

# EU4Energy

## Governance Project



EU4Energy



Newsletter | Autumn 2019

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The **EU4Energy Initiative** covers all support of the **European Union** (EU) to improve the security, supply and sustainability of energy in Eastern Partner countries Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. It does this by financing projects and programmes that help reform energy markets, reduce national energy dependence and lower consumption. **Over the longer term, this makes energy supply more affordable, reliable and transparent, thus reducing energy poverty and energy bills for both businesses and citizens.**

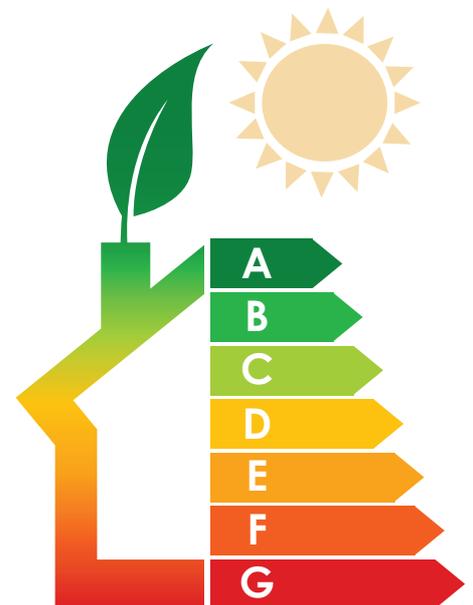


Co-funded by the European Union Solar-powered traffic light on North Avenue, Yerevan, Armenia © European Commission

## Armenia / Energy Efficiency in Buildings

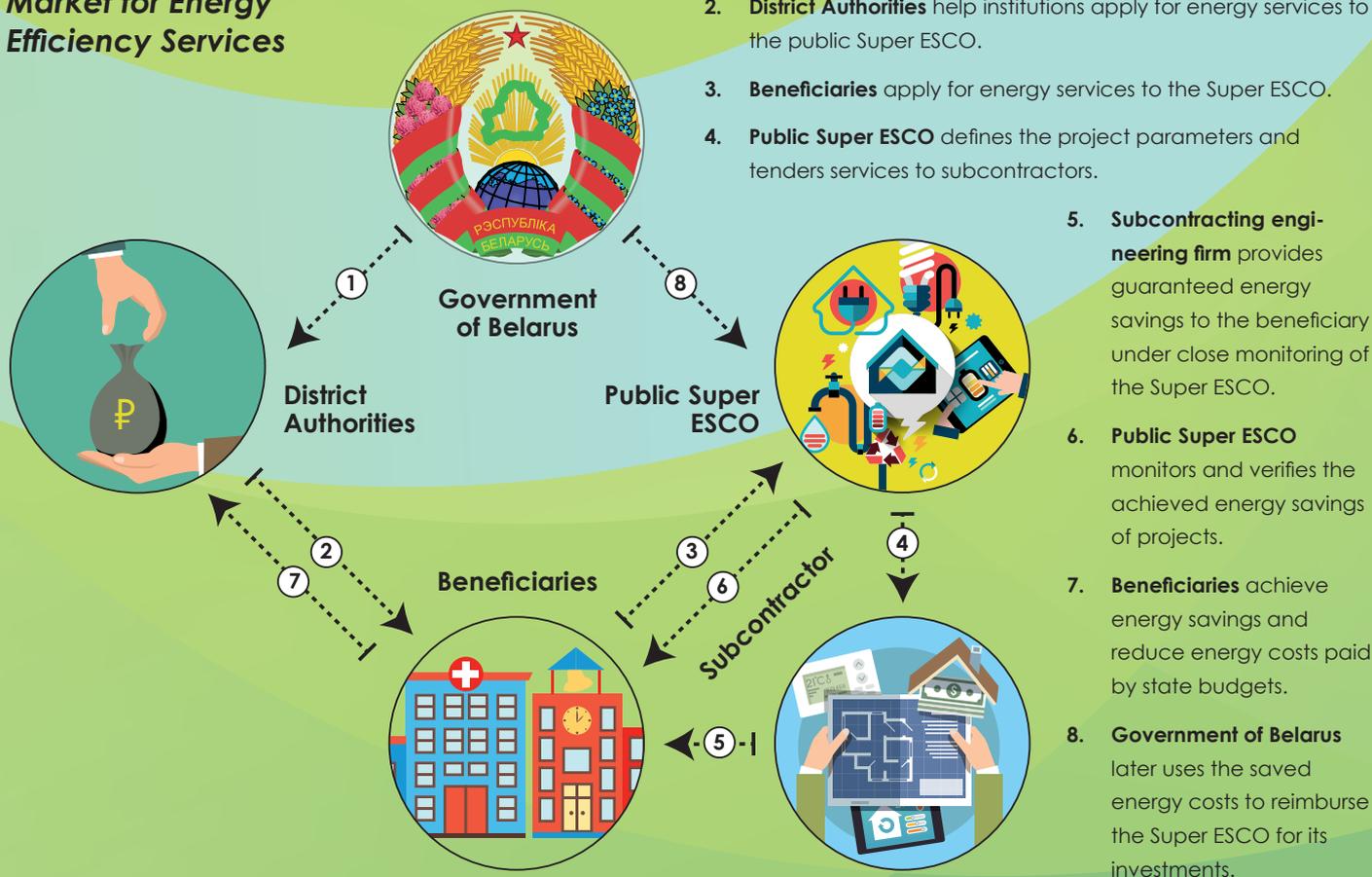
The efficient use of limited energy resources is essential in Armenia. Its benefits include reducing dependency on energy imports, offsetting growing energy demand and providing more affordable, cost-effective as well as environmentally friendly energy solutions. Currently residential buildings represent the largest energy-consuming sector in Armenia. It is also one of the most promising areas for achieving greater energy efficiency. In this regard, EU4Energy previously worked on setting up an effective enforcement and compliance procedure for the recently adopted technical regulations for buildings. Now it is working with the Ministry of Territorial Administration and Infrastructure of Armenia to gradually introduce the concept of “nearly zero energy buildings” (NZEBs) – buildings with very high energy performance and with only a minimal amount of energy required, mostly from renewable energy sources. A long-term road map is being developed aiming to have 100% of all new public buildings in Armenia to be NZEB by mid-century. In addition, EU4Energy is also collaborating with the Ministry to formulate an “eco-labelling”

