

**FIRST GROUP OF CERTIFIED ENERGY
EFFICIENCY MUNICIPAL SPECIALISTS**



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NEWSLETTER

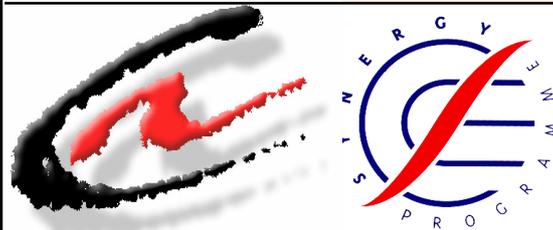
published by the

**“Albania-EU Energy Efficiency
Centre” (EEC)**

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THE ENERGY IN ALBANIA



**THE ENERGY
IN ALBANIA
(NEWSLETTER)**

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**PUBLISHED BY THE
“ALBANIA-EU ENERGY EFFICIENCY
CENTRE” (EEC)**

ISSUE NO 51 • DECEMBER 2010

**PROCREDIT BANK, THE FIRST
BANK IN THE MARKET, TO INVEST
IN AND SUPPORT ENERGY
EFFICIENCY LOAN**

ProCredit Bank, the first bank in the market, to invest in and support new energy saving technologies which also emit less CO₂.

1. Why does ProCredit Bank Support Efficiency Investments in Energy Saving?

ProCredit Bank is a development-oriented full-service bank focused on responsible banking operations. ProCredit Bank wants to make a difference to the target groups it serves, in the quality of the financial services it provides, as well as in the area of ethical business practices. As one part of its ethical lending philosophy, the ProCredit group has set standards regarding the impact of its lending operations on the environment. For us, energy sustainability means acting responsibly now to protect future generations, both economically and environmentally.

2. Which are ProCredit Bank's Goals Regarding Energy Efficiency Loan?

- Give all households and businesses the opportunity to invest in new technologies, to save energy and also to decrease CO₂ emissions. All clients can apply for an Energy Efficiency Loan as long as they meet the requirements for any other loan application from ProCredit Bank.
- Lower energy and electricity costs by making the use of appliances more effective.
- Help businesses reduce their operational and maintenance costs.
- Help individuals to improve their living stan-

dards, helping to make life's basic needs more accessible and affordable.

- Promote the use of renewable sources of energy.
- Increase awareness of environmental issues and wiser use of energy.

3. How is ProCredit Bank's Approach of Energy Efficiency Loans?

Taking energy efficiency measures and making energy efficient investments are 'win-win' situations because they reduce both the energy costs for consumers and businesses as well as emit less CO₂ which harm the environment. However, it seems that some people are not yet convinced of the cost benefits of making such an investment. For this reason ProCredit Bank is the first and only bank in the market to finance new technologies through:

- By calculating the energy savings achieved from the energy investment that each client is interested in.
- By helping customers contact suppliers of energy efficiency products.

Example of energy savings made by investing in solar water heating systems and thermal insulation in a hotel.

- The annual energy demands of one non-insulated hotel, with 70 rooms and 650 m², for heating/cooling and for hot water are approximately 105,520 kWh/year.
- The Investment in solar water heating (SWH) system and thermal insulation is about ALL 4,500,000.
- The annual energy demands for this hotel will be approximately 46,856 kWh/year after installing the SWH systems and thermal insulation of the exterior walls.
- Therefore, this investment will reduce energy consumption by approximately 58,664 kWh/year. This results in a cost saving of about ALL 586,640 or 56 %.

Loan amount [ALL]	Loan maturity [Years]	Installment [ALL]	Annual interest rate [ALL]	Annual savings of electricity [ALL]	Total savings [%]	Annual Profit from investment [ALL]
4,500,000	5	107,000	390,640	586,640	56	196,000

4. What is included in Energy Efficiency Loans?

ProCredit Bank finances both households and businesses looking to invest in new technologies:

- New businesses equipment and appliances.
- Thermal wall and roof insulation of homes and business premises.
- Installing double-glazing windows.
- Installing SWH system.
- Installing new energy saving appliances, especially space heating and air conditioning appliances.
- Installing new lighting systems and installing an efficient water heater.
- New vehicles, e.g. cars, buses which emit less CO₂.
- Use of solar energy, wind energy and other renewable energies such as hydropower's etc.

5. How does ProCredit Bank Encourage Energy Efficiency?

ProCredit Bank offers interest rates on Energy Efficiency Loans at 1 % lower than those on standard business or home improvement loans. Use Energy Efficiency Loans to save your energy and electricity costs as well as increase your monthly savings!

For further information on how to apply for an Energy Efficiency Loan, please see our website www.procreditbank.com.al, contact one of ProCredit Bank's branches, or call 04 22 40 777.



