

## Minutes of the 16<sup>th</sup> Meeting of the ManagEnergy Reflection Group

5 November 2007

Albert Borschette Conference Centre, 36, Rue Froissart, 1040 Brussels

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### 1. Welcome and introduction

Grzegorz Wiśniewski welcomed attendees to Brussels noting that the location can bring benefits gaining fresh information. All participants introduced themselves.

### 2. Minutes of last meeting

Mr Bailey was thanked for taking minutes last time - they were formally approved.

Today's draft agenda was approved.

### 3. News from the Commission

Mr Alfonso Gonzalez-Finat added his welcome, noting that the first meeting of the Reflection Group on 12 June 2002 had been in the very same room. Since then energy has moved far up the agenda both in the news and as an EU priority.

The Commission is currently working on what might be called a "charter for energy users" although a better name is likely to be agreed in the near future. This will focus on users' rights to secure and sustainable energy, and local Energy Agencies will have an important role. The Court of Auditors has also looked at the 350 Energy Agencies, and has asked important questions about the effectiveness and life cycle of a typical agency. He thanked the group for their input to the Court's work, which has been useful, as well as for their role in communicating and clarifying policy lines out to actors in the field.

Intelligent Energy Europe brings energy together with the environment, and programmes for competitiveness among SMEs. It has a total budget of around €700 million. ManagEnergy has now entered its third contract period, with several new features.

The Reflection Group can also provide input for the Forum for Sustainable Energy (which was set up around three years ago) and to the Energy and Transport Forum, and Mr Gonzalez-Finat would like to take ideas from the Reflection Group to those two fora; Gerry Wardle has already taken part in the Energy and Transport Forum. He would also like the group to be represented on one of the panels during the EU Sustainable Energy Week (EUSEW) in early 2008.

Turning to energy policy, a new draft Directive has been drawn up for adoption by the Commission in January 2008: inter alia, it will contain the proposed GHG limits by Member State for 2020, the new Emissions Trading Scheme, and measures on Carbon Capture and Storage. It will embrace all three sectors: electricity, heating and cooling, and transport.

Among its more detailed provisions are:

- Binding targets for CO<sub>2</sub> emissions by Member State
- Provisions to allow voluntary emissions trading between Member States

- The requirement for National Action Plans for Renewables (to complement the existing National Action Plans for Energy Efficiency) and targets for renewables (with at least 10 per cent for transport fuels)
- Sustainability scheme for biofuels
- A requirement to eliminate administrative barriers for renewable energy (where, subject to subsidiarity, there might be a role for Energy Agencies).

The Commission is also looking at a Sustainable Energy Technology Plan - it will cover all technologies but pay special attention to renewables, eg. second-generation biofuels as well as electricity and thermal renewables. It may include sources of funding for innovation, and look for technologies likely to be in the forefront after 2020.

Gregorz Wiśniewski thanked Mr Gonzalez-Finat for setting out the road map, and expressed the hope that the group's input could now be used even more effectively.

Roman Doubrava noted that there is already an EU Biomass Plan, and that Slovakia also has its own biomass action plan so is concerned how well the two will fit together. Mr Gonzalez-Finat replied that the national biomass plans were voluntary, as there was no legal requirement to produce them, but believes that they should be able to be taken into account in the future National Action Plans for Renewables. The Renewables Directive, if adopted by the Commission in early 2008, would most likely enter into force in 2010, and then the first action plans likely to be due in 2011.

Grzegorz Wiśniewski noted that all Energy Agencies are themselves SMEs, and is concerned that that this is not always appreciated when drawing up the innovation and R&D features of renewable energy and energy efficiency programmes. Mr Gonzalez-Finat noted that there was €700 million available (2007-13) for non-technical initiatives under Intelligent Energy Europe and €2.3 billion for non-nuclear research and development. Around half of this is managed by DG-TREN for demonstration. The first call suffered from a low success rate; the Commission is looking at ways of improving the next call, possibly with fewer topics, but still ensuring that SMEs be able to join proposing consortia.

André Brisaer then noted that the Energy Efficiency Action Plan had been adopted in October 2006, and that this is on track for most actions due to be delivered shortly.

