

# INSIGHTS INTO MUNICIPAL ENERGY EFFICIENCY PROGRAMS – IMPRESSIONS IN COMPARISON

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**In** pace with the decentralization process, the municipalities were granted more responsibilities, one of which is the obligation stipulated in the Energy law, municipalities to adopt a Program on energy efficiency covering a period of three years. The Program has to inter alia assess the state and the need of energy, have the indicative goals for energy saving at local level as well as measures for improving energy efficiency. This gives the municipalities the opportunity to take the area of energy efficiency in their own hands and launch projects and activities ultimately enabling energy savings and improved quality

of life of the local population. However, this exposes the risk of growing disparities between the municipalities since some perform better than others in this area. The Energy agency, which has to report on whether this Program is in accordance with the Energy efficiency strategy and the Action plan on energy efficiency, shows that in 2012 out of 80 municipalities (before 2013 - 84) only 32 have submitted their Program on energy efficiency to the Energy agency, of which only 12 got positive opinion from the Agency. This is a clear indicator that municipalities are facing major difficulties in preparing their Program on energy efficiency; they list lack of proper

human and financial resources as some of the main obstacles in drafting them.

Despite the challenging environment in which the municipalities try to prepare these programs, some have managed to successfully prepare them. It is important to review the existing Programs on energy efficiency in order to get a better insight into the content of the programs and to draw conclusions for other municipalities. By reviewing the Programs on energy efficiency of the municipalities of Bitola, Caska, Gevgelija, Veles, Kratovo, Prilep, Tetovo, Stip, Resen, Plasnica and Centar, the first impression is that these Programs cover different three year or larger periods: it is the period 2009-2013 for the municipality of Bitola and Gevgelija for example; the period 2010-2014 for the municipalities of Veles and Plasnica; the period 2011-2013 for the municipality of Centar; and the period 2012-2014 for the municipality of Tetovo for example. This shows that some municipalities have already begun with the energy efficiency projects, other are about to begin.

Next impression is that most of the Programs on energy efficiency have been prepared with assistance outside the municipality such as from donor, civil society organization or private company. This on one hand shows that the municipal civil servants need to strengthen their capacities for drafting these energy efficiency policies; and on the other hand in fact supports

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the assumption that these municipalities have their Program on energy efficiency drafted due to this external assistance. Municipalities need assistance but what is more important is whether this first experience of drafting the programs with external assistance contributed to shift the know-how and strengthened the municipal capacities, empowering them to implement the prepared Program.

Furthermore, there is limited number of renewable projects or project exploring natural gas for heating in these programs. However, some good measures are activities for raising awareness in some of the municipal programs; as well as the use of solar collectors or improving the state of the heating technology used in the public buildings. Dominating projects are projects on improving energy efficiency in lighting and in the buildings sector mostly addressing the municipality's public buildings. This is a good start for improving energy efficiency in the municipality. However, there are many more measures which the municipality can envisage: measures for improving energy efficiency in the households too; projects for wider utilization of renewables; measures for improving the local heat market as local gasification projects, building small co-generation utilities and similar. The lack of such "brave" measures can be explained by the fact that these measures demand higher investment costs and financial resources is certainly not the municipalities' forte. In addition, activities such as co-generation or similar demand not only resources, but also time, preparation of studies, expertise and lot of external assis-

tance. Thus, municipalities plan measures that are easier for them to undertake.

In addition, local authorities can sign the Covenant of Mayors, a European movement involving local and regional authorities, and by doing so on a voluntary manner to commit to increasing energy efficiency and use of renewables on their territories in order to meet and exceed the EU 20% CO<sub>2</sub> reduction objective by 2020. So far, only the City of Skopje and the City of Kumanovo have signed it. Good examples coming from Covenant of Mayors signatories include projects on clean vehicles, zero emission settlements, promoting bicycles, heat recovery projects, renewable energy projects in residential buildings, setting CO<sub>2</sub> reduction targets of more than 50% etc. This all clarifies that local authorities can do a lot for their citizens in the energy area.

According the Energy law, it is in municipality's authority to decide about public-private partnership for building new heat distribution system, enabling opportunities for municipalities to initiate local heat projects; whereas the Law on construction stipulates that the power utilities with the capacity up to 1 MW and secondary gas networks are to be approved by the municipalities, meaning that municipalities can still envisage such utilities or gas projects. When it comes to households, it is the sector that is the second largest energy consumer, indicating that it has large potential for energy savings. In addition, the heat market has been

one of the most problematic areas of the energy sector significantly affecting households since they spend most of their energy on heating and many are not able to heat their premises adequately. As a reminder, the heat market is composed of under-developed district heating (10%) and large proportion of firewood and electricity; there is almost no possibility for utilization of natural gas in this sector due to lack of developed distribution gas network.

This urges the need for serious consideration of including household-targeted energy efficiency measures and heat market-focused projects in the Programs on energy efficiency of the municipalities. However, crucial for this to take place is also the political and institutional will of the municipality, its human and financial capacity to draft and implement this kind of projects; as well as time and motivation to attract donors and private investors. The existing Programs are a good start, but need to challenge themselves and envisage more ambitious energy efficiency measures. Ultimately, the Programs on energy efficiency at local level should meet the needs of the local population and be proactive in implementing energy efficiency projects, thus contributing to significant energy savings and improved quality of life.

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