



**Dear colleagues,**

First of all, let me thank our distinguished hosts for the excellent organization of this Forum and for their hospitality.

When thinking about the evolution of the human society in the last decades, we are all aware of the fact that the energetic sector influences the evolution of the entire society.

### **Regarding the questions for Panel Discussions:**

#### **I. Existing legislation and policies in your country: are they helpful or harmful for promotion of EE investments?**

From a legal perspective, **primary legislation** is provided by *Government Ordinance 22/2008 regarding energy efficiency and promoting the use to final customers renewable sources of energy*. This government ordinance is transposed into Romanian legislation European Directive 2006/32/CE on improving energy efficiency and energy services to the final consumer.

The legislative act containing a number of important regulations related to energy consumers, such as:

- 1) in order to develop national energy efficiency policy the economic operators who consume a lot of energy annually over 1000 tons of oil are required to do:
  - a) prepare annually perform an energy audit by a person or entity authorized by the National Regulatory Authority for Energy;
  - b) prepare energy efficiency improvement programs which include measures on short, medium and long term;
  - c) naming a energy manager attested by the authority;
- 2) The economic operators who consume annually a quantity of energy between 200 and 1000 tons of oil are required to prepare an energy audit every two years by a person or entity authorized by the authority.
- 3) Energy distributors, distribution system operators, energy and/or retail companies take efficient measures for own consumption and must:

- a) not undertake any activity that may affect demand and supply of energy services;
- b) to provide on request at most once per year statistical information on their final customers to the National Energy Observatory;
- c) to implement directly and/or indirectly through other providers of energy services the following measures to improve energy efficiency:
  - (i) to provide energy services at competitive prices to final customers and promote these services;
  - (ii) to provide energy audits to final consumers at competitive prices, carried out independently and promote these audits and measures;
  - (iii) to participate in the voluntary agreements proposed by the Government

**The secondary legislation:**

- Guide for developing and analyzing energy balances;
- Guide for preparing and examination the trainees to achieve energy balances;
- Guide for preparing and examination the trainees in the field of energy management.

Currently, in Romania are authorized 178 persons and 37 legal entities as energy auditors in industry and 300 energy managers.

**II. National and local authorities, governmental institutions: what is their impact on EE market development?**

The local authorities have been involved in the implementation of measures to increase energy efficiency and reduce energy consumption in local communities. Types of action taken:

- creating local and regional agencies for energy management;
- development of master plans to identify the sectors where there is high energy consumption and finding investments to reduce their;
- rehabilitation of water supply systems; in some cases reducing energy consumption is 80%;
- rehabilitation of central heating systems;
- rehabilitation of apartment buildings;
- reconsidering public transport system;
- use of renewable sources in the Community (wind, biomass power, photovoltaic, microhydro)

All national actions for energy efficiency are contained in the second National Action Plan for Energy Efficiency.

**III. What incentive mechanisms have been introduced recently to promote financing of EE projects in your country? Are they working?**

National program to increase the energy efficiency and use of renewable energy sources in the public sector for the years 2009 – 2010 was approved by Government Decision 1661/2008. This program was preceded by another program national called National Program to reduce energy costs for the population by increasing energy efficiency and renewable energy use and which ran intermittently from 2001 until 2007. The program addressed to the local authorities and focused on rehabilitation of district heating systems through various actions: introduction of pre-insulated pipes; replacing old boilers with modern ones; modernisation the thermal points; introduction of variable speed pumps; use of biomass for thermal energy or solar panels for producing hot water. Co-financing from the state budget was max.30% of the investment and financing was made by the Ministry of Economy. Project selection and monitoring the implementation was made by the authority.

The program of the year 2008 introduced two new areas: rehabilitation of buildings and public lighting, including the use of renewable energy.

