

21st OSCE ENGLISH only ECONOMIC AND ENVIRONMENTAL FORUM

Energy Efficiency: policy measures to promote energy savings

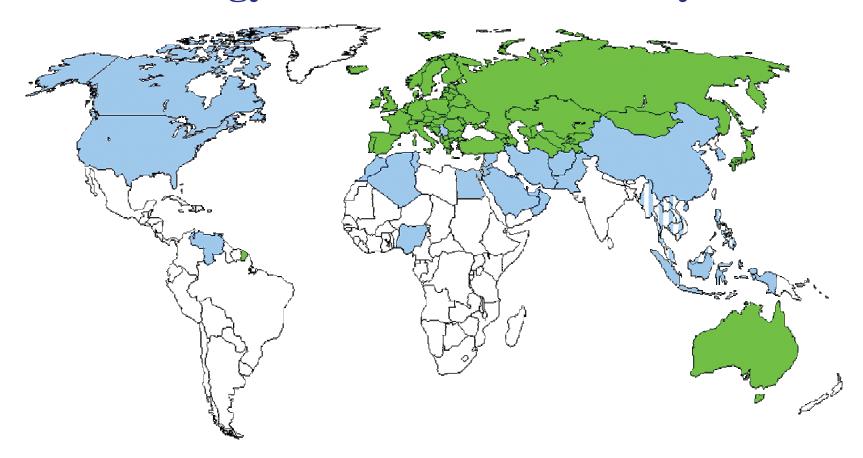
4-5 February 2013

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Energy Charter Constituency



Countries marked in **green** are <u>signatories</u> to the Energy Charter Treaty, and members of the Energy Charter Conference.

Countries marked in **blue** are <u>observers</u> (blue vertical stripes denote the countries of ASEAN).

PEEREA – Protocol on Energy Efficiency and Environmental Related Aspects

"Defines policy principles for the promotion of energy efficiency as a considerable source of energy and for consequently reducing adverse environmental impacts of energy system"

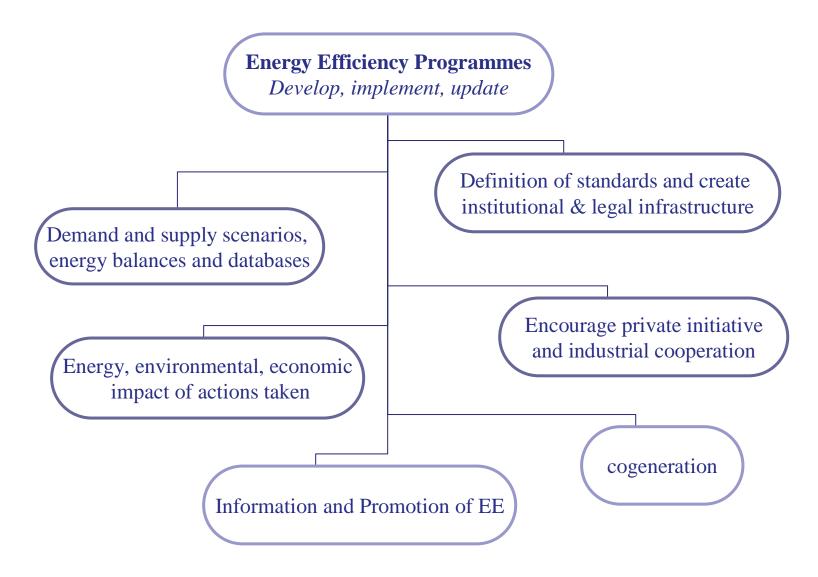
Objectives are:

- 1. Promotion of energy efficiency policies;
- 2. Creation of conditions...through efficient energy markets;
- Fostering co-operation in the field of energy efficiency.





