



*Plenary session*

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26.6.2018

## **RESOLUTION**

on Energy efficiency development and energy sustainability in the EU and Eastern European Partners

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## **EURONEST PARLIAMENTARY ASSEMBLY – RESOLUTION**

### **on Energy efficiency development and energy sustainability in the EU and Eastern European Partners**

*The Euronest Parliamentary Assembly,*

- having regard to the Constituent Act of the EURONEST Parliamentary Assembly of 3 May 2011,
- having regard to the Commission communication of 30 November 2016 entitled ‘Accelerating Clean Energy Innovation’ (COM(2016)0763),
- having regard to the Joint Declaration of the Eastern Partnership Summit of 21 and 22 May 2015, in Riga,
- having regard to the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol thereto,
- having regard to the Paris Agreement and the decision 1/CP.21 of the Conference of Parties, held in Paris, from 30 November to 11 December 2015,
- having regard to the Paris Agreement under the United Nations Framework Convention on Climate Change ratified by the European Union, to which the Eastern Partnership countries are also party,
- having regard to the 2030 Agenda for Sustainable Development adopted at the United Nations Sustainable Development Summit on 25 September 2015, in particular the 2003 UN Sustainable Development Goals 7 “Affordable and clean energy” and 13 “Climate action”,
- having regard to the Euronest Parliamentary Assembly resolutions of 22 March 2016 on ‘Policy development on unconventional gas and potential energy market impacts in the EU and Eastern European Partner countries’, and of 1 November 2017 on ‘Enhancing energy cooperation within the Eastern Partnership - towards the implementation of 2015 Paris Climate Change Agreement’,
- having regard to the Association Agreements between the EU on one side and Georgia, Moldova and Ukraine on the other side, in particular the provisions for cooperation on energy,

- having regard to the Agreement (Comprehensive and Enhanced Partnership Agreement – CEPA between the EU on one side and Armenia on the other side) signed on 24 November 2017 and ratified by Armenia, in particular the provisions on energy cooperation,
- having regard to the Joint Statement of the Visegrad Group’s Ministers of Foreign Affairs on the Eastern Partnership, following the results of their meeting in Warsaw on 12 April 2017, providing prospects for EU membership to those Eastern Partnership countries interested in this,
- having regard to the European Parliament resolution of 6 October 2016 on the implementation of the Paris Agreement and the 2016 United Nations Climate Change Conference in Marrakesh,
- having regard to the EU Members States and Eastern European partners ministerial declaration of 18 October 2016 on environment and climate change in the Eastern Partnership,
- having regard to the Commission legislative package of 30 November 2016 on ‘Clean Energy for all Europeans’,
- having regard to the Commission and External European Action Service joint staff working document of 15 December 2016 on ‘Eastern Partnership - Focusing on key priorities and deliverables’,
- having regard to Directive 2012/27/EU on energy efficiency and its revision in 2016,
- having regard to Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC,
- having regard to Directive 2010/31/EU on energy performance of buildings and its revision in 2016,
- having regard to the document ‘Eastern Partnership - 20 Deliverables for 2020’ and the National Strategy Papers for Energy of Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine for the periods up to 2020 and 2030,
- having regard to the establishment of the Eastern Europe Energy Efficiency and Environment Partnership (E5P) in 2009,

