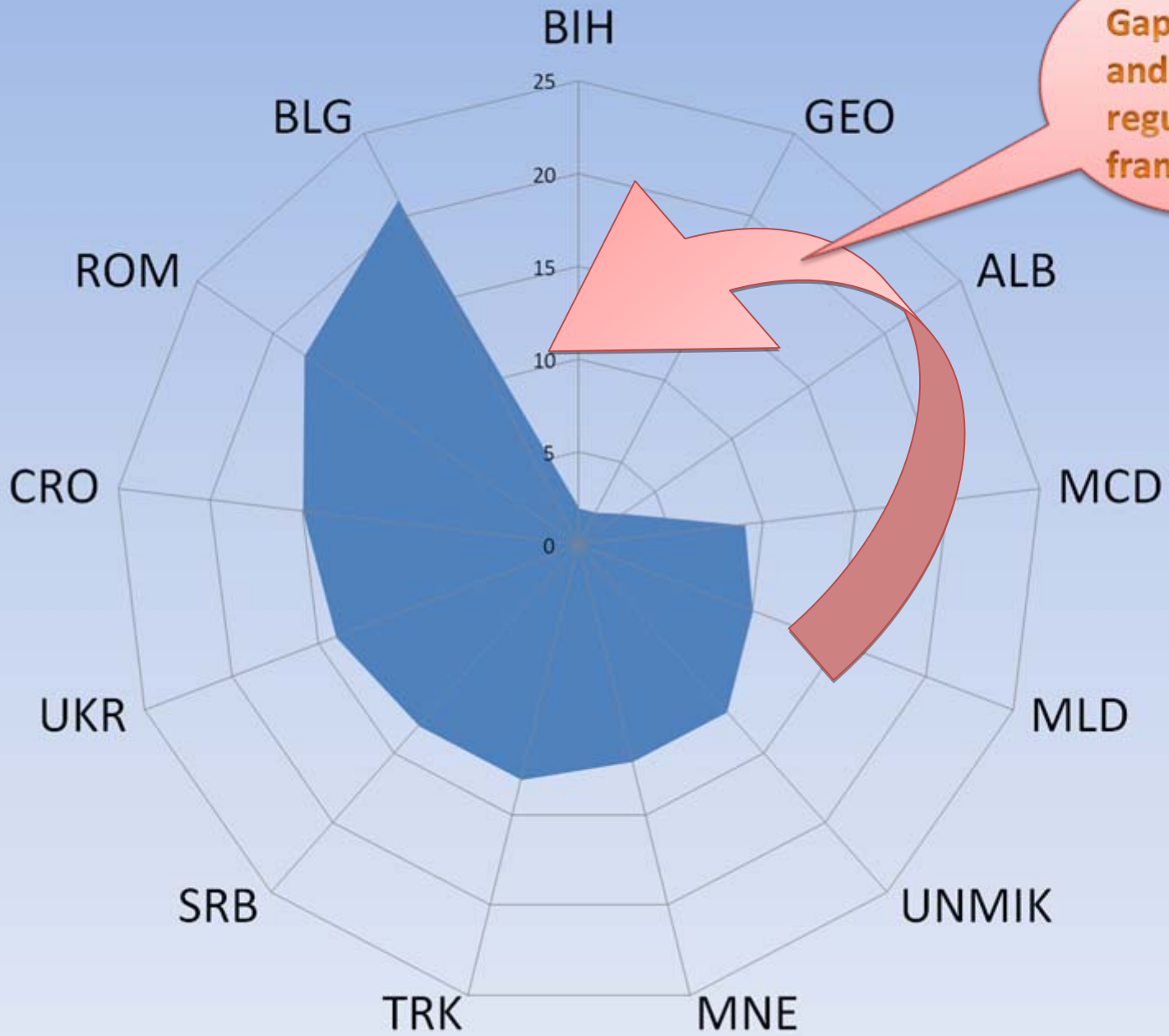
Legal framework

1. Laws
2. Regulations for high-efficiency power generation
3. Standards and codes, certification and labeling for equipment and buildings.
4. Metering and consumption-based billing.
5. Housing associations (HOAs), their ability to contract utilities and implement EE Projects
6. Municipal energy planning
7. Municipalities' ability to borrow
8. Private sector participation in municipal utilities.
9. ESCOs and energy performance contracting.
10. Sanctions for wasteful energy practices.
11. Energy auditing, supervision, and certification of auditors.
12. Social safety mechanisms protecting vulnerable households from the tariff increases.
13. Energy taxes

Legal framework: at-a-glance

Country / Question	ROM	BLG	UKR	CRO	TRK	MCD	ALB	MLD	BIH	GEO	SRB	UNMIK	MNE
Legislation	++	++	++	-	+	+	+	-	-	-	+	+	++
High-efficiency power generation.	++	+	++	++	++	++	-	+	-	-	+	++	+~
EE standards, certification and labeling	++	++	++	++	++	+	+	~	-	-	+	+	+~
Heat metering and consumption-based billing.	+	++	+	++	+~	+	-	+~	~	-	+	+	++
Sanctions for wasteful energy practices.	+	++	++	-	+~	-	-	~	-	-	-	-	-
Energy auditing	++	++	+	+	+~	+	+~	+	-	-	~	+~	+~
Social safety mechanisms	++	++	-	+	+	-	-	++	+	-	++	++	+
Energy taxes	+	-	+	++	-	-	-	++	-	-	-	-	-
Procedures for HOAs	++	++	+	++	+	-	~	++	~	+	++	+~	+~
Municipal energy planning	++	+	~	+	-	+	-	~	-	+~	+	+~	+