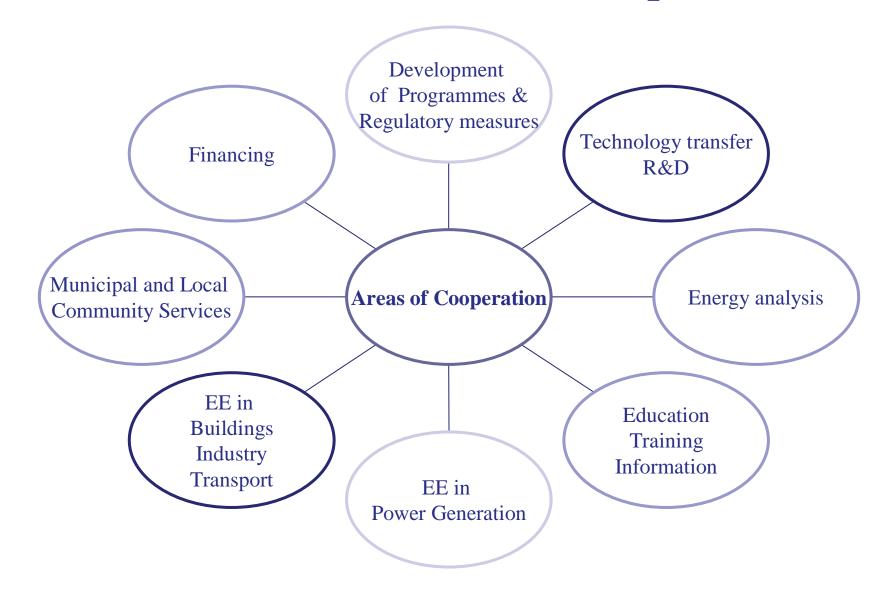
PEEREA and domestic programmes







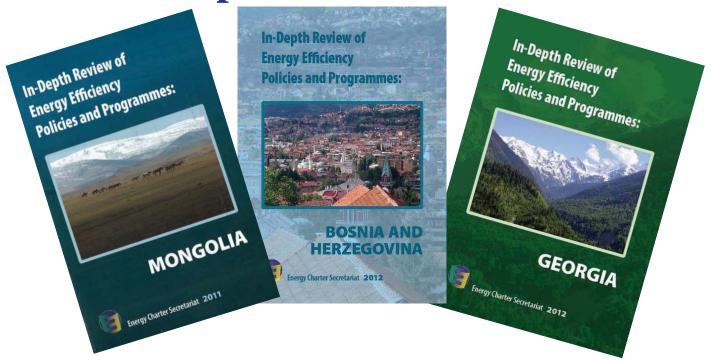
PEEREA – Possible Areas of Co-operation:







PEEREA Group Activities

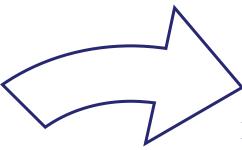


- 1. Regular and In-depth reviews of EE Policies and Programmes of Member States;
- 2. Analytic Studies;
- 3. Events, information sharing, cooperation.