- having regard to the establishment of the Eastern Partnership Technical Assistance Trust Fund in 2010,
  - having regard to the establishment of the EU Neighbourhood Investment Facility in 2008,
  - having regard to the EU4Energy Programme,
  - having regard to the 2017 IEA Report on Energy Efficiency,
  - having regard to “Accelerating energy efficiency initiatives and opportunities in Eastern Europe, Caucasus and Asia” by Copenhagen Center on Energy Efficiency (2015),
  - having regard to “Annual implementation report” by Energy Community Secretariat (2017),
- A. whereas global energy demand is increasing at a rate comparable to that of the population, human activity and technological development, thereby intensifying global competition for fossil fuel resources; whereas this puts our energy efficiency and energy sustainability at risk;
  - B. whereas the transport sector represents one third of the EU’s energy consumption and therefore has an important role to play in the transition towards new energy solutions and a low-carbon society;
  - C. whereas 193 countries signed the Paris Agreement at the 2015 United Nations Climate Change Conference; whereas this global agreement sets out goals and mechanisms, and establishes binding national obligations, with the aim of responding to climate change; whereas the EU, as signatory to the agreement, made the commitment to reduce domestic greenhouse gas emissions by at least 40 % by 2030, compared to 1990; whereas the Paris agreement entered into force on 4 November 2015; whereas deeper emission cuts are necessary to comply with the Paris agreement targets;
  - D. whereas to reach deep emissions reduction, the Parties to the Paris Agreement have to tackle the carbon intensity of their energy systems and implement ambitious strategies for driving a transition to low-carbon markets in a global economy;
  - E. whereas energy efficiency is a key to ensuring a safe, reliable, affordable and sustainable energy system for the future. It is the one energy resource that every country possesses in abundance and is the quickest and least costly way of addressing energy security, environmental and economic challenges;
  - F. whereas energy efficiency has the potential to support economic growth, enhance social development, advance environmental sustainability, ensure energy-system security and help build wealth, creation of new jobs, income of companies, saving of energy sources,

prevention of pollution, enforcing of energy independence of states by efficient consumption of energy and use of environment friendly electric utilities; whereas enhanced energy efficiency can contribute to reducing energy poverty by providing energy at more affordable costs;

- G. whereas the 2015 Riga Eastern Partnership Summit participants reiterated their intention to deepen further bilateral and multilateral cooperation in the sphere of climate change and energy; whereas in line with the November 2015 review of the European Neighbourhood Policy, the EU and the Eastern European Partners have provided greater attention to energy security, energy efficiency, energy sustainability and climate actions;
- H. whereas energy consumption is expected to grow within the Eastern European region at a higher speed than the EU average, as part of a general trend accompanying the economic and social development of the region; whereas the potential for energy efficiency remains huge;
- I. whereas it is therefore in the economic, social and environmental interests of both the EU and the Eastern European partner countries to reduce carbon dioxide emissions originating in the use of fossil fuels, to develop alternative, sustainable and cost-effective sources of energy, and to increase energy efficiency;
- J. whereas EU has set Directives in order to attain secure, sustainable, competitive energy; whereas EU has set of objectives, namely to reduce greenhouse gas emissions by 40% compared with 1990 levels, and is currently defining targets to increase the share of renewable energy consumed in the EU and to improve energy efficiency by at least around 30 % compared to the projections for 2030; whereas energy efficiency is an enabler for sustainable economy and the construction sector of the EU and Eastern Partnership countries;
- K. whereas the regional energy policy dialogue under the Eastern Partnership has intensified over the last years, covering convergence of energy markets, diversification of energy supply and transit, development of sustainable energy sources, and infrastructures of common and regional interest;
- L. whereas energy-saving and energy efficiency measures, together with increased use of renewable sources, would also contribute to reducing multiple forms of energy dependency, including financial, technology or fuel dependency in the nuclear and fossil sectors, acquisition and ownership of strategic energy infrastructure, and investment in energy projects by non-reliable third parties in EU and Eastern European partner countries;
- M. whereas Eastern European partner countries have engaged in adopting and implementing policy and legal frameworks for renewables and energy efficiency;
- N. whereas in 2013 Armenia, Georgia and Moldova joined the Eastern Europe Energy Efficiency and Environment Partnership (E5P), which was first established with Ukraine and which aims to promote energy efficiency and environmental investments in the

countries of the Eastern Partnership;

- O. whereas international financial institutions still play a significant role by leveraging national funds and loans for investing in the sustainable use of energy and the development of renewables;
- P. whereas EU and Eastern European partner countries need to take into account the overall competitiveness of their economies and energy sectors, when shaping adequate policies for imposing obligations on energy efficiency in industrial sectors, developing renewables and integrating them into national energy mixes;