Municipal borrowing	-	++	+~	-	++	-	-	+	+	-	++	-	+
Private sector participation	-	++	+	+	-	+	-	-	~	-	+	+	~
ESCOs / performance contracting.	+~	+	-	+~	+~	+~	-	-	~	-	+	+~	+~

Legal Regulatory Capacity



Gaps in legal and regulatory framework

Legal and regulatory gaps

- No laws or regulations: *Albania, Bosnia and Herzegovina, Moldova and Georgia*
- Partial, need substantive strengthening: *FYR Macedonia, Albania, Serbia, UNMIK, Montenegro*
- All of the above need
 - respective secondary legislation,
 - long-term strategies and action plans with specific measures for implementation of the policies and accomplishment of strategic targets,
 - institutional structures within the general framework of the energy sector development.

Recommendations on Elimination of Legal Gaps

- Legislative, technical-normative developments needed: energy standards, building codes, passports, certification and labelling provisions, energy auditing procedures
- Reform utility social assistance policies to encourage residential EE
- Fill legal gaps in ownership, management and assignment of responsibilities in multi-apartment housing, utility services and building maintenance entities
- Create legal framework allowing borrowing by housing associations and housing maintenance companies
- Develop legal framework for private sector participation in municipal energy utilities and performance contracting/ESCOs