Among the instruments in support of the plan are:

- The Eco-Design Directive (including setting limits for energy efficiency performance of a number of products) will be the first to be adopted in 2008. This includes both horizontal actions such as limiting standby power consumption for all equipment, and vertical measures looking at, for example, office lighting, street lighting and digital set-top boxes.
- The Energy Services Directive - Member States were supposed to send their National Energy Efficiency Action Plans by the end of June, but to date just over half have been received. Of those received, some are close to what was expected, but most are "business-as-usual", albeit including actions. There had been criticism from some Member States to the effect that there are still no agreed ways to measure energy efficiency gains, despite there being a target of a 9% improvement in energy efficiency over nine years. To some extent this is being addressed by EMEES, an IEE Project being co-ordinated by the Wuppertal Institute, which is looking at how to define savings by both the top-down and bottom-up approaches. There has been a further practical problem as some plans been received in local languages that need to be translated. However, on a more positive note, the aim has not been just to produce a satisfactory document but a plan which will deliver real savings. The second stage plans will

need to show how Member States can deliver their 9% over nine years (and 20% by 2020). Mr Brisaer recommended looking at the DG-TREN Website, as all national allocation plans are being uploaded there as soon as they are received.

([http://ec.europa.eu/energy/demand/legislation/end\\_use\\_en.htm#efficiency](http://ec.europa.eu/energy/demand/legislation/end_use_en.htm#efficiency))

- Member states also have to transpose a number of other actions by April 2008. The Commission is not in a position exhaustively to evaluate all parts of all plans: local stakeholders, including as Energy Agencies, are encouraged to identify weaknesses.
- Energy Performance of Buildings Directive - unfortunately the Commission is still dealing with many infringement proceedings for non-implementation. There are proposals to amend it by the end of 2008; ideas will be put forward shortly, and will add to the existing Directive, extending its scope, rather than replacing measures in it. Any ideas will also pay attention to the feasibility of implementation by Member States, both in technical and timing terms. They will be a stakeholder consultation from summer 2008, in which Energy Agencies will be encouraged to participate.
- Other actions being undertaken include setting out the IEE working programme for 2008, the EU Sustainable Energy Week (Jan 28-Feb 1, 2008) and the Covenant of Mayors.

Ian Byrne reported that he is sitting on the CEN standards 'Task Force 190' which intends to produce a European standard for measuring energy efficiency savings and calculations, building on the work done by the EMEES and ODYSSEE projects. He noted also that in the UK the top-down reporting has been devolved to the level of local authorities (municipalities or counties).

Grzegorz Wiśniewski asked if there were 'sticks as well as carrots'. Andre Brisaer responded that the Commission always tries to use carrots where possible, but if these fail, it can proceed to infringement procedures against Member States, or it can 'name and shame' through a press release, for example, in the case of an inadequate national allocation plan. The final 'stick' would of course be to take the case before the Court of Justice, but the real carrot has to be to achieve the targets and thus mitigate Climate Change, and of course not simply to please the Commission.

Pedro Ballesteros reported:

- EUSEW is now in its second year and will run from 28 January to 1 February 2008; it will take a very similar approach to last year. Currently there are as many as 69 events scheduled, mainly in Brussels, but also in Austria, Italy, Spain, France and Belgium. All the Commission buildings are now fully booked, so that there will also be overspill events around the city. All major sustainable energy topics will be covered, and at least eight events have a distinct local focus. All Energy Agencies are of course invited to send delegates.
- The IEE2 call results are not yet available, although he can tell us that 435 proposals were received, almost 40 per cent more than last year. He is seeking to determine to what extent this might be the result of the increased co-financing rate, and also whether the latter may have helped to raise overall proposal quality. . He will also check if there are new entrants to the programme, which was a second aim of the increased grants. The evaluation period will be at the end of the year, with the ensuing negotiations leading to contracts being signed before the summer break in most cases. The draft programme for the next round is now under discussion, and there will be an informal public presentation on 31 January during the EUSEW. The Call for Proposals will be published in March or April; the submission date is likely to be either late July or mid-September.
- The *Covenant of Mayors* is an initiative arising from the Energy Efficiency Action Plan. The Commission will now allow any municipality that commits formally to reduce its CO<sub>2</sub> emissions by over 20% to join the Covenant, so that it will not merely be a small club. A document

describing the process will be publicly available by the end of November, subject to final approval by commissioner Piebalgs. Cities will have to produce an action plan to 2020 and agree to have a report benchmarking their performance. In exchange, the Commission will provide publicity, fund a secretariat to exchange best practice, and facilitate access to support programmes such as CIVITAS and Concerto. The Commission is also working with the European Investment Bank to create a financial facility to support actions by way of loans, (rather than grants). No interested cities have objected to the proposals so far. The decision was made to start with cities, as regions have widely varying competencies across Member States.