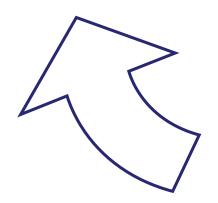


The limit of PEEREA



Legally binding tool

Mechanisms of control: Regular reviews and In-depth EE reviews

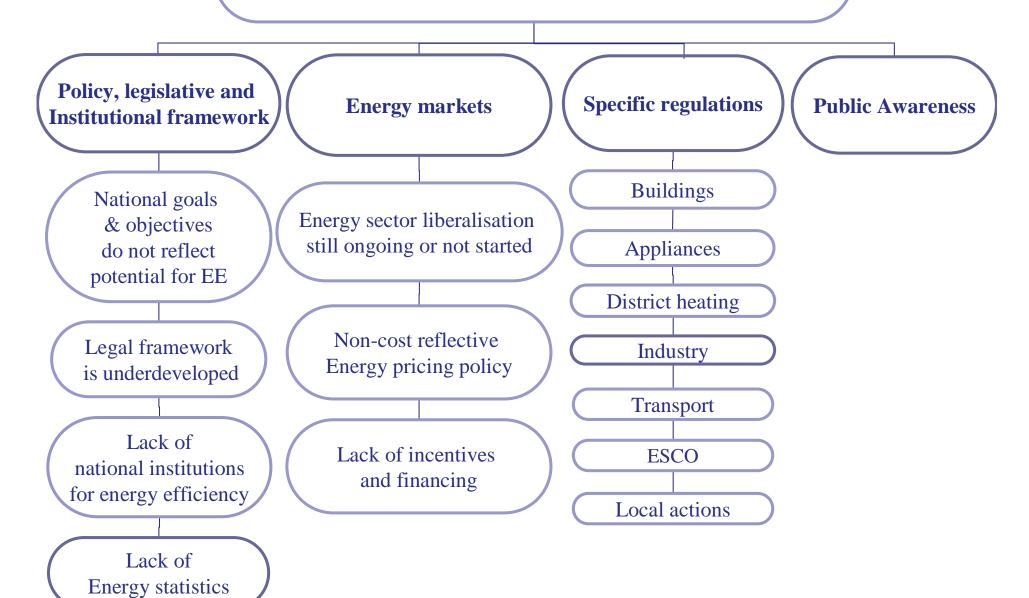


All activities done on a voluntary basis





Main challenges in reviewed countries







Country performances

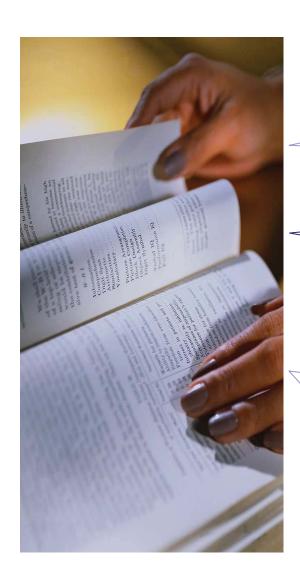
| Level of EE implementation | Mongolia 2010 | Georgia 2010 | BiH 2011 | Albania 2011 | Belarus 2012 | Azerbaijan 2012 |
|-------------------------------|------------------|-----------------|-------------|-----------------|-----------------|--------------------|
| EE Policy and legislation | | | | | | |
| Institutional setting | | | | | | |
| Energy sector reform | | | | | | |
| Cost reflective energy prices | | | | | | |
| Specific EE regulations | | | | | | |
| Financial incentives | | | | | | |
| ESCO | | | | | | |
| Energy statistics | | | | | | |
| General public awareness | | | | | | |

Low (L) – no existence and no intention to develop; Intermediate (I) – intention to start developing; Basic (B) – regulations exist in draft or just adopted; Advanced – EE activities under implementation





Policy and legislative framework recommendations



Upon the adoption of the Energy Conservation Law the Government should **ensure further the development of secondary legislation and regulations** in different sectors. (*Mongolia*)

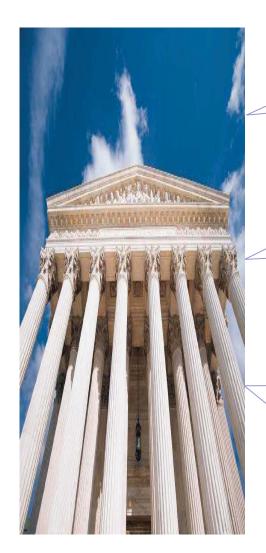
The government's energy policy should reflect the potential contribution of EE to increasing fuel exports and **supporting economic growth and the environment**. (*Azerbaijan*)

The State and Entity Governments should: i) promote the setting of realistic and measurable **energy efficiency targets for key sectors**, ii) provide for the legal, financial and other means necessary to reach those targets and iii) make arrangements for evaluation and review of progress towards such targets. (*Bosnia & Herzegovina*)





Institutional framework recommendations



<u>Inter-administration co-operation</u> between energy and other public policy makers should be enhanced, in particular for those concerned with the environment, transport, housing and industry. (*Azerbaijan*)

The government should <u>create an energy efficiency unit</u> within the Ministry of Energy to lead the development of legislation, secure a budget line and promote sustainable energy within the government. (*Georgia*)

The government should ensure that <u>sufficient human and financial</u> <u>resources are allocated</u> to the Department of Energy Efficiency as the leading agency, as well as to all units within ministries and regional administrations responsible for the development and implementation of energy efficiency programmes. (*Belarus*)





Energy market reform recommendations

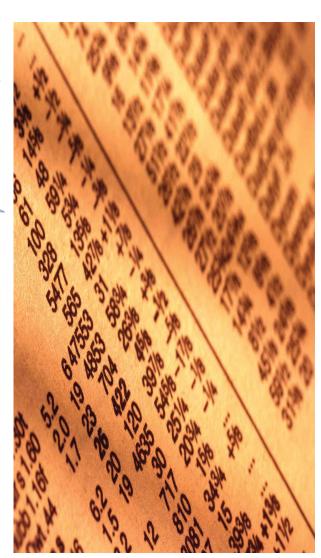
The Government should continue reform of the electricity market to <u>achieve full-cost reflective pricing</u>, at the earliest opportunity. (*Albania*)

The government should consider the introduction of **market oriented principles** in the energy sector and an appropriate regulatory framework based on international experience.

(Azerbaijan)

Continued development of energy market regulation should support the **development of effective energy services**. (*Georgia*)

The government should implement energy sector reform, which will provide for the use of market mechanisms and the potential for **investments in energy efficient technologies and equipment**. (Belarus)







Other recommendations

Specific EE Measures

- * Improve enforcement and compliance of building regulations;
- Regulations on electricity using products;
- Introduce energy audits and management in industry and buildings;
- *District heating rehabilitation and individual metering;
- Consider measures for efficiency in transports;
- * Etc.

Energy statistics

- Improve capacity to collect, analyse and assess energy supply and consumption data;
- Use energy and EE indicators as important basis for future policy developments;

Availability of financing & incentives

- * Ensure that international funding on EE is leveraged with domestic budget financing;
- * Strengthen cooperation with commercial banks;
- * Improve procedures for donor support approval;
- Introduce incentives for private and residential sector EE initiatives;
- *Etc.

Monitoring EE implementation

* Compare existing monitoring system against international practices for the purpose of improvement.





Conclusion

- Strong platform for stimulating dialogue on energy efficiency;
- 2. Active support to the process of energy efficiency implementation in countries with different levels of development and energy profiles;
- Working with national policy makers and local decision makers to promote an integrated approach to energy efficiency.



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