### **Coherence of actions**

1. Welcomes the views of the Parties to the Paris Agreement on climate change as the latter poses threat to peace and stability, world economic prosperity, poverty reduction and sustainable development; welcomes the commitment of the Parties to carry out collective actions in limiting the increase in the global average temperature to well below 2°C above pre-industrial levels and avoiding significant adverse climate impacts;
2. Welcomes the commitment of EU member states and of the Eastern European Partners to the Paris Agreement; takes note of the “Intended Nationally Determined Contributions” (INDCs) submitted by these states in order to reduce greenhouse gas emissions; calls of the respective governments of these states to adapt their INDCs to the Paris Agreement and to the UN 2030 Sustainable Development Goals; notes the importance of national energy and climate change plans in planning and ensuring compliance with commitments made under the aforementioned frameworks; emphasises that it is in the common interest of the Eastern Partnership countries to strengthen bilateral and multilateral cooperation in the field of energy, with a view to achieving their respective climate objectives;
3. Welcomes the Commission communication setting the framework for accelerating the EU’s clean energy innovation; stresses the need for a regulatory and financing framework for energy innovation that is coherent with the EU’s energy roadmap 2050 and its commitments under the Paris Agreement, and that fosters the efficient and sustainable use of all energy sources, thus resulting in energy savings and wider benefits, including in the areas of health, safety, and air and water quality, while at the same time ensuring the industrial competitiveness, energy supply, as well as a comprehensive response to environmental concerns; recognises that the framework for accelerating the EU’s clean energy innovation is an integral part of a wider set of legislative proposals set out in the ‘Clean Energy for All Europeans’ package and should therefore reinforce its various elements, the Union’s commitments made under the Paris Agreement and the wider

Energy Union legislation and principles, particularly those reflected in the 2030 climate and energy framework and the 2050 roadmap;

4. Believes that achieving the objectives set by the Paris Agreement will require major and structural changes in the economies and energy systems of the Parties, including a progressive shift towards a more diversified energy mix, promotion of sustainable energy sources and energy efficiency improvement in all sectors including the transport and building sectors;
5. Underlines the importance of energy-saving and energy efficiency measures for the energy security of the EU and, particularly, the EaP countries; notes that, on average, EaP countries are three times more energy-intensive than the average EU Member State, and stresses that reducing this gap is the single most efficient way to reduce the energy dependency of relevant EaP countries on a third country;
6. Shares that the successful deployment of energy innovation is a multidimensional challenge that encompasses EU and Eastern Partners; stresses that this challenge requires the engagement of all stakeholders, citizens, academia, research and technology organisations, SMEs, start-ups, energy and construction companies, mobility providers, service suppliers, equipment manufacturers, IT and telecoms companies, financial institutions, Union, national, regional and local authorities, renewable energy communities, NGOs, educators and opinion leaders; highlights the value of new business models that use innovative digital technologies to, inter alia, optimise self-generation, storage, exchange and self-consumption of on-site clean energy and increase access to renewables, including for households in energy poverty;
7. Underlines the importance of developing renewable energy technology and of improving energy efficiency in reducing greenhouse gas emission across all energy sectors, thereby contributing to the attainment of the individual commitments made by the Parties to the Paris Agreement; believes that these policies are crucial to economic growth and employment; calls on the European Commission and the national authorities of the EU and of the Eastern Partners to push for an integrated system of common measures to promote the use of renewable energy sources and energy efficiency; stresses that these measures should include incentives for energy savings across all economic sectors, including construction and transportation; also calls on the integration of renewable energy and energy efficiency policies in all areas relevant to energy production, transportation, distribution and storage;
8. Calls on the EU and Eastern partner countries to strengthen regional cooperation and encourage the modernisation of their energy grids; notes that this can be done through the development and promotion of ‘smart grids’ as well as through the construction of new interconnected and cross-border infrastructures; stresses that this needs to be complemented with measures focused on behavioral changes, energy saving and

consumer support; notes that it is important that these measures highlight the benefits of switching from fossil fuels to renewable energy, particularly in such sectors as heating; also stresses the need to develop a strong internet network to function as a backbone to support smart grid operations, as well as to ensure the cybersecurity of critical infrastructures;