Albania, FYR Macedonia, BIH, Moldova, Montenegro, Georgia

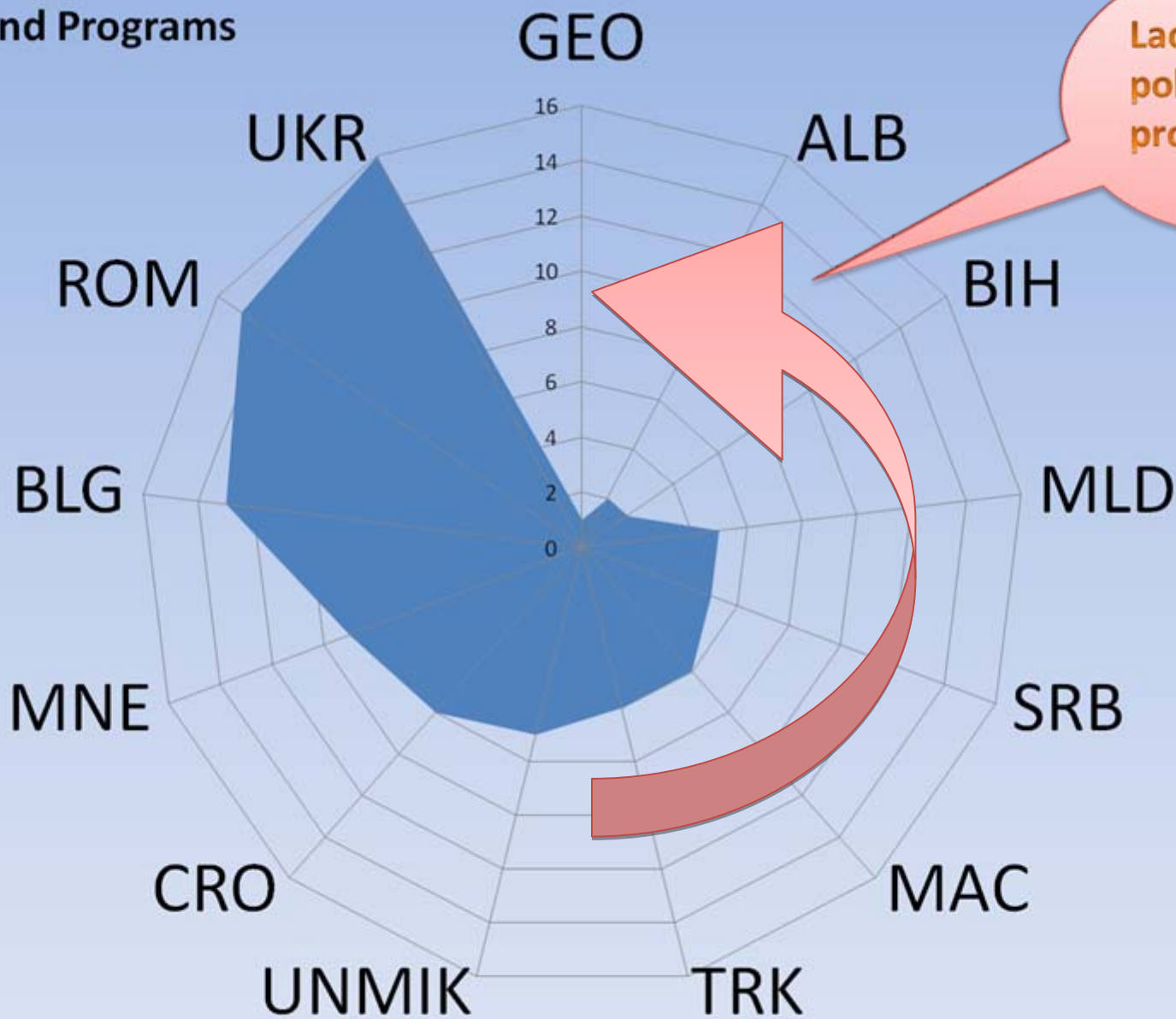
Policies and Programs

1. EE policies or strategies establishing energy savings goals for the country as a whole and by sector.
2. EE action plans detailed by energy end use sector
3. EE funds
4. Economic and financial incentives for EE measures (tax exemptions, subsidies, grants, soft loans, financial guarantees, etc.)
5. Market-oriented schemes (Voluntary agreements, white certificates, etc.)
6. Policies facilitating import and local manufacturing of EE materials and equipment
7. Incentives, equal competition and level playing field for EE service providers (e.g. ESCOs, installers, energy advisors, auditors and energy consultants)
8. Programs and provisions for promoting EE in the public sector at the national government level
9. Programs and provisions for promoting EE in the public sector at the municipal level.
10. Public information campaigns promoting EE and providing guidance on appropriate measures in various sectors and applications.

