

**ManagEnergy Reflection Group
Minutes of the 14th Meeting**

January 29th , 2006

Centre Borschette, 1st floor room A, rue Froissart 36, 1040 Brussels

Agenda

- 09:30 Arrival & Registration
- 10:00 Welcome, minutes from the last meeting, agenda
Ralf Goldmann
- 10:15 News from the Commission
R. Bailey, Andre Brisaer
- 11:15 MERG activities at the European Sustainable Energy Week
R.. Bailey
- 11:45 Current status of IEE 2 -CIP
IEEA
- 12.30 Lunch
- 13.30 Action on NMS – final paper presentation
Roman Doubrava
- 14.00 Strategy and Work Plan for the group in 2007
Ralf Goldmann
- 15.30 AOB

1. Welcome, minutes from the last meeting

Ralf Goldmann welcomed all attendees to Brussels for the 14th meeting of the Reflection Group, in his new role as Chair of the Group.

The Minutes of the last meeting (20 October 2006) were approved.

2. News from the Commission

R. Bailey also welcomed participants, and apologised that colleagues from within the Commission would be unable to attend due to their organisation of events for the first EU Sustainable Energy Week (EUSEW). Most EUSEW events were almost fully booked, and he noted that the informal contacts being made were likely to be as valuable as the more formal sessions. The week had been modelled on DG-Environment's highly successful Green Week. Many of the 34 associated events had not been organised by the Commission itself, including EREC's Renewable Energy conference which has attracted ministerial support from the UK and Germany, the latter in its role as EU Council President 1 Jan-30 June.

The Commission's Strategic Energy Review was presented on 10 January; it consists of seven major documents with a broad coverage of energy, including nuclear and clean coal. There is a growing realisation that "something needs to be done" – with security of supply, climate change and the Union's Kyoto commitments in the forefront. The Energy Efficiency Action Plan, adopted just before the last MERG meeting in October 2006, is an integral part of the review; it also includes a renewable "road map" and biofuels communication. Strategic decisions on whether to retain nuclear energy or not remain with Member States, but the review does include the 5th "PINC" (*Programme Indicatif Nucléaire pour la Communauté*).

In summary, the review sets targets of:

- 20% less CO₂
- 20% greater energy efficiency
- 20% more self sufficiency in energy

The Heads of Government, meeting in May, will have the report from the energy ministers and – it is hoped – will agree to take this forward. Most of the Review's proposals carry forward existing legislation (such as the directives on the energy performance of buildings, energy services, eco-design and cogeneration), though the proposals on biofuels may need additional legislative support. For example, in eco-design there are 14 product groups identified and the Commission is working closely with CECED (the manufacturers' body).

Unit D3 of DG-TREN will have responsibility for detailed implementation for energy efficiency, including most or all of the 'Priority Actions' under the Action Plan, the Energy Services Directive (due to be transposed into member States' legislation by mid-2008), and the Energy Performance of Buildings Directive ('EPBD').

Ralf Goldmann thanked R. for the summary and identified that MERG needs to look at how initiatives in support of the strategy can be undertaken at a local or regional level. He noted that in Germany, for example, legislative responsibility for the Energy Performance of Buildings Directive falls between three ministries, and the legal background has been delayed by elections; nonetheless there are 18000 trained auditors. MERG should also ensure that local and regional actors are involved by the Commission in the process for the action plan for energy services. However he noted a potential problem currently as many Energy Agencies are unable to retain or employ staff when competing with energy utilities who can offer better employment terms in a tight market.

Gerry Wardell noted that there is a much increased public awareness about climate change, leading to a greater demand for advice; what was unable to be given away free a couple of years ago can now be sold. However there remains a problem that it is not always possible to deliver sustainable energy, and he cited a case where a local authority near Dublin had set a quite unrealistic standard for onsite renewable energy generation. National standard setters were also sometimes unhappy with higher requirements imposed at the local level.

Members of the group then each gave a brief summary of progress in implementing the Energy Performance of Buildings Directive at a local level. Common concerns included a shortage of trained auditors in several Member States; worries about the cost of the process; a tendency of Governments in new Member States (NMS) to place greater weight on the *acquis communautaire* than on subsequent legislation; and untested (or incomplete) methodology. On the positive side, many participants reported successful trials – eg. in schools; the Directive is helping to encourage better building design including passive solar buildings and "ecological" design; the energy label has been incorporated into a wider Home Improvement Pack (in the UK); and the process was being underpinned by the need to improve security of supply (especially following the closure of old Soviet-designed nuclear power plants in some NMS).

3. Current Status of IEE2

It was agreed to take this item next as the meeting had been joined by Vicky Argyraki of the Intelligent Energy Europe Executive Agency.

