



# THE ENERGY IN ALBANIA

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## NEWSLETTER

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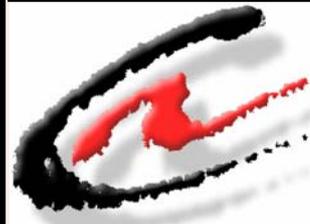
Blvd. “Zhan D’Ark”, No. 2, Tirana, ALBANIA

P.O. Box 2426

Tel: + 355 4 2233 835; Fax: + 355 4 2233 834

Email: [info@eec.org.al](mailto:info@eec.org.al)

Internet: [www.eec.org.al](http://www.eec.org.al)



## THE ENERGY IN ALBANIA (NEWSLETTER)

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### ENERGY EFFICIENCY PLANNING IN ALBANIAN MUNICIPALITIES

#### 1. Background

In Albania, energy efficiency issues are currently incorporated in a number of strategies and action plans such as the Strategic Energy Action Plan for Power Sector (Feb. 2001), Action Plan for Implementing the Power Sector Policy Statement (Apr. 2002), the National Strategy of Energy (Jun. 2003), Action Plan for Implementing the National Strategy of Energy (Sept. 2003), Energy Efficiency Law (Apr. 2005), etc. These documents outline the policy measures as well as practical actions to be undertaken in a timespan lasting up to 2015. However, while strategies and plans are being finalized and fine-tuned, it is of great importance to pilot energy efficiency activities and capacity building for improving the management of energy sources at the municipal level. This importance derives not only from the fact that the current energy situation requires urgent response but also in view of the enactment of the new Law on Local Governance which gives local authorities for the first time full administrative, service, investment and regulatory competencies on infrastructure, public and socio-cultural services and local economic development. With the decentralization, the local authorities are going to become key players in energy and environment matters, particularly in energy efficiency issues. As a part of the ongoing decentralization process, Albanian Municipalities has obtained the responsibility and budgetary obligations for:

1. Operation and maintenance (incl. energy) for

administrative buildings, schools, kindergartens, etc.

2. Street lighting.
3. Water supply.
4. Waste and garbage.

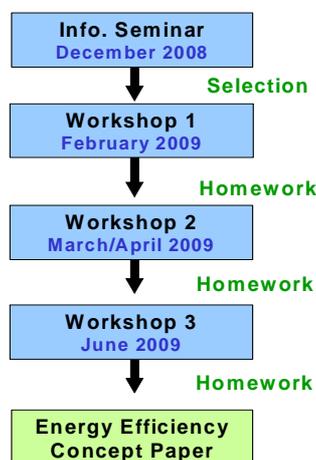
The existing municipal and public buildings do not fulfil the Albanian Energy Building Code conditions, they have walls with a high coefficient of thermal losses and bad insulated windows & doors, and consequently they result with great energy/heat losses. With future increase of the energy tariffs, the focus on energy efficiency will increase, and more capacities and skills will be needed to ensure a sustainable development at the municipal level.

The Norwegian Government is supporting an Energy Efficiency Capacity Building Programme in Albania, and one component of this programme is dedicated to support awareness raising and capacity building in the Albanian Municipal Sector. The Municipal Energy Efficiency Planning (MEEP) Program, implemented by Energy Saving International AS (ENSI) in collaboration with the Albania-EU Energy Efficiency Centre (EEC), introduces principles of municipal energy efficiency planning and capacity building to municipal staff members. It is comprised of three Training Sessions (workshops) and of intensive homework assignments for the participants after each session. The MEEP Program will conclude after the third Training Session. It is anticipated that participants will benefit from technical support in between the sessions and also with a follow up effort. Under such circumstances, feeling the responsibility of the role to play, the Albania-EU Energy Efficiency Centre (EEC) in collaboration with Energy Saving International AS (ENSI) and financially supported by the Norwegian Ministry of Foreign Affairs, in the framework of the project "Energy Efficiency Planning in Albanian Municipalities", intends to carry out a set of activities to support the solution of the above-mentioned issues.