Policies and Programs: at-a-glance

Country / Question	ROM	BLG	MAC	ALB	BIH	CRO	UKR	MLD	TRK	GEO	SRB	UNMIK	MNE
EE Policies, programs, strategies	++	++	+	+	+	++	++	++	++	-	+	+	++
EE action plans	++	++	++	+	-	~	+	-	-	-	~	+~	++
EE funds	+	+	~	-	-	-	++	+	+~	-	+	-	+~
Economic&financial incentives	++	++	+~	~	~	+	++	+~	+	+~	~	+~	+
Voluntary agreements	+	-	-	-	-	-	++	-	-	-	-	-	-
EE equipment import & manufacturing	+	-	-	-	-	-	-	-	-	-	~	+~	+~
Incentives for EE services	+	-	-	-	-	-	++	-	-	-	~	+~	-
National programs for public EE	+	++	+~	-	-	+	++	-	+~	-	+	+~	+~
Municipal programs for public EE	++	++	-	-	+	++	+	~	+~	-	+	+~	-
EE information campaigns	++	++	+	-	-	++	++	+	-	-	+	+	+~

Policies and Programs



Lack of policies and programs

Gaps in Policies and Programs

- Energy efficiency action plans missing – *Croatia, BiH, Serbia, Moldova, Turkey, Georgia*
- Economic and financial incentives for energy efficiency measures, production and import of EE products, service providers – *missing in FYR Macedonia, Albania, Moldova, Georgia, BiH, Croatia, UNMIK*
- Energy efficiency funds – *missing in Albania, BiH, Serbia, others need strengthening*
- Market-oriented EE programs and policies – *everywhere*
- Programs and provisions for promoting energy efficiency in the public and municipal sectors- *missing in Albania, Moldova, Georgia, BiH, Montenegro, FYR Macedonia*

Proposed Actions

- Provide technical assistance to help guarantee quality of preparation work on policies and programs:

- Estimating the country-wide cost-effective EE potential, and designing policy measures necessary to tap this share. Particularly in *Albania, BiH, Moldova and Georgia*

- Include incentives for energy efficiency investments the national policy framework

- EE funds, tax exemptions, PSP programs, targeted financing instruments (for housing associations, ESCOs, municipalities, etc.)

Macedonia, Albania, Georgia, BiH and Croatia

Proposed Actions-cont'd

- Develop / strengthen policies catalyzing the market for EE products and services
 - E.g. voluntary agreements , white certificates, etc.
 - Incentives for import and local manufacturing of EE products
 - Legal provisions for energy auditing, performance contracting/ESCOs, etc
- Build capacity and raise awareness of all stakeholders about the effectiveness of EE measures.
- Provide technical assistance to the governments in establishment of sustainable loan funds (instead of grant/subsidy)
- Develop programs promoting EE in schools, hospitals, municipal buildings, encouraging municipal energy management, EE in public procurement practices, etc.
Macedonia, Albania, Ukraine, Moldova and Georgia

EE Institutions and Authorities

Government Institutions:

- National EE or energy conservation agencies;
- National energy institutes;
- Regional and/or local EE agencies and institutes;
- Other Program Implementation Units (PIUs) used by donors and IFIs.

