

**ENERGY CHARTER
SECRETARIAT**

CCDEC 2015

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Brussels, 3 December 2015

Related documents: CC 540

DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Report by the Chairman of the Working Group on Energy Efficiency and Related Environmental Aspects

The Energy Charter Conference at its 26th Meeting held on 3 December 2015 **took note** of the Report by the Chairman of the Working Group on Energy Efficiency and Related Environmental Aspects as contained in document CC 540 (attached hereto).

Report by the Chairman of the Working Group on Energy Efficiency and Related Environmental Aspects

1. This Report provides an overview of the activities of the PEEREA Working Group in 2015, highlighting the role of energy efficiency and energy saving as the most important means to meet climate and energy security goals in cost-effective manner.
2. The Working Group had two regular meetings in the course of the year, both held in Brussels. The first meeting took place on 12 June 2015 and the second meeting was on 19 October 2015.
3. Following the conclusions of the 2014 Review under 34(7) ECT, high priority within PEEREA WG activities in 2015 was given to the development of a comprehensive review of the content, process and objectives of the In-depth Energy Efficiency reviews. The Group continued to review countries progress in implementing the provisions of PEEREA as the review process is the main tool to monitor and facilitate the implementation of the protocol.
4. The PEEREA Working Group continued to serve as a forum for networking and exchange of information among international organisations and other organisations active in the area of energy efficiency and maintains strong and productive relationships with a range of international organisations. The following is a summary of the key activities of the Working Group in 2015.

Implementing conclusions from 2014 Review under 34(7) ECT

PEEREA reviews Assessment report and conclusions

5. The main objectives of the assessment was to identify options to offer better value from the energy efficiency reviews for all member states; to adapt the reports to the new challenges of the restructuring of the energy markets in non-OECD countries and to discuss and agree on priority activities and way of operation of the Group for the near future. The assessment was conducted via questionnaires distributed to Member States and as well as phone interviews with selected countries and various stakeholders (including international organisations, investors, donors and IFIs).
6. The assessment report and conclusions were discussed by delegations during the PEEREA meetings in June and October. It was recommended that PEEREA WG should continue to develop In-depth energy efficiency peer review reports, based on their unique characteristics, effectiveness and reliability. The current objectives of the review process were found relevant both by member countries and external stakeholders and reviews should continue to serve as a tool to exchange information among member states and to encourage national policy decision makers to consider

energy efficiency as an important priority and tool to achieve energy security within the overall national energy policy.

7. To improve the review process the development of an annual review schedule was highly recommended to better plan resources in both the ECS and the reviewed country and to organise in-depth reviews once every 5 years for the priority countries. Furthermore the PEEREA WG would continue following-up reviews in order to identify policy support activities for reviewed countries and consider preparation of a template of energy efficiency recommendations. In order to avoid any future overlapping with similar reviews done by other international organisations, it is proposed that some structural changes be implemented in the review content giving even more emphasis to the energy efficiency policies chapter by providing detailed information on the existing energy efficiency potential at national and sectoral level (power generation, industry, transport, buildings, public sector, energy using products, etc.).
8. Delegations agreed that energy efficiency requires significant investments and at the same time opens huge business opportunities for manufactures and industries of renewable energy equipment, lighting, building efficiency components, smart appliances, etc. PEEREA WG would consider the benefits of developing in addition to the In-depth energy efficiency reviews also country profiles on Renewable Energy and Energy Efficiency Market opportunities for manufacturers, importers and energy service companies. The review will provide consistent information on the energy market policy and institutional framework, highlighting main challenges and barriers to investment in the renewable energy and energy efficiency markets providing an assessment of the current opportunities for companies to do business in different sectors. The country profiles might also serve as a good tool within the Expansion and Outreach policy of the ECS and will provide a good opportunity for cooperation with businesses (closer ties with IAP members and attracting new members).
9. Regarding PEEREA activities and its operation mode, the group should continue to serve as a forum for identifying options for specific energy efficiency policies and programmes best suited to the circumstances of individual countries. Ways will be sought to better associate donor organisations in the country review and monitoring process and identify together with them policy support activities to assist countries in the effective implementation of the recommended measures.
10. The review further concluded that for observer states the WG should explore ways to pursue synergies in policies to improve energy access and energy efficiency as a tool to increase the level of energy services that can be provided by existing infrastructure, reducing energy costs, and avoiding the use of inefficient technologies and practices.
11. The PEEREA WG recommended the implementation of some structural changes in the review content giving even more emphasis on the energy efficiency policies chapter and by providing detailed information on the existing energy efficiency potential at national and sectoral level (power generation, industry, transport, buildings, public sector, energy using products, etc.).