Roman noted that member states looking to enter the Euro zone have to meet the Maastricht criteria keeping public debt down, so may not be able to take advantage of the EIB facilities. Pedro Ballesteros responded that in general municipalities would have to spend a lot less money on energy efficiency than on new airports and highways, for example; and that the Covenant includes all energy use, including that in the private sector whose borrowing is outside the scope of the Maastricht criteria.

Mr Ballesteros added that the 2008 IEE2 call will include support for setting up new Energy Agencies, but that there will also be a service tender in order to review their relevance. This has been agreed with the Court of Auditors, especially since the agency model has remained more or less unchanged since 1992.

EUSEW will include a small exhibition - of perhaps 50 stands - with priority given to partners in the Sustainable Energy Europe campaign. If MERG representatives want their member organisations to participate, they should apply as a matter of urgency.

Pim Kogler expressed concern about the 2020 time horizon which may not fit in well with existing targets in some Member States. For example, in the Netherlands there are detailed plans to 2016, but no money allocated beyond that date. He is also concerned that if cities are to include the private sector there should be some mechanism to encourage companies to sign up. Mr Ballesteros accepted that the Covenant was launched without consultation with Member States; he sees it as being rather a counterweight to them, and that the local level as personified by the Mayors – but including local government, companies and citizens – has the foremost role to play in fighting climate change.

Ronan Harbison explained some of the changes under the third Managenergy contract which started this year. Many of the new features drew on advice from local Energy Agencies, for example as contained the ECUBA report. A new sectoral advice facility is available to help Agencies (without cost to them).

#### **4. ManagEnergy: Information and Progress on new Facilities and Services**

Chiara Anglesio (ManagEnergy) gave a presentation about the new sectoral advice facility. This offers free technical advice through a pool of energy experts. The local energy actor will ask ManagEnergy for support, and they may review or amend the request and then forward it to DG-TREN. So far approvals have been made within just a few days. Examples of requests received include:

- A County Council energy house (Ireland)
- Advice about district heating (UK)
- Energy education for secondary school children (Poland)
- Energy efficiency standards for refurbishment (Italy)

- Broader energy efficiency standards (Italy)

With the exception of one from the London Development Agency, all enquiries have come from local Energy Agencies. ManagEnergy is looking to enlarge and diversify the expertise of the pool of energy advisors (and extend the languages in which advice can be given). It is also looking for trainers to be selected from the existing pool of sectoral energy advisers registered with them.

Another initiative is looking at providing training for local Energy Agency directors. ManagEnergy has been in touch with them to try to find out what is most needed. The first training session will be held later this month in Bulgaria on how to develop sustainable projects at a local level. There is a new training page on the ManagEnergy Website where the programme can be downloaded: those interested in replicating in a country or region you should contact Chiara Anglesio. Training is free of charge for local Energy Agency directors (or deputy directors) subject to fluency in English, but will not be freely available to the private sector.

ManagEnergy is also offering sectoral information kits. The first two are currently available and concern housing and energy education. The next to be produced will cover funding (especially from Europe) and behaviour change. Future topics will include local communities, transport and appliances. All are available as a downloadable PDF (in EN, FR, DE, ES & PL) with an associated PowerPoint (in English only). Eight more will be prepared in 2008.

## **5. Role of local and regional actors vis-à-vis the National Energy Efficiency Action Plans**

Mr Bailey reported that the Commission is conscious of the vital link that local actors could and ought to form for delivery of national Action Plans - for example as regards housing, energy audits, and other energy services, including setting up and activity of energy services companies. He further noted that many National Action Plans are still awaited, although some have been available in draft for some time, such as the French plan which is still passing through its public consultation period ("Grenelle").

Grzegorz Wiśniewski said he thought it was important that we should find out to what extent local or regional actors were involved in the production of the national plans and should also encourage them to monitor content and progress. Roman Doubrava reported that he had been involved with the development of the Slovak plan, but as far as could be determined no other members present had worked on their national plans. Some members were hitherto unaware of the existence of an action plan in their Member State, and will seek to establish whether, and if so, how, it has been prepared. Camelia Rață noted that in Romania the National Energy Conservation Agency is mentioned, but that there is no reference to the local agencies in the NP. Gerry Wardell reported that the Irish plan is still at a draft stage under public consultation but that the first draft had made no mention of Energy Agencies. In contrast, in Italy there has been no consultation with the public.