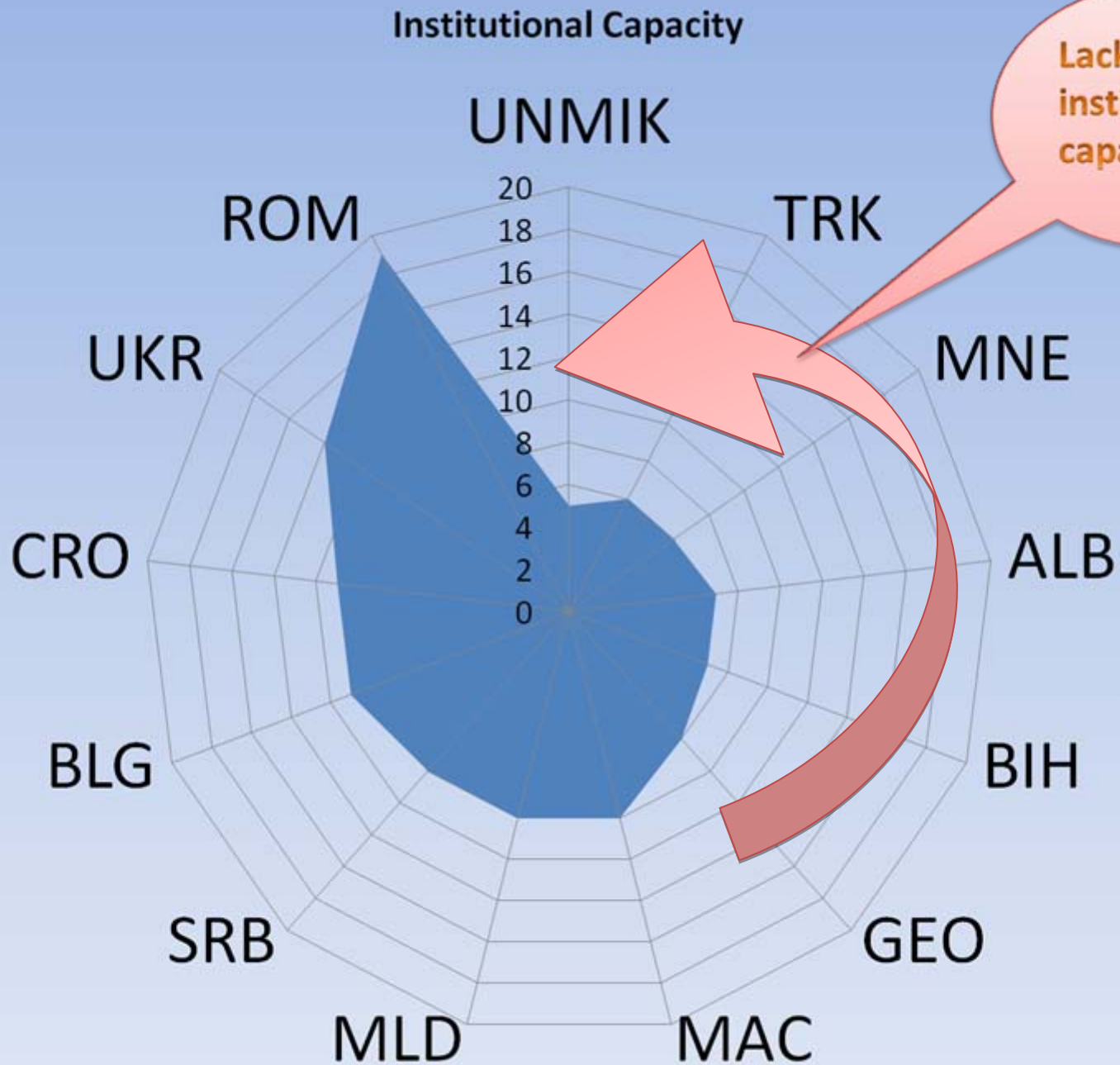
Non-governmental Institutions:

- Municipal associations that focus on energy, heat and EE
- NGO energy efficiency centers
- Environmental groups that focus on energy efficiency.
- Business and industry associations providing EE equipment/services
- Energy consumers' organizations promoting EE.

