

EUBUILD PROJECT TEAM MEMBERS



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NEWSLETTER

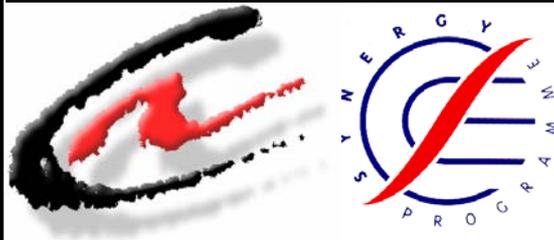
published by the

“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)

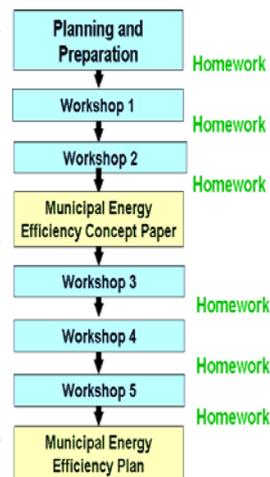
ISSUE NO 52 • MARCH 2011

MUNICIPAL ENERGY EFFICIENCY PLANNING IN ALBANIA - STAGE 3

(.....Continued from previous issue.....)

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

- Selection of 5-8 new municipalities. A team of 2-4 municipal specialists from each municipality (covering managerial, technical and economic responsibilities) will be established.
- Organising of five 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.
- Supporting the Municipal Specialists in preparing a MEEP Concept Paper for their respective municipality.
- Supporting the Municipal Specialists in preparing MEEP as well as in presenting the MEEP to their City Councils.



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 6 new municipalities selected to participate in the Stage 3 of MEEP Program. Technical support between the Training Sessions will be focused to support the participants of the Stage 3 of MEEP Program during the process, mainly by assisting with their homework assignments as well as to prepare a Municipal Energy Efficiency Plan (to be presented for the City Council).

4. Final Remarks

The project has started in November 2010 and it is expected to be implemented within March 2012. 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.

A new set of two Training Sessions will be organized by ENSI and EEC, in Tirana, for the former 3 Albanian municipalities included in the Energy Efficiency Capacity Building Programme. Three more technical assistance and/or consultancy sessions will be organized by ENSI and EEC, in each municipality separately. The Training Sessions will further support awareness raising and capacity building on energy efficiency issues for the specialists of these municipalities.

A second set of five Training Sessions will be organized by ENSI and EEC, each in a different municipality, for the newly selected 6 Albanian municipalities included in this Energy Efficiency Capacity Building Programme. The Training Sessions will start to support awareness raising and capacity building on energy efficiency issues for the specialists of these municipalities.

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 as well as for 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.



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

EUBUILD ENERGY EFFICIENCY PROJECT



1. Background

Construction is the largest sector in terms of employment and the construction products industry is also a very important sector within EU. Around 40 % of total energy demand in the EU is consumed in the buildings sector. Within this context, it is needed to promote the improvement of energy performance of buildings within the EU through cost-effective measures. Convergence of building standards towards those of EU members and acceding countries and adoption both EU acquis and EU standards to achieve quality become crucial in the construction sector. With cost-effective improvement measures nearly 10 % of total EU energy demand can be saved. Governments have a role in triggering creative energy efficiency financing and should focus on policies which facilitate private sector involvement and create an energy efficiency financing (EEF) market for a sustainable change. Market needs in financing energy efficiency are not realized because of the split incentives, absence of clear responsibility, low priority of energy issues, high transaction costs, information failure in finance sector and incomplete markets for energy efficiency.

New energy efficiency policies such as public-private partnerships, preferential loans, voluntary partnerships and risk-sharing instruments can help overcome these barriers and trigger increased investments. Local and regional governments have essential roles in energy policy and key competences to contribute to energy efficiency. Although governments should make the necessary arrangements to adopt EU directives and applications, it is still quite difficult to apply same energy efficiency regulations in every country. Different geographical regions and local building regulations in Europe make difficult adopting the same applications in different countries. It is crucial to create collaborations between civil society organisations, universities, research institutions, public and private sectors to make better EEF in European countries.

Project partner countries (Albania, Belgium, Bosnia-Herzegovina, Macedonia, Montenegro, Serbia and Turkey) have different applications and legal requirements in EEF. There are many financial barriers as well as the lack of legal arrangements. Financial barriers which encapsulate initial cost barrier, risk exposure, the debates on appropriate discount factors, the nature of the financier, and controversial evaluation methods, is another important obstacle to increased energy efficient homes. These different barriers mean that when the market is left alone, there is too little investment in energy efficient refurbishments. Traditional financing mechanisms follow strict standards: reproducibility obligations and quick rates of return among them. Furthermore, a fear of hidden costs has discouraged investors from funding in energy efficiency.