Financial instruments to support energy efficiency projects:

- **Romanian Energy Efficiency Fund**, revolving fund established and capitalized by the World Bank. This fund financing energy efficiency projects to industrial consumers and local authorities. Until now 26 projects have been funded amounting to 13 million \$.
- EBRD credit line (EEFF) to finance energy efficiency projects in industry; development of financing is made by 6 banks: Romanian Commercial Bank; Romanian Development Bank; Transilvania Bank, CEC Bank, OTP Bank and Raiffeisen Bank. 88 projects financed by 60 million Euro.
- **The Program named RoSEFF** is addressed to small and medium enterprises, housing associations, energy services companies, producers, suppliers and to the installers of energy efficient equipment. Allocated funds – 60 millions Euro allocated by the EU and EBRD for investments in energy efficiency and renewable energy production. The loans granted to a beneficiary can be 1 million euros and EU grant may cover 15% of the loan.

Starting from year 2009, the national authority has developed a campaign to promote energy service companies ESCO, with the basic element Energy Performance Contract (EPC).

Three major projects have been completed:

- The bilateral cooperation 2005-2008 between Romania - Germany in the project “Development and Implementation of Contracting-pilot projects in the public sector of Romania”;
- European Energy Service Initiative project EESI, funded by the program Intelligent Energy Europe which was developed in the years 2009-2012. The project facilitated the transfer know-how to implement EPC, prepared local authorities to identify projects based on EPC and realized the first pilot projects for the rehabilitation of public buildings: schools and hospitals.

- EBRD study "Energy Efficiency Program in Romanian public sector", which has a role in identifying funding schemes.

The European Commission estimates Romanian market of approximately 50 millions Euro with a annually growing the potential of 100 millions Euro .

#### **IV. What needs to be done to make large-scale EE investments a reality? Your proposals for next steps.**

- Appropriate funding from the state budget for financing national programs to increase energy efficiency in order to respect commitments to the European Union;
- Creating a fiscal and financial policies to stimulate the interest of consumers for investments in energy efficiency.

#### **Regarding the energy performance in buildings in Romania:**

The energy policy represent a national priority, and the buildings is considered the main consumer of energy and largest emitter of CO<sub>2</sub>.

Ministry of Regional Development and Tourism making the government policy in the field of thermal rehabilitation in buildings and constructions.

In this respect, the Ministry has developed a legislative framework as follows:

- Government Ordinance 18/2009 includes provisions regarding the financing to thermal insulation. The funds come from:
  - the owners' association – 20%;
  - the state budget – 50%;
  - the local authorities – 30%

The final target is to reduce the annual heating consumption under 100kwh/m<sup>2</sup>, in terms of energy efficiency and the keeping of thermal climate in housing.

- Government Ordinance 69/2010 includes provisions regarding the financing from bank with government guarantee and the possibility to use alternative energy sources for heating, lighting.

The financing mechanisms established by this legislative act creates the conditions for development the construction market, building installations and increase the number of customers banks.

Increasing the energy performance of buildings can also be achieved by the technological innovation, using new products and technologies in constructions, efficiency internal systems for heating the buildings, promoting the use of local renewable sources for electric and thermal production to final customers.

Investment programs to increase energy efficiency of apartment buildings will be financed from the European Fund for Regional Development (EFRD).

Authority responsible for implementation of projects is the Managing Authority for the Operational Programme (MAOP). This authority has achieved the Applicant Guide which includes: Rules for submitting the projects, ways of evaluation and to contracting projects.

For public consultations, guide is available on the site: [www.inforegio.ro/node/15](http://www.inforegio.ro/node/15).

The features of the new Regional Operational Programme:

- creating new jobs;
- reduction with 40% in energy consumption for heat;
- eligible beneficiaries: local authorities, the county residences, owner's associations.

*Who are the beneficiaries of the program:*

-apartment buildings built between 1950-1990 who reside families with low incomes.

*Co-financing rates:* 60% from FEDR and State budget and 40% from public authorities and the homeowners associations.

*Scheme budget:* 304 million euro , 150 million eur from FEDR and 154 mil. Euro from national contribution ( state budget and local budget.)

*Future projects:* MAOP plans to develop a financing scheme for increasing energy efficiency of public buildings.

Dear colleagues, I am a senator, I represent the parliament and from our point of view we are involved in adoption of the legislation. If you have any questions we will note and send to the executive.

Thank you!

Senator Liviu Titus Pașca

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