The draft programme has been approved unanimously by the programme committee of the Member States and is expected to be formally adopted by the Commission in the near future. Its main elements are to implement the sustainable energy objectives of the Commission. Assuming that there are no changes, there will be a budget of €55 million for 2007 and there will be four main programme areas:

SAVE

ALTENER

STEER

Integrated Actions (including the establishment of new Energy Agencies)

There will be two instrument types (although only the first of these will be implemented for 2007):

Promotion and Dissemination (Type I and Type II)

Market Replication (a new type of action, likely to be available from 2008 onwards)

Among the changes, COOPENER will no longer be funded through DG-TREN (although there may be similar actions through DG-Development) Separate support for conferences and events has been discontinued (in part because of the administrative overheads relative to the funding and perceived benefits): in future such events to be supported will have to take place within future IEE-co-financed projects, as just noted. Each proposal for a new Energy Agency will be considered on a standalone basis; there will no longer be a need to try and find partners at inception in other Member States.

The level of funding *may* be increased from 50%, especially for SMEs.

Evaluation procedures will be broadly similar to before, although there may be some simplification on the rules surrounding overheads, with a move back towards fixed allowable overhead levels.

There will be an Info-Day in Brussels on 19 April, which is likely to be around the time of the publication of the next Call for Proposals. The deadline for the Call is likely to be the end of July 2007.

The meeting briefly discussed the level that overheads should be set, if there is a move to a fixed rate. Ian Byrne said that 7% (used in the current FCF basis) is unrealistically low, and although the Sixth Framework uses 20%, this was also seen as being too low to reflect real overheads in most Agencies. R. Bailey noted that the new programme structure permitted procedures to be modified on a year-by-year basis, based on the experience of each call, to provide greater responsiveness. The Commissioner is sympathetic to providing 75% funding as a way of ensuring high quality proposals from a wide range of actors.

Vicky Argyraki explained that although Energy Agencies will not be expected to bid jointly in future, there will still be an expectation that proposals will show European cooperation, and Agencies will need to demonstrate how they will develop partnerships with similar bodies in other member states. Although the Energy Agency funding will run for an initial period of 3 years, applicants will be expected to include a Business Plan showing how they will survive for at least 5 years. Applications must also show how proposed new Agencies will relate to existing local and regional Energy Agencies, the national association of Agencies and any national agencies. The Commission will not fund ones that overlap areas with existing agencies.

Pirita Lindholm asked how local authority actors could be brought into the process of creating National Action Plans (as is expected by the Energy Efficiency Action Plan). She also asked about how Commission officials expect the "Covenant of Mayors" (item 9 of the Action Plan) to be established. R. Bailey noted that neither of these processes has yet been finalised, and he would welcome any support from bodies such as Energie-Cités and CEMR, SME representative bodies, and possibly the European Association of Regions (p.m. whose request in 2006 to attend the group's meetings awaits a response). The Covenant will be resourced through the Sustainable Energy Europe Campaign (and managed by its principal contractors). CEMR agreed to circulate their document on energy efficiency again.

4. European Sustainable Energy Week

R. Bailey summarised some of the key events for the benefit of attendees. The week kicked off earlier this morning with the EREC conference in the Centre Flagey. The MERG workshop on Wednesday afternoon is fully booked to its 120 capacity. Other fully booked events include the CEMR conference, an IT and eco-design event focusing on links with Energy Star, and the ManagEnergy education conference on Tuesday. On Thursday, Commissioner Piebalgs will lead the energy round table at the ManagEnergy Conference; this will have a theme of energy services for SMEs and Ralf Goldmann, Grzegorz Wiśniewski, André Brisaer and others will act as "sherpas" bringing together conclusions from the events. There will be additional events taking place in Grenoble (*Assises Nationales de l'Énergie* / *Assises Nationales de l'Énergie – the moderator there being Gérard Magnin of Energie-Cités*) - for which there will be a video link - and Murcia (Spain).

5. New Member States

Roman Doubrava had previously circulated the latest version of the Paper on New Member States, which had an extra paragraph added on territorial cooperation, as the paper will also be sent to DG-Regions. It was agreed that he should now remove the reference to IEE events (as they will no longer be supported under IEE2), and increase the level for suggested co-financing by the Commission from 70% to 75%, in line with current expectations. Roman thanked the colleagues who had contributed and, as there were no more changes suggested, it was agreed that it should be circulated to officials in DG-TREN, DG-Regions, IEEEA, ManagEnergy and national representatives in Brussels without further delay.

6. Strategy and Work Plan for MERG in 2007

Initial ideas for tasks to be tackled by the Committee include work in the areas of:

- The EU Strategy, Action Plans and the new energy package
- Energy Services
- IEE2 and the IEEEA
- More actions on New Member States

The meeting then considered if MERG could have a role in the proposed Heating and Cooling Directive. Such a proposal is strongly advocated by the European Parliament, but the Commission may not believe that a Directive is the most appropriate instrument. Boris Papousek expressed the view that the Group should concentrate on actions most affecting local agencies and not seek to be involved too much at the highest policy level. Roman Doubrava thought that the Energy Performance of Buildings and Energy Services Directives were most relevant at the local level. Gerry Wardell noted that local actors, such as Agencies, tend not to be consulted in the drawing up of national action plans. The very instrument of a Directive forces responses at a national rather than local level.