## 2. Project Description

The MEEP Program will aim to increase the awareness about energy efficiency possibilities in the municipal sector, as well as to increase the knowledge and skills on how to prepare Municipal Energy Efficiency Plans. The MEEP Program will include the following main activities:

- Information Seminar. Results from the first year of ENSI activities in Albania, energy efficiency experience from other countries in the region and presentation of the upcoming programme for Albanian municipalities. Interested municipalities will be invited to submit some key figures about their municipality after the seminar.
- Selection of 6-8 municipalities. 2-3 representatives from each municipality will participate at three Trainings.
- Organising of three Training Sessions (1,5-2 days each) for the participating municipalities, presenting the following main topics:



- Opportunities and barriers for energy efficiency (EE) in Albanian municipalities (incl. legal framework);
- EE measures in buildings, street lighting, water utilities, etc.;
- Utilisation of renewable energy sources;
- Operation, maintenance and management of municipal facilities;
- Project financing and business planning;
- Municipal energy efficiency planning.

## 3. Activities under the Project

As homework between the Training Sessions, the participants will collect information about the existing situation in their municipality and prepare an Energy Efficiency Concept Paper (to be presented for the City Council, and be the basis for the next step; preparing a Municipal Energy Efficiency Plan). The participants will receive manuals and tools tailored for working with energy efficiency in the municipal sector. The Norwegian experts will provide guidance and support during the homework periods, aimed at ensuring good progress and concrete results. The Albania-EU Energy Efficiency Centre (EEC) will provide technical support to the 7 municipalities selected to participate in the MEEP Program. Technical support between the Training Sessions will be focused to support the participants of the MEEP Program during the process, mainly by assisting with their homework assignments.

*1. First Home Assignment Assistance* - After the Training Session 1, participants will be required to collect technical data on their municipal buildings, including (as applicable) water supply system and street lighting, to extract information relevant to energy consumption from the municipal accounting and to review relevant municipal policies and procedures.

*2. Second Home Assignment Assistance* - After the Training Session 2, participants will be assigned homework to prepare a draft Concept Paper which will provide sufficient information to support a request for introducing municipal energy efficiency planning to their respective municipality and form the basis for continuing energy efficiency improvement process.

EEC will provide also its technical support as follows:

*1. Concept Paper* - After the Training Session 3, participants from all cities will have an assignment to improve and finalize the Concept Paper and present it to the municipal council for their consideration and for decision to continue the MEEP Program. The EEC will assist participants with reviewing and finalizing the Concept Paper and with the presentation of the Concept Paper to the respective municipal council.

*2. Pilot Energy Survey & Audits* - In order to quantify energy saving potential and to demonstrate the energy survey & audit process, two pilot energy surveys & audits will be implemented in two cities selected in coordination with Local Governance Program in Albania (LGPA) for 2 buildings. The EEC will implement the energy audits according to the methodology for which training and tools were provided by ENSI. This process will entail identification of the actual energy conservation potential, optional cost-effective energy conservation measures and will propose an action plan for implementation of selected measures.

## 4. Final Remarks

The project has started in September 2008 and it is expected

to be implemented within June 2009. This project can be considered as an important step in introducing to the Albanian municipalities the issues such as efficient management of energy resources, thermal insulation of existing buildings stock and consequently bring steady improvements in the long term. Three Training Sessions will be organized by ENSI and EEC, each in a different municipality. The Training Sessions will support awareness raising and capacity building on energy efficiency issues for the Albanian municipalities included in Energy Efficiency Capacity Building Programme. In addition to this training program, EEC will also assist the 4 mentioned municipalities to benefit from technical support in between the training sessions and also with a follow up effort to prepare for each municipality a Concept Paper on establishment of a Municipal Energy Efficiency Plan as well as and conduct two Energy Survey & Audit in two municipal buildings. The 4 mentioned municipalities will complete their Municipal Energy Efficiency Plan and continue the work for its implementation. In accordance with the self-governance law for municipalities, and related obligations, the Energy Efficiency Planning can also help Albanian municipalities to reduce their expenses for energy, water, space heating and cooling in municipality buildings, and to allocate the money saved for other necessities. Also it could become a way how to cope with energy poverty and to improve the social welfare on the municipal level. The successful implementation of this project is very crucial to the further development of municipal energy efficiency networks and improvement of energy supply situation in Albania.



