

# Investment in renewable energy generation and energy efficiency in the SEE region: The role of the Energy Charter Treaty

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Bucharest, 6th October 2016.

# International Energy Charter

European  
Energy Charter  
1991

- Declaration of political intent to promote energy cooperation – East-West focus.

Energy Charter  
Treaty &  
PEEREA 1994

- Legally-binding multilateral instrument to protect foreign investment in the energy sector
- Non-binding protocol to promote energy efficiency and environmental protection (PEEREA)

International  
Energy Charter  
2015

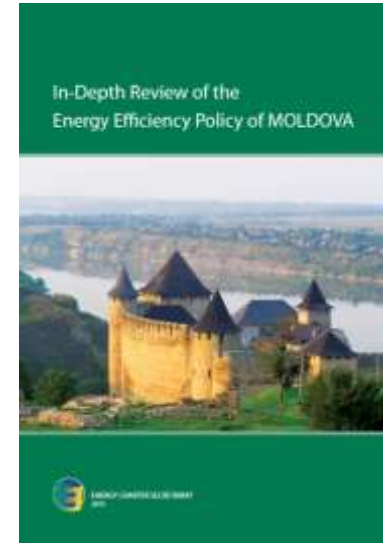
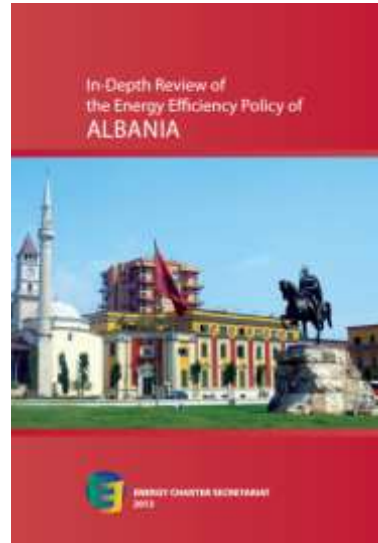
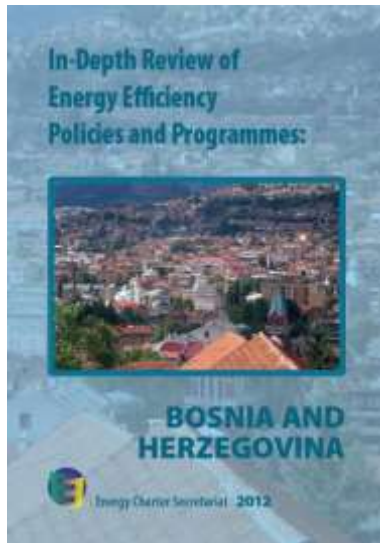
- Updated declaration of political intent to promote energy cooperation, better reflecting energy challenges of the 21st century.
- Treaty membership expansion – particularly North/South.



The Energy Charter Treaty creates a level playing field of rules to be observed by all participating governments, thereby mitigating risks associated with energy-related investment and trade.

The Treaty plays an important role as part of an international effort to build a legal foundation for energy security, based on the principles of open, competitive markets and sustainable development.

# SEE: Recent PEEREA in-depth reviews



- Commitments by Parties as review hosts and review experts
- Involvement of a wide variety of institutions, businesses and non-governmental actors in the country
- Discussion and approval in the Energy Efficiency Group
- Endorsement by the Energy Charter Conference
- Focused on energy efficiency but includes substantial chapter on renewables

# Example of Albania – recommendations

2011      2014

	2011	2014
EE Policy and legislation	Advanced	Advanced
Institutional setting	Basic	Advanced
Energy sector reform	Intermediate	Advanced
Cost reflective energy prices	Basic	Basic
Specific ee regulations	Basic	Basic
Financial incentives	Low	Low
ESCO	Low	Low
Energy statistics	Basic	Basic
General public awareness	Basic	Basic

## *Capacity building - civil servants*

- Energy efficiency project development
- Energy efficiency indicators
- Energy audits and energy management

## *Specific regulations implementation*

- Standards & labels and building codes enforcement and compliance

## *Institutional setting*

- Support to establish Local Energy Agency
- Public/Private ESCO establishment

## *Renewable energy*

- Feasibility study for setting up cost-reflective feed-in tariffs
- Assessment of potential for second generation biofuels

**Low** – no existence and no intention to develop; **Intermediate** – intention to start developing; **Basic** – regulations exist in draft or just adopted; **Advanced** – ee activities under implementation

# Example of Bosnia & Herzegovina-recommendations

2011      2014

EE Policy and legislation	Low (L) → Intermediate (I)
Institutional setting	Low (L) → Basic (B)
Energy sector reform	Advanced (A)
Cost reflective energy prices	Low (L)
Specific ee regulations	Low (L) → Basic (B)
Financial incentives	Basic (B)
ESCO	Basic (B)
Energy statistics	Low (L)
General public awareness	Low (L)

## *Identified priority areas for policy support:*

- Capacity building for civil servants
- Benefits of energy efficiency
- Energy efficiency indicators
- Municipal energy planning

## *Specific regulations implementation*

- EMV standards
- Market Transformation Program

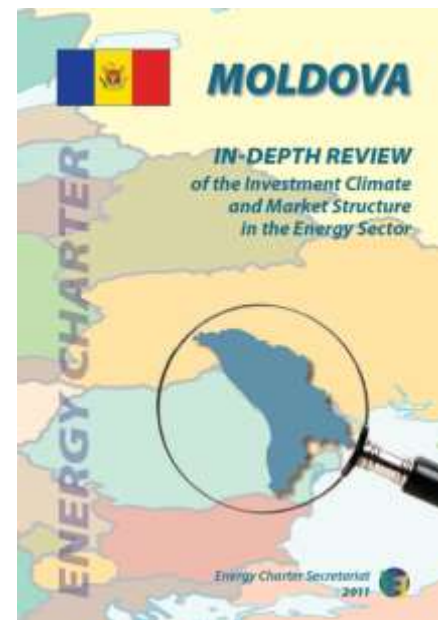
## *Institutional setting*

- Support to establish Local Energy Agency
- Public/Private ESCO establishment

Low (L) – no existence and no intention to develop; Intermediate (I) – intention to start developing;  
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# SEE: Recent ICMS reviews



- Commitments by Parties as review hosts and review experts
- Involvement of a wide variety of institutions, businesses and non-governmental actors in the country
- Discussion and approval in the Investment Group
- Endorsement by the Energy Charter Conference
- Covers all energy sector investment e.g. renewables, oil, gas, networks

# Examples of other relevant activities

- Best Practices in Investment Conflict Prevention and Management
- Upcoming flagship publication on energy investment risk assessment, including definition of risks and indicators
- Coordinated, collaborative and targeted technical assistance
  - e.g. EU4Energy project
- Thematic reports for energy efficiency and investment





**Thank you for your attention**