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THE NEED FOR REVISION OF THE EXISTING ALBANIAN ENERGY EFFICIENCY LAW IN VIEW OF NEW EU DIRECTIVES RELATED TO ENERGY EFFICIENCY

1. Existing Albania Energy Efficiency Related Legislation

The existing Energy Efficiency Law, which adopted in 2005 (Law No.9379, date 28.04.2005) was a first effort to improve the energy efficiency policy in the country. The purpose of this law was to create the legal framework required for the elaboration and en-forcement of a national policy for the efficient use of energy and reduction of energy losses in whole energy cycle. The law establishes that policies for the efficient use of energy shall be an integral part of the overall national energy policy. It also required from the former National Agency of Energy to develop and submit to the Council of Ministers for approval a National Energy Efficiency Program. The law also contains specific provisions regarding the energy audits for certain categories of consumers, energy labeling for household electrical appliances, etc. Despite the fact that the law required a number of secondary legislation to be adopted for its enforcement, no such secondary legislation was developed and adopted. Besides the Energy Efficiency Law, the Albanian Parliament had adopted previously the Law No.8937, dated 12.09.2002 "On Heat Conservation in Buildings". The aim of this law is to establish the necessary legal basis for setting up the rules and making mandatory actions for conservation of heat in all buildings, including public and private ones. Based on this law, in January 2003, the Council of Ministers approved the Energy Building Code establishing the minimum technical norms of heat conservation in buildings mandatory for all new constructions of whatever functions. Both acts aimed on improving the energy performance of the new buildings. From the enactment of both laws up to date, while a number of energy efficiency measures have been implemented by the Albanian energy institutions, it should be recognized that very little has been done regarding full enforcement of the above-mentioned laws, which encountered a number of objective and subjective obstacles. There are a number of reasons that make necessary full revision of the existing energy efficiency related legislation by the Albanian energy institutions. A stronger and more elaborated legal framework for implementation of the energy efficiency measures in our country would represent the first reason. On the other hand, the Albania's commitment under the EC SEE Treaty and the EU accession process, require from the Albanian Government to

comply with the requirements of the new energy efficiency related EU Directives as described below.

2. Energy Efficiency Related EU Directives

In fact, with the adoption in April 2009 of the so called 20-20-20 EU Climate - Energy Package, the energy efficiency targets, firstly the 20 % abatement of primary energy consumption in the EU by 2020, and legislative measures, became fundamental tools of the EU Climate Change Law and Policy as much as the ones related to the promotion of Renewable Energies and of the EU Emission Trading Scheme. The adoption of the EU sectoral legislation on energy efficiency has been preceded, among the others, by an important guideline document, namely Commission Communication (2006) 545 Action Plan for Energy Efficiency: Realising the Potential, whose findings have been further developed by Commission Communication (2008) 772 Energy Efficiency: Delivering the 20 % Target. Below is provided a summary of the new EU Directives related to the energy efficiency that the possible new Albanian legislation needs to take in consideration.

- EC Directive 2006/32 on Energy End Use Efficiency and Energy Services - EC Directive 2006/32, repealing EC Directive 93/76, is regarded as the framework legislation on energy end use efficiency and energy services since it lays down the founding provisions for improving energy efficiency in the EU at the same time contributing to enhanced security of energy supply and mitigation of CO₂ emissions. The purpose of this Directive is to strengthen and improve energy end use efficiency in a cost-effective way by: a) providing the legislative, institutional and financial framework as well as the mechanisms and incentives necessary to do so; and b) establishing the conditions for providing final customers with energy efficiency improvement measures (i.e.: an increase in energy end use efficiency as a result of technological, behavioural and/or economic changes).

- EC Directive 2009/125 establishing a Framework for the Setting of Ecodesign Requirements for Energy-related Products - EC Directive 2009/125 repeals EC Directive 2005/32 already establishing the framework for setting the ecodesign requirements for energy-using products, recasting it and extending its scope to energy-related products. It aims at setting Community wide requirements and standards for ecodesign of certain products in order to contribute to energy savings.

- EC Directive 2010/30 on the Indication by Labeling and Standard Product Information of the Consumption of Energy and other Resources by Energy-related Products - EC Directive 2010/30, together with EC Directive 2010/31 on the energy performance of buildings, is part of the so called EU Energy Package, a set of legislative measures adopted by the EU in 2010 with the purpose of strengthening and recasting the former legislative framework on energy efficiency so to boosting energy security of supply, energy savings and sustainable use of natural resources. From 21 July 2011, it will repeal EC Directive 92/75 by broadening its scope, currently limited to households appliances, on the basis of the same reasoning of EC Directive 2009/125 on the ecodesign requirements, namely the fact that not only households appliances by also energy-related products show a high energy saving and natural resources potential.

- EC Directive 2010/31 on the Energy Performance of Buildings - EC Directive 2010/31, repealing EC Directive 2002/91 with effect from 1 February 2012, establishes the legislative framework for improving the energy performance of buildings. Taking into account the relevant energy consumption of buildings, this Directive aims at realizing their energy savings potential with the overall purpose, being part of the EU Energy Efficiency Package, to achieve the EU Energy Efficiency, Climate Change and Renewable Energy targets.