Although governments try to implement fiscal incentives, launch awareness campaigns, and subsidy programmes, private actors, such as banks, haven't play their roles properly by offering preferential loans and other financial incentives to their customers. The European Energy Policy targets are 20 %

reduction of greenhouse gases by 2020; 20 % savings in primary energy consumption through energy efficiency measures by 2020 and 20 % share of renewable energy in final energy consumption by 2020. In order to reach these targets by 2020, it is quite important to share best practices of legal and financial applications in different European countries and create a common model in EEF. It is necessary to use efficient financial incentives and create a sustainability plan to reduce greenhouse emissions and promote resource efficiency and alternative energy installations. Public private partnerships must create incentive programs that promote the use of water conservation, sustainable construction materials, and energy efficiency in new and remodelled residential and commercial buildings. Innovative financial instruments such as low interest 10-year term loans to install energy efficient applications in buildings should be supported in order to prevent environmental problems and global warming.

2. Project Description, Overall Objective and Expected Results

The project EUbuild Energy Efficiency is the acronym of the Sectoral Collaboration Project with regard to Financing Energy Efficiency in Buildings within the frame of EU Regulations and Legal Arrangements.

General objective of this project is to contribute to the development of the financial instruments and mechanisms in order to build up the market for energy efficient products and methods in the partner countries. This project will lead to full familiarization of the building material business representative organizations, finance sector and governmental bodies with the energy efficient applications. The project activities will help both finance and building materials industries, in project partner countries, to improve their capacities on financing energy efficient applications and generate sustainable construction methods in buildings. The project will be implemented within 24 months. The main estimated results are:

- Creating further synergy both among the public authorities, the private sector, and the European partners in the project partner countries.
- Exchanging information, expertise and experiences among the project partners through conferences and intercountry study visits.
- Designing an interactive web-page in English through which stakeholders will have access to information and procedures regarding energy efficient financing.
- Promoting a European network of building material and banking sectors in cooperation with the partner organizations in order to generate new models in energy efficient financing.
- Developing a platform which members of the institutions in the project partner countries will share their expertise and experiences.
- Informing representatives of both governmental and private sector bodies about energy efficient applications in construction and finance sectors.
- Organizing public awareness activities in partner countries which in turn will motivate the finance and building materials sectors to produce such instruments.

3. Activities under the Project

The project EUbuild Energy Efficiency has started its work to

perform the following main activities:

Activity No. 1 - Project Preparation Activities: A project team has been set in the partner countries. These teams will make necessary arrangements for the conferences and study visits, calendars and locations and develop conference and study visit materials, determining the details of publicity meetings.

Activity No. 2 - Network among Albanian, Serbian, Montenegrin, Macedonian, Bosnian, Belgian and Turkish

Partner Organizations: In order to share information about EEF in construction sector, a network will be established between the project partner countries through conferences, study visits and website. First international conference will be held in Istanbul, Turkey to announce the start of this project and to introduce it to all key players and media. There will be keynote speakers, who are prestigious in the construction and finance sectors. Second international conference will be held in Brussels, Belgium within the framework of "Energy Week" activities. The participants will evaluate the lessons learnt, sustainability actions and provide feedback on further funding opportunities. Partners of the project will make intercountry visits (to France and Macedonia) in order to see best practices action plans, legal arrangements in partner countries. These field visits will create strategic collaborations and help to make action plans about energy efficiency in their countries. Roundtable activities (4 for each partner country) will also be organized for professionals from different sectors in partner countries. A web page will be set up in English to share the information gained through the project and a database about the subject will be presented to the world.

Activity No. 3 - A Research about Financing the Energy Efficient Applications and the Preparation of a Guide

Book: A research on energy efficiency regulations and incentives in the project partner countries will be made in compliance with the EU Directives and comparison with the EU countries. Results of the research will be combined in a guide book in Turkish and English.

Activity No. 4 - Communication and Dissemination of Results:

These activities are designed to raise public awareness and facilitate national support for the actions among members of partner organizations and end users, the client of the sectoral firms. Coordination and regular flow of information will also be provided between public institutions, private sector and NGO's about developing financial instruments through project communication tools. A project logo has been designed to increase visibility of the project and contribute to awareness raising on significance of adopting EU acquis in building materials industry. The project brochure will introduce the project to public and private sector members, relevant official authorities and end-users. The project partners, associates will participate regularly in TV or radio talks, and provide interviews to national, international media to strengthen the visibility of the project. All such activities will help to improve EU visibility and project's recognition among end-users.

Activity No. 5 - Evaluation and Monitoring Activities:

In order to assess the impact of the project on the target group, questionnaires and forms will be developed and administered. The project will be monitored regularly at various stages. The web-master will provide regular feedback on the number of entry and update on the web-page by members of partner organizations, and other relevant stakeholders in monthly reports.