**Dr. Eng. Edmond M. HIDO**  
**Director**  
**Energy Efficiency Centre**

## **WORKSHOP ON EFFICIENT AND SUSTAINABLE ENERGY USE IN INDUSTRIAL AND SERVICE SECTORS OF ALBANIA**

### **1. Background**

The BAS Programme supports economic transition, by both achieving enterprise change in potentially viable micro, small and medium enterprises (the “MSMEs”) and developing sustainable infrastructures of business advisory services in the EBRD countries of operation. The Albanian BAS Programme was launched in June 2006 with funding from the Government of the Netherlands. The Programme has since then initiated 97 advisory projects with Albanian MSMEs, ranging from marketing and investment studies to implementation of international quality standards. In these projects 55 local consultants were engaged. Albanian enterprises need substantial improvement to undertake the rehabilitation process of existing industrial capacities and start a new development and investment cycle. A creative approach to the rehabilitation process including new and innovative energy technologies will bring additional environmental benefits and impact directly on their

ability to compete on the European market. Energy efficiency improvement will reduce production costs and consequently make a tangible contribution towards a wide range of environmental goals and related environmental effects (Kyoto Protocol). BAS experience in supporting MSME’s in Albania has shown that local enterprises do not have a good understanding of their energy consumption. This lack of knowledge leads to inefficient use of thermal energy and is seen as the largest contributor to air pollution. This has become an important aspect of the energy management at enterprises level.

The availability of energy supplies in Albania is one of the key limitations on economic growth. Although a high proportion of electrical energy comes from clean hydro-power, the inefficient use of thermal energy by industries and large institutions is seen to be one of the largest contributors to air pollution. Reduction of energy consumption and sustainable energy use in industrial and service sectors of Albania through the improvements of energy efficiency is one of the priorities of Albania included in its National Strategy of Energy. This priority is clearly included also in the following documents:

- “National Strategy of Energy” - approved by Albanian Government, June 26, 2003.
- “Action Plan for the Implementation of National Strategy of Energy for the Period 2003 - 2005” - approved by Albanian Government, September 19, 2003.
- “Energy Efficiency Law” - approved by Albanian Parliament, April 2005.

On the demand-side, the National Strategy of Energy includes a number of measures. Energy efficiency and sustainable energy use in industrial and service sectors is considered as one of the important measures. With increasing energy prices and especially electricity prices, this measure will become more viable economically. As interest for energy efficiency improvements on the part of companies is increasing, there is a clear need to develop the capacities of business managers in this area. Under such circumstances, feeling the responsibility of the role to play, the Albania-EU Energy Efficiency Centre (EEC) in collaboration with the Albanian BAS Programme and financially supported by the European Bank for Reconstruction and Development (EBRD), has provided its services in organising a Workshop for Albanian business managers on the introduction, methodology and management of efficient use of energy in Industrial and Service Sectors of Albania.

### **2. Project Description**

Albania is undergoing a wide ranging rehabilitation process of existing industrial capacities and has to start a new development and investment cycle. The implications of these issues are far beyond the sole implementation of technical solutions and security of energy supply. A creative approach to the rehabilitation process including new and innovative energy technologies will bring additional environmental benefits and impact directly on country’s ability to compete on the European market. Energy efficiency improvement will reduce production costs and at the same time consequently makes a tangible contribution towards a wide range of environmental goals and related environmental effects. The overall objective of the Workshop is to improve the level of energy efficiency in Albanian Industrial and Service Sectors and to reduce green house

gases emissions (as well as gases with effect on local pollution) from these sectors in order to meet Kyoto Protocol targets. The target group is the owners, administrators, and energy managers of enterprises and companies operating in Albanian various sectors such as industry, service, hotels, large public and office buildings, etc.

