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DECISION OF THE ENERGY CHARTER CONFERENCE

Subject: Recommendations on the In-Depth Energy Efficiency Review of Romania

The Conference welcomed the report on the In-Depth Energy Efficiency Review of Romania, circulated as Room Document 3, *and endorsed* the recommendations to the Romanian government contained therein [attached as Annex.]

Keywords: In-depth Review of Energy Efficiency Policies and Programmes, PEEREA,
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Recommendations on the In-Depth Energy Efficiency Review of Romania

as adopted by the Energy Charter Conference
at its 10th Meeting held on 20 June 2002

General

Energy efficiency should be a major component of a long-term energy policy which has to be developed integrating all aspects relating to restructuring, modernization and privatization of the supply industry and increasing the effective use of energy throughout the whole energy cycle.

Energy efficiency improvements should be an important instrument to equally address economic, environmental and social problems.

The energy policy should ensure a better balance between supply-side and demand-side measures, comparing on an equal footing the least-cost solutions.

Energy Efficiency Policies, Strategies and Programmes

The governmental energy policy should reflect the potential contribution of energy efficiency to improving the security of supply, reducing energy imports, supporting economic growth, mitigating social problems and increasing competitiveness of the Romanian industry in international markets.

The government should complement the existing strategy on medium term of the energy sector with a strategy on improving energy efficiency in the end-use sectors of the economy elaborated on medium to long term and accompanied by action plans.

Legal and regulatory framework

The government should develop and implement the secondary legislation necessary to secure the operational implementation of the energy efficiency law.

In implementing the provisions of the energy efficiency law, the government should focus on building a dialogue with the consumers and on promoting measures and instruments compatible with the market economy.

Institutional framework

The Ministry of Industry and Resources should continue to lead the process of developing the national energy efficiency policies and strategies, taking into account a suitable balance between the energy efficiency objectives and tasks assigned to ARCE under the energy efficiency law and the human and financial resources allocated for the implementation of these provisions.

The government should evaluate and facilitate where necessary the development of adequate structures at the various levels of public administration for developing, implementing and evaluating strategies and programmes for energy efficiency.

At the level of government, a better coordination appears to be necessary between various institutions responsible for developing and implementing energy efficiency policies and measures in various branches of the transport sector.

A better communication between the various actors active in the area of energy efficiency including NGOs, professional associations, ESCOs, etc. would lead to improved awareness and commitments towards energy efficiency in the society; ARCE would play a catalytic role in this process.

Energy market and pricing

Taking into account the restructuring process in the energy production and distribution sectors, the government should continue the necessary measures in order to ensure an efficient functioning of the energy market.

The government should continue its policy to cover long-term marginal costs for various categories of consumers and reflect as much as possible the environmental externalities; pricing policy may be accompanied by direct measures addressing the problems of low income households.

Energy pricing policies should also support the efficient, safe and sustainable development of the energy sector, penetration of renewables and the efficient use of cogeneration.

Energy efficiency funding and fiscal policies

The Special Fund for the Development of the Energy System should be used also for financing end-use energy efficiency projects in accordance with relevant government policies and strategies.

The government should further consider the opportunity to introduce fiscal incentives for promoting investments in energy efficiency on the demand-side, also in the building sector; a similar approach should be applied to promoting renewable energy sources.

The government should seek to achieve the right balance between domestic and international financial resources to promote energy efficiency projects.

Specific programmes and instruments

The government should develop specific programmes for improving energy efficiency in the various sectors of the economy (transport, industry, residential, services); such programmes should aim to include specific targets and a monitoring system for continuous evaluation of their implementation.

The government should further investigate and exploit the potential for using voluntary agreements as a possible tool for improving energy efficiency, notably in industry.

There are extensive potentials for energy savings within reasonable pay-back periods available in Romania, in particular in the building sector. In order to facilitate the thermal rehabilitation of buildings, the government should complement the legal and regulatory framework with appropriate provisions to eliminate barriers and strengthen specific awareness programmes.

Regulations related with thermal insulation and heating efficiency in the building sector should be applied in a more consequent and transparent manner.

Adequate efforts should be made to promote and strengthen the role and functions of energy managers.

Building on the results of the studies and demonstration projects undertaken so far, the government should develop and introduce specific instruments which facilitate the market penetration of renewables.

Demand-side management and district heating

In order to encourage distributors to implement DSM programmes, in accordance with the developments of EU regulations, the Regulatory Authorities should consider the possibility to include in tariff structures a component for compensating the missed revenues related to reduced energy sales.

Heat suppliers in order to monitor and bill end-users according to their actual consumption should effectively install energy metering and management equipment; at the same time, billing of individual dwellings should be further developed to properly cover the costs of the suppliers and to raise the consumers' awareness on energy efficient behaviour.

Disconnection of users from the district heating, i.e. caused by social problems or due to switch to gas-fired facilities, causing decrease of effectiveness of the district systems, should be addressed; increased action of the national and local authorities as well as of energy suppliers is required in order to optimise the use of local resources and secure sustainable energy development.

Data collection and monitoring

Efforts should continue to secure appropriate data collection and building of disaggregated energy efficiency indicators which would help in evaluating energy efficiency programmes and in assessing energy efficiency improvements.

Education and information

Educational energy efficiency programmes and public awareness campaigns should be developed in order to increase the chance to reach goals indicated in national policies and strategies, international programmes and local initiatives.

Energy management and auditing training schemes should be developed by Romanian institutions, notably ARCE, using best practices and available international experience.

Energy efficiency and environmental policies

The environmental benefits of energy efficiency should be better acknowledged and integrated in environmental policies, strategies and programmes.

The government should identify the cost effective potential for CO₂ emission reductions in the various sectors of the economy which can be achieved through the implementation of energy efficiency measures.

In implementing the government policy on joint implementation specific attention should be paid to secure an optimal balance between the need for foreign investment and the need to make best use of the domestic financial resources.