9. Underlines the key role of regional and local authorities in implementing energy efficiency measures; stresses the need to support these authorities and increase their competences and know-how in this field; emphasises the need to establish and promote partnerships of municipalities in EaP countries with best-practice municipalities in the EU;
10. Underlines that diversification of energy sources and routes of supply, which include reverse flow gas routes, is key to the energy security of EU Member States and the Eastern European partner countries and to their capacity to achieve commitments on energy efficiency policies;
11. Stresses that new routes must neither lead to increased dependency on dominant gas suppliers nor undermine regional energy security and the EU's Energy Union strategy; stresses that all new offshore and onshore parts of pipeline infrastructure must respect the environmental rules and key principles enshrined in the relevant EU legislation; points out that the North Stream 2 pipeline will negatively impact the key objective of diversification of energy supply, and will thus jeopardise the prospect of building an efficient energy ecosystem;
12. Welcomes the opening and development of gas pipeline interconnections and reverse flows, the Southern Gas Corridor and its extension to accommodate additional gas resources from Turkmenistan; and new facilities allowing exports/imports of liquefied natural gas, which include the extraction of natural gas from conventional and unconventional sources; notes the importance of cooperation between the EU and the Eastern European partners in securing gas deliveries, notably the natural gas reverse flow capacities to Ukraine from Hungary, Poland and Slovakia as well as to Moldova from Romania;
13. Welcomes the opening and development of gas pipeline interconnections and reverse flows, the Southern Gas Corridor and new facilities allowing exports/imports of liquefied natural gas, which include the extraction of natural gas from conventional and unconventional sources; notes the importance of cooperation between the EU and the Eastern European partners in securing gas deliveries, notably the natural gas reverse flow capacities to Ukraine from Hungary, Poland and Slovakia as well as to Moldova from Romania;
14. Supports market-based energy policies based on open and fair competition among energy providers and market transparency; notes that the EU's Energy Union entails the creation



of a pan-European energy market, in which the Eastern Partners are important players; urges the Commission and the national authorities of the Eastern Partners to continuously review market rules and propose adaptations aimed at creating a more favorable environment for investment in renewables, at responding to market failures and at fostering energy efficiency; emphasises the importance of creating incentives to ensure a level playing field in the energy sector, and of removing unreasonable subsidies for established sources of energy that are distorting the energy markets;

15. Stresses the necessity of ensuring an attractive business climate and appropriate regulatory framework in order to encourage private sector to invest in renewables, their energy transmission infrastructures and the trading of renewable-generated power across borders;
16. Emphasises the role and the potential for improving the energy efficiency of buildings and the importance of renovating energy-inefficient buildings in EU and EaP countries in order to maximise their energy efficiency;
17. Calls on the authorities of the Partners which are associated to the EU to speed up the approximation of their legislations to the EU legislation relating to climate change and energy, which are stipulated in the Association Agreements; in this regard, underlines the importance of cooperation with the Energy Community, the European Commission and the EU Member States with a view to creating legal, institutional, financial, economic and technological prerequisites to ensure a gradual and socially acceptable transition to low-carbon development; welcomes the recent enlargement of the Energy Community to Georgia, while stressing the necessity of fully accomplishing the membership provisions thereof; welcomes the application of Belarus for observer status within this organisation;
18. Notes that clean energy research, development and investment, crucially depends on a stable market and on the predictability and certainty of a regulatory framework, which require an ambitious and deliverable long-term policy vision, including energy- and climate-related goals and commitments, sustained targeted incentives and patient equity capital in order to create a level playing field among technologies, thus facilitating innovation, easing energy supply, lowering market entry barriers and making it easier for clean energy innovation to attain the critical mass necessary for market deployment; stresses the need for greater prioritisation of systemic innovation in energy, as well as the promotion of education and entrepreneurship, since innovation is not only technology-driven; underlines the need for this systemic approach to be able to effectively integrate different solutions available or under development, particularly with regard to energy efficiency and the integration of renewables; calls for European and EaP technology and innovation platforms to be used to help identify prospective clean energy innovation meriting targeted support;