The group then discussed issues surrounding the collection of statistics and how they can be combined at the EU level. It also noted that implementation of the Cogeneration Directive is mixed, and where there is existing infrastructure there is often a lack of funding. After further discussion, the following topics were agreed:

1. Heating and Cooling from Renewables and Cogeneration
2. Ensuring that Local Actors are fully involved in National Action Plans

3. Improving the robustness of energy efficiency statistics and the evaluation criteria for local and regional actors
4. The implementation of the new Energy Package

Noting that one of the primary and continuing roles of the Group is to reflect on the performance of the ManagEnergy programme, it was reported that the new ManagEnergy contract (for 2007-2008) has been awarded. STEM will no longer be the lead contractor, but will retain a role, as will CPL who have been in charge of the Managenergy website. The new lead contractor (Gruppo Soges from Italy) will be asked to make a presentation to the Group at either the May or the autumn meeting, subject to the agreement of Ronan Harbison (who manages the contract from the Commission side). Ideally, the Group would like to spend up to one day of the May meeting working through the plans of the new Consortium.

Ian Byrne and Kostas Konstantinou agreed to research the status of the potential Directive on Heating and Cooling and to recommend to the next meeting whether or not MERG should include it as a priority topic. This might include providing support to those responsible for drafting the Directive so that it works effectively with local actors. They agreed to write a short paper for the May meeting identifying questions that may need to be raised by the Group, including identifying the types of instrument that would maximise local participation, and how a Heating & Cooling Directive would interface with the Biomass Directive. R. Bailey noted that the Commission is currently waiting for a report on heating & cooling and that it is inappropriate to have a legally enforceable Directive with no enforceable actions (ie. just voluntary targets). However it was noted that heating & cooling are much more local markets than electricity.

Pirita Lindholm agreed to provide some support into looking at how local actors are involved in the process of drawing up National Action Plans. Gerry Wardell and Vlasta Krmelj will work with her on this.

7. Any Other Business

Roman Doubrava invited members to the Slovak Biomass Conference on 19-20 February.

There was a short discussion about whether there are any legal requirements to provide information and incentives to improve the energy efficiency of buildings after they have received an energy audit.

Pirita Lindholm encouraged members to obtain a copy of the CEMR/Energie-Cités report "*Save Energy, Save Money, Save the Climate – a Guide for Local and Regional Government*", which is now available in English, German, Spanish and Latvian.

Vlasta Krmelj invited members to a conference on 8-9 May in Maribor, Slovenia – details will be circulated. Boris Papousek agreed to speak at the event, subject to availability.

Grzegorz Wiśniewski asked for support about successful approaches to developing national energy clusters – several members expressed interest in this and will contact him.

The meeting closed at 1530.

Annex: Attendance List (alphabetical order):

(for contact details see Managenergy Reflection Group homepage)

		<u>Organisation and country, if representing national association</u>	
VA	Vicky Argyraki	Intelligent Energy Europe Executive Agency	-
AA	Anne Ahtiainen	Turku Energy Agency	Finland
RB	Ronald (R.) Bailey	DG-TREN: unit D3	EC
GB	Guillermo Basañez	EVE	Spain
IWB	Ian Byrne	Assn of UK Energy Agencies/MKEA/NEF	UK
PC	Panos Coroyannikis	Islenet	-
KD	Kristina Dely	Energie-Cités	-
RD	Roman Doubrava	EA Bratislava	Slovakia
		RENAEL	Italy
RG	Ralf Goldmann	Berlin Energie Agentur, MERG Chair	Germany
IK	Ivan Kalchev	ABEA	Bulgaria
EK	Eva Kudrnová	Tech. centre Prague	Czech Rep.
KK	Kostas Konstantinou	Anatoliki SA	Greece
VK	Vlasta Krmelj	Energetska agencija za Podravje	Slovenia
ML	Maud Leloutre	FLAME Network	France
PL	Pirita Lindholm	Council of European Municipalities & Regions (CEMR)	-
FN	Fred Nordstrom	NENet	Sweden
BP	Boris Papousek	Energieagentur Graz	Austria
CR	Camelia Rață	ABMEE, the Energy and Environment Management Agency of Braşov	Romania
AV	Aare Vabamägi	SA Regionaalsed Energiakeskused	Estonia
GWa	Gerry Wardell	CODEMA / AIEA	Ireland
GWi	Grzegorz Wiśniewski	Instytut Energetyki Odnawialnej	Poland

Minutes written by Ian Byrne.