3. Conclusions

The energy efficiency continues to remain a challenging problem for the Albania taken into account the relatively high energy intensity of the country compared to other countries in the region and beyond. Therefore, much more vigorous actions are needed to be taken by the Albanian Government in this respect, which should be preceded by a strong and comprehensive energy efficiency legislation. The EU accession process, already started by Albania, requires our country to comply with the new EU Directives adopted during the last five years on energy efficiency. Therefore a full revision of the existing Energy efficiency Law and its integration with the existing Heat Conservation Law is necessary. The new law should be followed up by adoption of the secondary legislation implementing the principles and measures endorsed by the framework Energy Efficiency Law.



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MUNICIPAL ENERGY EFFICIENCY PLANNING IN ALBANIA - STAGE 3

1. Background

In Albania, energy efficiency issues are currently incorporated in a number of strategies and action plans that outline the policy measures as well as practical actions to be undertaken in a time span 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 the energy efficiency issues. As a part of the ongoing decentralization process, Albanian Municipalities are transferred the responsibility and budgetary obligations for: 1. Operation

and maintenance (incl. energy) for administrative buildings, schools, kindergartens and hospitals; 2. Street lighting; 3. Water supply; and 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 year 2010 is the fourth year that 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 Norwegian Ministry of Foreign Affairs has commissioned ENSI - Energy Saving International to implement the programme on "Municipal Energy Efficiency Planning in Albania". Stage 1 and Stage 2 have been completed and funding has been provided for implementation of Stage 3 - continuation of Municipal Energy Efficiency Planning (MEEP) in Albania. The MEEP program implemented by ENSI is composed by two elements - Introduction of principles of municipal energy efficiency planning and capacity building to municipal staff members, and continuing support to the previously trained municipalities in implementation of the developed Municipal Energy Efficiency Plan. 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 "Municipal Energy Efficiency Planning in Albania - Stage 3", intends to carry out a set of activities to support the solution of the above-mentioned issues.

2. Project Description

The Municipal Energy Efficiency Planning (MEEP) Program, implemented by ENSI in collaboration with EEC is designed to be implemented in three Stages. The MEEP Program is aiming 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 Stage 1 and Stage 2 of MEEP Program have introduced the principles of municipal energy efficiency planning and capacity building to municipal staff members. Each of the stages has been comprised of three Training Sessions (workshops) and of intensive homework assignments for the participants after each session. The Stage 1 and Stage 2 of MEEP Program have concluded after, respectively, the third and sixth Training Session. The participants have benefited from technical support in between the sessions and also with a follow up effort.

The main Outcomes from Stage 1 are:

- Consultants and Municipal Specialists have been trained;
- Energy Efficiency Teams have been established and started their work;
- Building Database has been established;

- Financial Sources have been identified;
- Barriers have been identified;
- MEEP Concept Paper for 5 municipalities has been prepared and Municipality Administration has approved them.

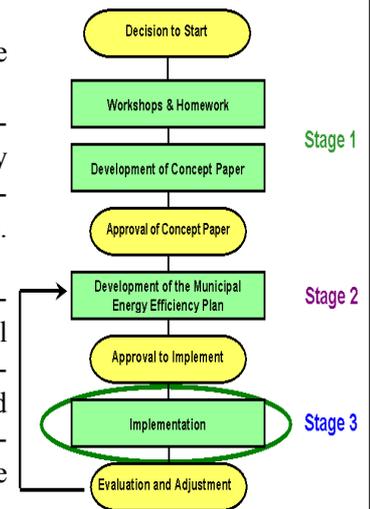
The main Outcomes from Stage 2 are:

- Consultants and Municipal Specialists have been further trained;
- Proposals for removing identified barriers have been developed;
- Energy Audits for projects have been developed;
- Building Database has been completed;
- Financial Schemes have been described;
- Routines for Operation and Maintenance have been introduced;
- Municipal Energy Efficiency Plan has been approved for implementation.

3. Activities under the Project

The Stage 3 of MEEP Program, for the former three municipalities, will include the following main activities:

- Organising of two Plenary Training Sessions (1-2 days each) for the 3 participating municipalities.
- Organising of three Training Sessions (1 day each) as technical assistance and/or consultancy sessions for each municipality separately.
- Preparing and translating the updated MEEP Manual.
- Assistance with securing financing for 5 Energy Efficiency Pilot Projects, searching for external financing sources (i.e. KfW, etc.).
- Initiating and arranging meetings with relevant International Organisations and Financial Institutions in Tirana that could provide support or financing related to energy efficiency in the Municipal Sector.



- Identifying schemes and the requirement for different schemes. Initiate and participate at meetings with relevant organisations.

- Developing an Energy Audit in three different municipalities. EEC will develop the energy audits according to the methodology for which training and tools were provided by ENSI.

- Distribution of materials and dissemination of information through the Albanian Association of Municipalities (AAM). The EEC will regularly contribute to AAM newsletter/web pages by informing about the progress and results of the MEEP Program in Albania.

- Supporting the Municipal Specialists to ensure efficient organisation and start up of MEEP implementation, providing on-site and on-call guidance and support to the three pilot municipalities with MEEPs developed in the Stage 2 of the MEEP Program.

(.....continued on next issue.....)

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