19. Emphasises that research and innovation through the private sector, and specially via SMEs, are the keys to supporting clean energy, energy efficiency, energy sustainability, improving and supporting the creation of jobs, growth and investment in EU and EaP; stresses the need of SMEs' funding to be adapted to their requirements; considers that, in order to manage a successful transition to a sustainable decarbonised economy, there is a need to ensure that labour markets can respond adequately to the new demands of innovative clean energy systems while taking into account the need for a just and fair transition;
20. Believes that including relevant information in integrated national energy and climate plans could be conducive to energy efficiency; stresses in this context the importance of promoting best practices and information exchange, as well as streamlining the rules on participation in energy innovation programmes for all organisations, enterprises, universities and institutes, both from the EU and from the EaP;
21. Stresses the need to further enhance the funding of collaborative in the field of energy, but also streamlining energy innovation in the other societal challenges;
22. Remains concerned about the complexity of existing financial instruments and stresses the need for greater coherence between the relevant funds dedicated to clean energy projects; call on the Commission to simplify the access and increase the budget, including the redirection of small part of direct fossil fuel subsidies to encourage and accelerate the sustainable development;
23. Call the EU and the EaP, when addressing the energy sector and other related sectors, to step up their efforts in support of innovation in sustainable sourcing of raw materials, better product design, recycling, reuse and cascade use of existing metals and materials in the context of the circular economy and energy savings;
24. Underlines the interest of EU and EaP to identify and to combat bureaucracy, corruption and unfair market practices given their negative impact in early stages of revolutionary emerging technologies;
25. Invites the EU and the EaP to increase efforts to support and to harmonize the education in the academic fields relevant to energy efficiency; stresses that education is indispensable for innovation and sustainable development;
26. Recognises the need for systemic education and engagement schemes designed to enable society to fully engage in the transformation of the energy system and to enable citizens of all ages to gradually progress from awareness and understanding towards active involvement and empowerment; calls the EU and EaP to promote the engagement of citizens in energy-related matters through awareness campaigns, comprehensive and accessible information; underlines the need to foresee adequate occupational retraining measures for a socially acceptable transition to a low-carbon economy;

27. Takes the view that in the urban areas, in addition to decarbonisation and renovation of buildings, there are concerns regarding green areas; recommends the priority of inclusion of urban green areas having in regards the irreversibility of their disappearance;
28. Believes that the transport sector holds enormous potential and should play a vital role in the transition and encourages the EU and EaP to support and to encourage low-emission mobility;

### **Multilateral cooperation and success programmes**

29. Welcomes the changes adopted by Armenia in the law on energy savings and renewable energy and the plan to generate 30% of electricity production from renewable sources by 2020; stresses the potential to improve the efficiency of energy use in buildings and heating;
30. Welcomes the efforts of Azerbaijan to adopt new legislative acts as well as to replace technologies and facilities with modern ones; strongly supports the new programmes set to increase energy efficiency by 2020 and the establishment of the State Agency on Alternative and Renewable Energy Resources with the objective to align energy efficiency; stresses the need to promote an energy efficiency institute and to improve the efficiency of buildings;
31. Supports the increasing focus of the government on energy efficiency, particularly on reducing GHG emissions, increasing the share of renewable in the energy mix and reducing energy consumption; reiterates, however, its call on EU and Belarusian authorities to prioritise the safety of the Belarusian Nuclear Power Plant in Ostrovets and to ensure that progress in EU-Belarus relations is conditional on increased latter's openness and cooperation and full compliance with international nuclear and environmental safety standards;
32. Strongly support the commitment of Georgia in energy efficiency; welcomes the accession in 2017 to Energy Community; welcomes the intensive work being undertaken for the development and finalisation of draft laws on energy, energy efficiency, energy efficiency labelling, energy performance in buildings and renewable energy promotion, along with energy efficiency and renewable energy action plans;
33. Emphasise the importance of the update of the National Energy Strategy 2030 adopted by Republic of Moldova, in 2017, which foresees to reduce the energy intensity by 10% by 2020 and the energy consumption in buildings by 20% by 2020; welcomes the successful implementation of EU-funded "Energy and Biomass project", which has contributed to the increase of production of renewable energy resources; underlines the