Lack of institutional capacity in *Albania, Georgia, Bosnia & Herzegovina, Croatia, Ukraine, UNMIK, Georgia, Moldova, Serbia, FYR Macedonia and Republic of Montenegro.*

Institutions: at-a-glance

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Lack of institutional capacities

Proposed Actions

- Strengthen/designate national EE agencies/teams
- Build municipal capacity for energy planning and management
- Provide opportunity of choice of utility service providers in a competitive market
- Strengthen the role of the home owners and recipients of utility services, as well as energy service companies
- Utilize the power of partnerships: Municipalities and public groups (NGOs), public – private, ESCOs, etc.
- RAISE THE AWARENESS OF ALL PLAYERS

Albania, BiH, Croatia, Ukraine, Georgia, Turkey and Moldova

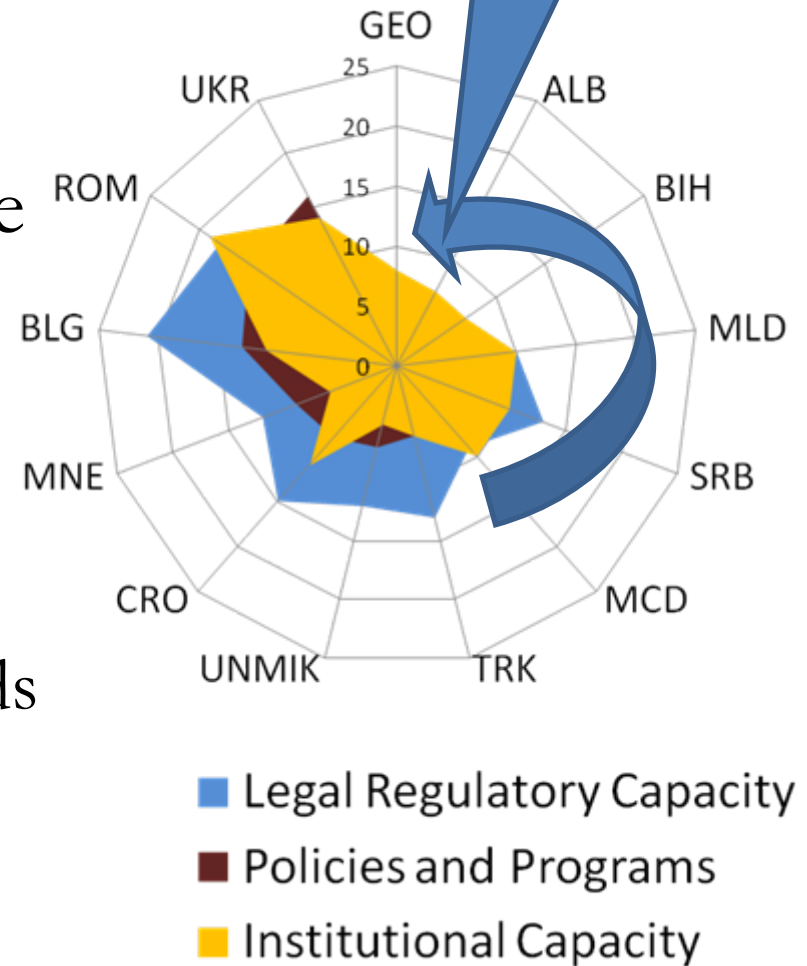
Awareness Raising and Capacity Building

- Capacity building and awareness programs should cover the state-of-the-art technologies, successful institutional models, commercial business practices, in the following areas:
 - municipal energy planning,
 - ESCO financing/ performance contracting,
 - HOA-managed EE Projects;
 - PSP contracts;
 - low-income EE projects;
 - designing successful EE financing facility, etc.
- **Tools:** guidelines, manuals, case studies, brochures, etc.

Proposed Actions- CROSS CUTTING

Due to the extensive technical efforts associated, regional cooperation can facilitate the capacity strengthening and reform in:

- Developing laws and strategies
- Crafting secondary legislation
- Modernizing codes and standards
- Sharing PSP experiences
- Replicating low-income EE programs,
- Developing guidebooks, etc.



For more Information contact:

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*Resource: Energy Community
Stocktaking On Energy Efficiency
Distributed before meeting*

*Resource: Survey of EE Laws and Policy
Provisions in 22 Countries:
Recommendations for Policymakers
<http://www.munee.org/go.idecs?i=604>*