Another purpose of the Workshop is to improve energy efficiency in Albanian Industrial and Service Sectors by removing the barriers to implementation of well-known solutions. The direct beneficiaries are the energy-using industries, services as well as institutions such as hospitals, public buildings and hotels. They will receive assistance to produce realistic plans to reduce their energy costs using known technology and management techniques. This will enable them to make better use of their budgets or become more competitive. In many cases, this will make a significant contribution to the chances of survival of the enterprise concerned. The problems that Albanian industry experiences in adjusting to the free market have had a major impact on its ability to offer secure employment opportunities. Because of the high ratio of energy to labour costs an improvement in energy efficiency can secure a significant number of jobs. The population as a whole and urban population in particular can benefit from the reduced air pollution that will follow from an improvement in energy efficiency. If a market for energy efficient equipment can be established, then the importers of technical equipment can benefit from increased turnover. Albanian traders have been quick to see the opportunities available from products such as solar panels and reversible heat pump technology.

### 3. Activities under the Project

The Workshop has been held on 12 February 2009, supported by Albanian BAS Program and Albanian Business and Investment Agency. The EEC has prepared the Workshop materials, which have been distributed to about 20 Workshop attendants. The Workshop materials have included all the topics covered in the Workshop agenda. The Workshop has been conducted in one day and was divided in two sessions, morning and afternoon session. The Workshop has contributed to:

- Increase the level of awareness on the importance of the energy efficiency among Albanian enterprises working in the industrial and service sectors.
- Enable the enterprises to become familiar with the requirement of the “Energy Efficiency Law” on Energy Surveys and Audits of energy consumption at big energy consumers.
- Make possible that the participant from different enterprises receive a general background & information about the importance of energy efficiency as well as become familiar with experience from other enterprises that have benefited from better energy management.
- Provide knowledge and assistance to the enterprises about the techniques in order to reduce their energy costs by using known technology and management techniques.
- Provide two concrete examples of Energy Survey and Audit carried out by EEC at two industrial enterprises in order to identify energy waste and recommend actions to reduce the energy consumption and costs.
- Enable the enterprises to make better use of their budgets or become more competitive in the market. In many cases, this will make a significant contribution to the chances of their sur-

vival.

The Workshop attendants have expressed their appreciation for the timely initiative of BAS Programme and the EEC in organizing such workshop. For most of them, this has been the first time receiving the information about the importance of energy efficiency as well as the knowledge about the techniques in order to reduce their energy costs. Some comments and feedback from the Workshop attendants are:

- It is the first time that they had any training related to energy efficiency, energy management and, energy surveys and audits. They highly appreciated the Workshop materials and the presentations that the EEC had done, as well as the financial support of the BAS Programme for such trainings.
- The topics of greater interest were those related to benefits from energy efficiency, energy surveys and audits of energy consumption, as well as renewable energy sources utilization.
- It was requested technical support from the EEC, especially for the measuring equipments owned by the EEC.
- It was evidenced the need for specialised equipment (as those EEC owns and other specific equipment) for different measurements and monitoring activities.
- It was evidenced the need for energy efficiency projects, business plans for energy efficiency projects and furthermore the help of the EEC and the BAS Programme was requested.
- Indirectly, it was requested technical assistance for fulfilling the requirements of the Energy Efficiency Law on Energy Surveys and Audits of energy consumption at big energy consumers.
- It was evidenced the need for soft loans on carrying out Energy Surveys and Audits as well as for implementing their recommendations for reducing the energy consumption and energy costs.

### 4. Final Remarks

The EEC has prepared the Workshop materials, which have been distributed to about 15-20 Workshop attendants. The Workshop materials have included all the topics covered in the Workshop agenda. A promotional leaflet has also been produced by the EEC in close collaboration with BAS Programme. This leaflet has included all the outcomes of the workshop, opinions and feedback from the participants and has been used as a promotional tool to be distributed to a wide range of stakeholders. The EEC will work with the BAS Program to disseminate the results and promote this Workshop through its usual channels such as newsletter, direct mail and e-mails. This Workshop can be considered as an important step in introducing to the Albanian Industrial and Service Sectors the issues such as efficient management of energy resources, thermal insulation of buildings and consequently brings steady improvements in the long term.



**Eng. Aleksander SHALSI**  
**Vice Director**  
**Energy Efficiency Centre**