certification scheme for green buildings. International examples of eco-labelling tools evaluate buildings throughout their life-cycles and distribute points across several ecological parameters (i.e., energy, land use, management, materials, pollution, transport, waste, water). On this basis, EU4Energy is working with Armenian stakeholders to devise tailor-made criteria that correspond to the specific climatic, economic and geographical conditions of Armenia. In the end, such a regulation would contribute to the wider effort of lowering the energy consumption of newly constructed or retro-fitted buildings in Armenia.



# Belarus /

## Market for Energy Efficiency Services



Belarus's long-term goals are the reduction of the energy intensity of its GDP and the development of indigenous energy sources including energy efficiency and renewable energy. As such, EU4Energy has been working with Belarusian stakeholders to facilitate investments in energy efficiency. One approach has been to set up a functioning market for energy services as a cost-effective way to exploit energy savings potential. In a typical scenario, an energy service company (ESCO) and a high energy-consuming client would enter a contractual agreement to install more energy efficient equipment or to retrofit buildings on the client's premises. The investments are financed by the reduced costs achieved through the energy efficiency upgrades. However, in order for such a scheme to be successful in Belarus, certain budgetary and financial adjustments are required. Here EU4Energy is working with the Gosstandart's Department for Energy Efficiency to build the necessary institutional

capacity to foster an energy services market and form model energy performance contracts (EPC). The idea would be to have a large-scale public "Super ESCO" that assumes a central coordinating role in financing, procuring and monitoring energy efficiency services. The initial targets would be the public sector, where most buildings were built before 1996 with low energy performance standards, and the industrial sector, which is the largest energy consumer in the country at 32.4% of TPES. The "Super ESCO" would bring together long-term finance from the state budget and international investors as well as expertise from engineering firms, which can technically guarantee energy savings for public buildings but do not have the financial capacity to do it alone. The positive outcomes would be: smaller energy service companies having access to more affordable finance; public buildings reducing their energy consumption; and state and local budgets reducing their energy expenses.



## Azerbaijan / National Energy Efficiency Action Plan

While Azerbaijan is an energy-rich country with deep oil and gas reserves, the rational use of energy resources can still lead to more sustainable economic development. As the situation currently stands, the country has been facing high energy losses due to power generation, transmission and distribution infrastructure that needs to be rehabilitated. Predictions of growing domestic energy demand are likely to put further pressure on the country's existing infrastructure. For these reasons, making energy more efficient on the supply as well as the demand side is key. In this context, EU4Energy worked with the Government of Azerbaijan to develop a first piece of comprehensive legislation governing energy efficiency in the country. On top of this legal foundation, EU4Energy has also been partnering with the Ministry of Energy of Azerbaijan to develop a National Energy Efficiency Action Plan (NEEAP) consisting of financial, regulatory and informational measures for improving energy efficiency across sectors including – but not limited to – agriculture, energy supply, buildings, industry and transport. An inter-ministerial working group of experts chaired by the Ministry of Energy is outlining specific actions and activities targeting areas with high energy-savings

potential. Overall, this National Energy Efficiency Action Plan will steer efforts across the country towards reducing projected levels of growing energy consumption compared to the 'business as usual' scenario.



EU4Energy Photo Competition 2019 / Rahima Karimova Azerbaijan  
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## September

**Baku** / First meeting of the inter-ministerial working group (IMWG) on the National Energy Efficiency Action Plan

**Minsk** / Roundtable to present gap analysis and recommendations on electricity grid code connection rules

## October

**Yerevan** / First meeting of the task-force for energy efficiency in buildings and capacity-building workshop on NZEB and eco-labelling

**Minsk** / Capacity-building workshop on electricity grid connection rules for renewable energy generators

**Baku** / Second meeting of the IMWG on the National Energy Efficiency Action Plan

## November / December

**Yerevan** / Stakeholder consultation meeting on NZEB Roadmap and eco-labelling regulations  
Second meeting of the task-force for energy efficiency in buildings

**Baku** / Stakeholder consultation meeting on the NEEAP  
Third IMWG

**Yerevan** / High-level roundtable on energy efficiency in buildings  
High-level roundtable on investment

**Minsk** / High-level roundtable on investment

### Activities

(Dec 2018 - June 2019)

**7** country missions

**8** technical reports

**6** events

**120** participants

## Deliverables

**Armenia** / Draft Eco-labelling Regulations for buildings  
Draft Concept and Roadmap for Introducing NZEB Requirements for Buildings

**Azerbaijan** / Draft National Energy Efficiency Action Plan

**Belarus** / Gap Analysis Report, including recommendations for necessary amendments to the electricity grid code connection rules  
Framework Guideline for Setting Appropriate Minimum Standards and Technical Requirements for Renewable Energy Connections to the Grid

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