importance of the adoption of the energy efficiency law transposing the EU directive on energy efficiency 2012/27/EU; stresses the need of developing a national plan of energy efficiency buildings, taking into account external and internal climate factors;

34. Welcomes Georgia's aim to reduce greenhouse gas emission by 25 % below the 'business as usual' scenario by 2030, as its contribution to the 'Intended Nationally Determined Contributions' under the Paris Agreement;
35. Welcomes the EaP efforts aimed at diversifying their energy sources; welcomes the significant strides made by Ukraine to reduce the very high energy intensity of its economy and infrastructure, including the adopted law in Ukraine on the National Energy and Utilities regulation Commission and, which promotes the creation of an independent regulator in the energy market of Ukraine in compliance with EU standards; welcomes the progress made by Ukraine in energy efficiency, in particular the adoption of the law on the Energy Efficiency Fund and other relevant legislation enabling the functioning of Ukraine's Energy Efficiency Fund since the beginning of 2018, with partial financing by the EU; welcomes the started process of unbundling, in line with EU Third Energy Package; welcomes the adoption in August 2017 of the new Energy Strategy of Ukraine up to 2035 ('Safety, Energy Efficiency, Competitiveness'), which defines the whole complex of large-scale reforms in the energy sector, with new targets for renewable energy as well as the goal of reducing the energy intensity of the economy by half by 2030; stresses the need of energy efficiency projects at local level, benefiting their communities;
36. Welcomes the expansion of the Eastern Europe Energy Efficiency, Environment Partnership, EU4Energy on all Eastern European Partners which the objective to accelerate the implementation of energy efficiency projects, to improve legislative and regulatory environment and to support cooperation in infrastructural projects; invites sharing of lessons learned and best practices from the successfully implemented energy efficiency projects, such as the EU-funded 'Energy and Biomass project' in Moldova and/or the measures taken by Georgia and Ukraine aimed at increasing energy efficiency in residential sectors; strongly supports the commitment of the Covenant of Mayors East (CoM East), which brings together local and regional authorities working on implementing climate and energy objectives; underlines the importance of other EU-funded projects, such as the Clima East project package, aimed at equipping partners to achieve greenhouse gas emission reductions;
37. Welcome the fact that Azerbaijan has been ranked 28th in the Global Energy Efficiency Index according to The 2015 Energy Productivity and Economic Prosperity Index; welcomes that Azerbaijan's energy productivity performance is improving annually by 12.8%, the fastest rate of energy productivity improvement in the world;

38. Welcomes Azerbaijan's aim to reduce greenhouse gas emission by 30 percent from 1990 levels by 2030 as its contribution to the Intended Nationally Determined Contributions;
39. Welcomes SOCAR membership in the World Bank's "Zero Routine Flaring by 2030" initiative;
40. Instructs its Co-Presidents to forward this resolution to the President of the European Parliament, the Council, the Commission, the Vice-President of the Commission/High Representative of the EU for Foreign Affairs and Security Policy, the Commissioner for European Neighbourhood Policy and Enlargement Negotiations, the European External Action Service, the governments and parliaments of the EU Member States and the Eastern European partner countries.