Grzegorz Wiśniewski suggested that MERG could usefully prepare a matrix showing the level of local involvement regarding the plans. We could also build on the guidance of CEMR to assess the documents, and to note the levels at which governments expect to implement the plans, as opposed to merely adopting targets. Mr Bailey reported that the Commission's Joint Research Centre (JRC) at Ispra had been engaged to carry out expert in-depth analysis of the plans for DG TREN, including benchmarking results. He therefore suggested that MERG should wait for the latter to receive the reports from JRC, before taking the idea further, although they will only be published once all National Action Plans have been received. In his view, although the first report

is important for setting the baselines, the second report, in three years' time, is more crucial as it will have to show how a Member State expects to achieve the 9% interim savings target.

So far, only Sweden, Malta and Luxembourg (pleading a lack of human resources) have not formally responded to the Commission with plans, or at least temporizing explanations. The state of play on Action Plans in candidate countries such Croatia let alone Turkey is unknown. After further discussion, it was agreed to ensure that resources were not wasted in duplicating work on the NEEAPs which would fall under the remit to the JRC.

Pirita Lindholm referred to the earlier survey done with Gerry Wardell and Vlasta Krmelj, and asked whether MERG should be lobbying harder to ensure local action plans were also drawn up.

## **6. Concerto**

Jean-Marie Bemtgen was introduced to the meeting and gave a video presentation on the demonstration component of FP7. He sees IEE2 and FP7 as having equal importance, but noted that demonstration activities in FP7 typically cost more.

A successful Concerto project should aim for a 30% reduction in energy consumption and for 30% of the gross demand to be met by renewables, leading to a total 60% saving. Concerto links 45 communities in 12 countries and is expecting a 68% CO<sub>2</sub> reduction from around 1 million homes. The next call will be in early 2008 and will make available around €50 to 70 million - only innovative projects need apply. Money saved from the energy bill flows back to investors. The initiative is also about improving the quality of life for all citizens concerned. No two projects are quite the same as they bring together local people in solutions that work for them.

The Concerto team cannot imagine a good project in a region that has an Energy Agency without involving that agency. But the key to successful projects is usually an individual person behind it who is prepared to drive the project forward. In the context of the Concerto programme, innovation is more about integrating systems rather than new technologies. 80% of Concerto communities include an Energy Agency.

Zdravko Georgiev noted that in the first call there had been plans for each Concerto consortium to have ten observer communities, but that this had later been cut back to three. Would this requirement continue in the next round? Jean-Marie Bemtgen explained that there had been concerns that too many observers led to large numbers of people travelling around Europe at public expense with few obvious benefits, so that they had been redefined as 'associate cities', and the next call will clarify their role.

Boris Papousek asked if the process of negotiating contracts could be simplified. Jean-Marie Bemtgen accepted that in the first call submissions had not been optimal as the Sixth Framework rules were originally designed for university collaborative research projects, and it had taken two years of legal work to finalise the necessary changes. He is confident that the process will be less cumbersome in the next round.

## **7. Election of Chair and Vice-Chair**

According to the group's informal house rules<sup>1</sup> the agreed procedure is that the vice-chair will take over the position of the outgoing chair, annually in the normal way, but following Ralf Goldmann's departure from the Berliner Energieagentur (and thus as representative of [EaD - German Association of Energy Agencies](#)) in the summer, Grzegorz Wiśniewski succeeded him pro tempore. However the latter had only recently returned to full-time activity after three months' sick leave, and so feels unable to commit the time necessary to continue as chair into 2008.

Ian Byrne (UK) was elected chair and, subject to her acceptance, Vlasta Krmelj (Si) as vice chair.

## 8. EU Sustainable Energy Week

The current plan is that the annual ManagEnergy main event on 29 January (Tuesday morning) will be in the form of a half-day plenary session centring on the Covenant of Mayors, with as its key item a Round Table with Commissioner Piebalgs, possibly also the Commission President José Manuel Barroso (who will be taking part in a further DG TREN event in the afternoon in the same auditorium (S3), mayors of several large and medium European cities, probably the Deputy Mayors of both London and New York (representing the C40 initiative for which the Greater London Authority currently provides co-ordination services), and other high-level personalities. There will also be the more customary prize awards for the best local sustainable energy action and an introduction to the new ManagEnergy facilities and services. There will be an afternoon session on energy education on the next day, 30 January, including a prize for the most energy efficient school. This session will also highlight the need for vocational education on energy efficiency, inter alia to prevent a lack of skills and/or standards (including in professional conduct) becoming a non-technical barrier (eg. by installers giving householders bad advice on insulation, glazing, boilers, and other improvements, of which there has long been substantial evidence). Members are asked in particular to note that after a first announcement scheduling both 'ManagEnergy' sessions on 30 January, for logistics reasons it subsequently proved necessary to put the morning plenary session forward to the 29<sup>th</sup> (Tuesday). All details would be given and kept updated both on [www.eusew.eu](http://www.eusew.eu) and [www.managenergy.net](http://www.managenergy.net), as in 2007.