Within the activities of the EUbuild Project, on 9 February 2011, the project partners have held the Press Conference and the Kick-off Meeting in Istanbul, Turkey.



The project has 7 partners from different Balkan and European countries which come from various sectors, public and private bodies and NGOs. All activities of this project will be implemented under the leadership of the Association of Turkish Building Material Producers (IMSAD) of Turkey and in close coordination with Albania EU Energy Efficiency Centre (EEC) of Albania, Council of European Producers of Materials for Construction (CEMPC) of Belgium, Chamber of Economy of Sarajevo Canton of Bosnia & Herzegovina, Macedonian Center for Energy Efficiency (MACEF) of Macedonia, Montenegrin Employers Federation of Montenegro and Belgrade Chamber of Commerce of Serbia. In the project, there are also 47 associates that represent a quite large range of related institutions which will contribute to the project activities and its visibility.

4. Final Remarks

The project EUbuild has started in December 2010 and it is expected to be implemented within December 2012. IMSAD as the leading project partner will be responsible for budget management and coordination of day-to-day activities of the project. The (7) partners and (47) quite large number of associates of the project will help to create public awareness about energy efficient applications in Turkey and in Balkan countries. The project will create a network for exchange of expertise and experiences. It has informed its associate members, which have provided support for the project.

This project is considered as an important step in introducing to the Albanian stakeholders, researchers and decision-makers the EU experience in the field of energy efficiency as well as the possibilities and best options for EEF in Balkan countries and Albania. The successful implementation of this project is very crucial to the further creation of an energy efficiency finance market for a sustainable change in Albania. The EEC will promote and advocate the energy efficiency through all the country and consequently bring steady improvements in the long term. The main deliverables and the project findings could be found at the EUbuild web-page that will be created very soon (in April 2011).

Dr. Eng. Edmond M. HIDO
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A PROPOSAL FOR FEED-IN TARIFFS FOR RENEWABLE ENERGY SOURCES IN ALBANIA

1. Introduction

This article contains proposals for a methodology for Feed-in Tariffs (FiTs) for electricity generation from Renewable Energy Sources (RES) in Albania. It reviews the current approach to FiTs in current legislation and compares it to experiences in neighbouring and EU countries. It then suggests levels of FiTs needed to achieve Albania's targets as set out under EU Directive 2009/28/EC as part of a programme to reach the prescribed share of renewable energy in total final energy consumption. Feed-in Tariffs (FiTs) are currently implemented in 63 jurisdictions worldwide, including in 20 of the 27 EU Member States, as the main instrument to support the generation of electricity produced from Renewable Energy Sources (RES-E) and by one country (Italy) only for electricity generation from PV and certain small scale applications. Figure 1 provides an overview of the current RES support regimes in place in the EU.

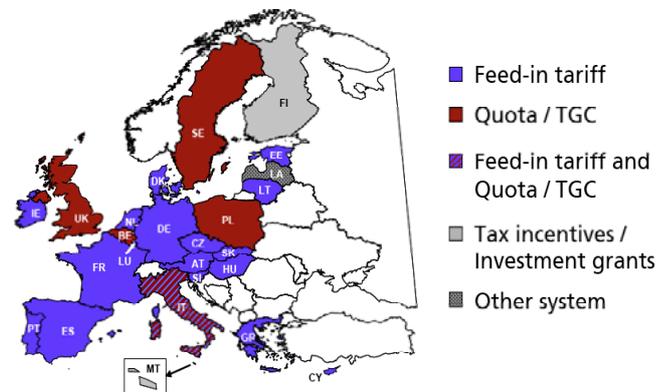


Fig. 1. RES support schemes in Europe (Source: Ragwitz 2009)

The key principle of feed-in tariff policies is to offer guaranteed prices for fixed periods of time for RES-E. These prices are generally offered in a non-discriminatory manner for every kWh of electricity produced. The finer details of European FiT regimes can be very different and are often adjusted to country specific energy market characteristics. Consequently the levels of feed-in tariffs vary across countries. Feed-in tariff for SHPPs is varying from country to country and the minimum one is 2.9 cent/kWh while the maximum is 22 cent/kWh. There are 2 main tariff systems of FiTs based on electricity generation costs.

1. Market independent tariff systems: Market independent is the system of fixed feed-in tariffs, which allows electricity generators to sell RES-E at a fixed tariff for a determined period of time. Fixed feed-in tariffs can be categorised in 3 different dimensions:

- *by project-specific tariff design:* the type of technology and/or fuel used; the size of the installation (total capacity); the quality of the resource at the particular site; and the value of generation to the market or utility, based on the particular project location.
- *by ancillary design elements:* predetermined or responsive tariff degression; annual inflation adjustment; front-end loading (i.e., higher tariffs initially, lower tariffs later on); and time of delivery (coincidence with demand to encourage peak shaving).

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

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