12. To ensure that investors have the required comfort and legal certainty, and that energy efficiency investments in a non-energy sector will be covered by Part III of the ECT, the PEEREA WG recommended that a clear and transparent system of notification of 'Charter Efficiency Projects' is further investigated in close collaboration with the Investment group.
13. PEEREA WG recommended the transformation of the status of the PEEREA Working Group to a Standing Group format in order to standardise the Subsidiary Bodies of the Conference.

PEEREA review process

In-depth energy efficiency review of Moldova

14. The second In-depth energy efficiency review of Moldova was completed in 2015, by a team of experts from Slovakia (review team Leader) and Portugal, supported by the Energy Charter Secretariat and a local energy efficiency expert.
15. The review report noted that improving energy efficiency and energy security are among the main priorities of the National Development Strategy 'Moldova 2020' and the Energy Strategy of Moldova until 2030. Moldova also adopted the National Energy Efficiency Programme 2011-2020 and Action Plan 2013-2015 to provide the necessary set of measures for an overall reduction in final energy consumption in all sectors. Furthermore an Energy Efficiency Law was adopted in 2010 that provides the general legislative framework for energy efficiency improvements, including establishing and supporting the institutional activity in development and implementation of programmes, plans, energy services and other energy consumption efficiency measures.
16. The review report concluded that the government needs to prioritise and develop in a timely manner all necessary secondary legislation and regulations to facilitate the implementation and attain the objectives of the adopted energy efficiency strategies, plans and programmes. The government further needs to develop enforcement and implementation mechanisms for its policies and to provide incentives in order to attract necessary private investments in the energy efficiency and renewable energy sectors.
17. The review recommended to strengthen the institutional, human and financial capacity of the Energy Efficiency Agency, mandated with the enforcement of the state policy on efficiency and renewable energy and for taking measures for the national targets to be achieved, to enable it to take a leading role in implementing energy efficiency and renewable energy policies and regulations within the country.

18. The report commends Moldavian Government for giving high consideration to potential contribution of energy efficiency towards decreasing fuel imports and supporting economic growth and the environment giving and recommends that further attention is to be given to the stability of legislative framework as an important precondition for attracting investments in the energy efficiency and renewable energy sectors. In addition, future energy policies need to be supported by detailed analysis of economic energy efficiency potentials in all sectors of the economy and the barriers impeding the realisation of these potentials should be mitigated.
19. The final report of the In-depth energy efficiency review of Moldova was published in November 2015.

Follow-up on Member States Reviews

20. In 2015 the Energy Charter Secretariat continued to closely follow up of the recent In-Depth Energy Efficiency Reviews. The aim is to assess the effectiveness and the implementation of the recommended measures in practice and to identify support activities for the implementation of recommended measures. This assessment is developed in close cooperation with reviewed countries through a questionnaire and meetings with relevant national and international stakeholders.

International Cooperation Activities

21. In the course of 2015 the PEEREA Working Group and the Secretariat continued to cooperate with other international organisations, namely IEA, IPEEC, UNECE, Energy Community, Copenhagen Centre for Energy Efficiency, SE4ALL. Upon invitation of the Turkish G20 presidency, the Secretariat closely followed the activities within the G20 Sustainable energy working group, including the implementation of the G20 Energy Efficiency Action Plan. The Plan was adopted by G20 Countries at their Summit in Brisbane, Australia in 2014 and its implementation commenced in 2015 under the Turkish G20 presidency.
22. The PEEREA Working Group discussed on how best to cooperate with IPEEC and G20 countries on disseminating the results and achievements from the implementation of the G20 Energy Efficiency Action Plan beyond G20 countries. The Group also welcomed the G20 voluntary principles on energy efficiency investments, endorsed by G20 Energy ministers in Istanbul on 2 October, 2015. The Group called upon continued cooperation among countries to overcome barriers and obstacles to investment in private and state institutions.