It is recognised that the needs of Agencies should not be overlooked, but this year the Round Table will be dedicated to the Mayors of cities with an impressive record in sustainable energy, including some Concerto communities. London is currently chairing the C40 and will probably be represented by its Deputy Mayor, Ms. N. Gavron – responsible inter alia for energy, water, waste and 'green' industries. Other cities whose mayors are expected to attend include Heidelberg, Helsinki, Lyon, Madrid, Milan (confirmed), Riga and Växjö. An outline schedule for the week is online already. There was no indication of a demand to repeat the session organised by MERG at the 2007 EUSEW, partly thanks to the new sectoral advice services and the proposed mentoring scheme for directors of new agencies.

Grzegorz Wiśniewski repeated, as had already been agreed in Berlin, that agreement seemed to be generally not to organise a specific event this year, but he wanted nevertheless to be sure that Energy Agencies' work was duly recognised, for instance by the MERG chairman speaking at an event. This was agreed. The ManagEnergy support team will be hosting an 'advice' service in a single room open through the week, and plans to run a training course, possibly for Agencies that have started work in the past two years. However this will presumably be too early for the newest

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<sup>1</sup> \* [http://www.managenergy.net/download/MERG\\_strategy\\_060131.pdf](http://www.managenergy.net/download/MERG_strategy_060131.pdf): 'mid-term strategy' paper agreed at the February 2006 meeting, § 4.2)

agencies to be set up following the 2007 call, for which the IEE contracts will not have been finalised confirmed by January.

#### **9. Work Plan for 2008**

Ian Byrne, as incoming chairman, is keen to get views from members about what the group's immediate priorities should be, as well as from the Commission. He would prefer not to spend too much time on procedural matters (eg. the relationship with CEMR) given that there is so much of substance currently in development, such as the National Energy Efficiency Action Plans and the forthcoming Directive on renewable energy.

Grzegorz Wiśniewski said that he thought the next meeting was likely to take place after the publication of all national action plans. Michael Geißler proposed putting together information about how Energy Agencies can participate in these actions and to exchange ideas between MERG members.

The next meeting date would also be subject to DG TREN finding the necessary financing from the 2008 budget for travel expenses, which it would not be able to confirm by year's end. There was some support for trying to fit in a half day meeting on the 29 or 31st January, so that participants could also attend other events in the EUSEW, while avoiding an extra trip to Brussels.

#### **10. Competition for EU Best Practice Case Study**

MERG members were asked to respond by the end of the month at the very latest. Mr Bailey also thanked members for their support in judging the drawings and photo competition.

#### **Closing Remarks**

Pim Kogler announced that this would be his last meeting as he was leaving the province of Groningen administration for private consultancy. He was thanked for his contribution on behalf of CEMR.

All present thanked Grzegorz Wiśniewski for his work chairing the Reflection Group since Ralf Goldmann resigned in the summer to join the EIB in Luxembourg.

The meeting closed at 1630.

**Annex: Attendance List (alphabetical order):**

(for contact details see Managenergy Reflection Group homepage)

		<u>Organisation and country, if representing national association</u>	
AA	Anne Ahtiainen	Turku Energy Agency	Finland
CA	Chiara Anglesio	ManagEnergy	-
M	Mathieu Henceval	ManagEnergy	-
KB	Katharina Bähr	Berlin Energie Agentur	Germany
RB	Ronald (R.) Bailey	DG-TREN: unit TREN D3	EC
CB	Cristina Barbero	RENAEL	Italy
AB	André Brisaer	DG-TREN Head unit D-3	-
IWB	Ian Byrne	Assn of UK Energy Agencies/MKEA/NEF	UK
RD	Roman Doubrava	EA Bratislava	Slovakia
MG	Michael Geißler	FEDARENE	-
ZG	Zdravko Georgiev	ABEA	Bulgaria
AGF	Alfonso Gonzalez-Finat	DG-TREN	-
RH	Ronan Harbison	DG-TREN	-
PK	Pim Koeqler	Council of European Municipalities & Regions: CEMR (Province of Groningen)	-
KK	Kostas Konstantinou	Anatoliki SA	Greece
ML	Maud Leloutre	FLAME Network	France
PL	Pirita Lindholm	Climate Alliance of European Cities	-
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.