

MUNEE NEWS :: e-zine # 2

WELCOME TO MUNEE NEWS!!

The newsletter of the Municipal Network for Energy Efficiency (MUNEE)

Sponsored by the Alliance to Save Energy
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INTRODUCTION

Welcome to the second MUNEE newsletter. Since the first newsletter two months ago, the Alliance to Save Energy and the MUNEE partners have been actively expanding the program. MUNEE now has activities in Armenia, Bulgaria, Latvia, Lithuania, Poland, Moldova, Romania, Russia, Ukraine, and Yugoslavia. In addition, the MUNEE website is growing every month with new documents and resource materials --- <http://www.munee.org/>. Shortly, we will be posting MUNEE materials in local languages. The Alliance has also developed a website specific to Serbia, which is just now up and running -- www.ase.org.yu/index.htm. Finally, we are using this newsletter as an opportunity to report some interesting updates on housing and tariff reform in Russia.

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NEWS FROM MUNEE AND THE MUNEE PARTNERS

POLAND: MUNEE Holds First Regional Exchange. On July 26, the Alliance held the first of what will be many MUNEE regional exchanges. This workshop, held at the Polish National Agency for Energy Conservation (NAPE) in Warsaw, focused on energy accounting methods for municipalities and brought together experts from 10 countries. The goal of the meeting was to discuss, compare and improve software programs designed to help cities monitor energy use in buildings and district heating systems.

Most of the eleven tools presented enable city officials to measure energy intensity in buildings (in kWh or gigacalories per square meter) and identify areas of excessive and unnecessary energy waste. The user can then rank buildings and determine which ones should receive energy audits and then efficiency upgrades. Energy accounting tools are an important first step in implementing any municipal energy management program - identify the buildings and portions of the city infrastructure where efficiency improvements are most needed.

The Alliance is now developing a simplified software tool and training manual that can be used by cities throughout the region. The tool will be translated into local languages and be accessible, free of charge, from the MUNEE website. For more information on this event, contact Dan Przeworski at dprzeworski@ase.org or Yuri Havrylyuk at yhavrylyuk@ase.org.

UKRAINE: Banks, ESCOs and Cities Get Together in the Crimea to Talk About Energy Efficiency: During the week of August 6-10, the Alliance and the Ukrainian Association of Energy Service Companies brought representatives from banks, energy efficiency businesses, cities and the Ukrainian government to a conference titled "The Roles of Commercial Banks and ESCOs

in Developing and Financing Municipal District Heating Projects." The conference was an opportunity to create new business relationships between banks, ESCOs and cities, as well as a chance to discuss the problems companies face with the municipal sector. The conference participants also came to some consensus on what could be done. Recommendations ranged from including ESCOs into the state classification system of business activities to involving the Association of Ukrainian Cities and others in promoting policy changes that increase municipal budgetary authority. For further information, please contact Tom Lemley at tlemley@ase.org or Artem Kharchenko at akharchenko@ase.org.

BULGARIA: Efforts Start on Policy Reform. The MUNEE Partner in Bulgaria, the Center for Energy Efficiency (EnEffect), has stepped up its effort to

promote national policy reforms that create incentives for cities to invest in energy efficiency. EnEffect has drafted papers that 1) discuss the barriers cities now face in reducing energy waste and 2) recommend policy changes and strategies to overcome these barriers. The papers were distributed to all cities in the Bulgarian Municipal Energy Efficiency Network. The next step will be to present formal policy recommendations to the national government -- through the Bulgarian municipal association -- and encourage their adoption. The policy changes range from giving cities more flexibility in handling their budgets to transferring ownership of street lighting from electric utilities to cities. For more information, contact Pavel Manchev at pmanchev@eneffect.bg.

RUSSIA: Developing a Russian Municipal Network. Given Russia's size, MUNEE and the Center for Energy Efficiency (CENEf) have begun putting together a database of municipal officials and city associations that will be the channel through which to send information on energy management. CENEf has also compiled a list of Russian cities where energy efficiency programs have been successfully implemented. Cities were selected so as to provide different kinds of examples that would be most replicable throughout Russia - efforts at heat and water metering, changes in accounting/billing, methods to increase revenue collection for heating companies, useful financing models, innovative tariff designs and subsidy programs, etc. Based on a series of "success criteria" recently developed by CENEf, these examples will be distributed to all contacts in the database, with the results posted on the MUNEE website. For more information, please contact Svetlana Sorokina at cenef@online.ru.

RUSSIA: Workshop on Transforming Markets for Energy Efficiency. On July 17-18, 2001, the International Institute for Energy Conservation (IIEC) and CENEf held a two-day seminar on market transformation for energy efficiency technologies. Funded by the International Copper Association and the W. Alton Jones Foundation, the seminar brought together 80 people from Ukraine, Poland, Russia and Lithuania. Participants ranged from business to NGOs to municipal and national government leaders. The group discussed barriers, including 1) the market's inability to internalize external costs - such as greenhouse gas emissions - of inefficient technologies and 2) the lack of access to affordable financing to support energy-saving alternatives. The conference paid particular attention to motors and variable speed drives (VSD) and the enormous potential for these products in the industrial and municipal sectors. Case studies presented some innovative approaches, such as the introduction of enterprise-level leasing schemes for efficient equipment in Ukraine. For more information, please contact Lea Swanson at

lea.swanson@dial.pipex.com or Igor Bashmakov at cenef@online.ru.

MOLDOVA: The Beginnings of an Energy Management System. To help the City of Chisinau develop a more systematic way for improving energy management in public buildings, the Alliance is implementing several demonstration projects that will not only reduce energy waste but will also help city managers: 1) develop good baselines; 2) monitor and verify the savings; 3) design and use local financial resources for new projects; and 4) help prioritize which other buildings most need energy efficiency improvements. The largest project will be in the Chisinau Telecommunications College, where new windows, walls, lighting and control systems are now being replaced or installed. The College is helping to pay for the project and will measure the savings, sharing results with Moldova's 53 other colleges.

The other projects will focus on lower-cost controls in schools that automatically reduce heating on the evenings and weekends, when the buildings are unoccupied - thus curtailing or preventing a large source of heat loss. We are particularly looking at schools that get a strong supply of heat (mostly those close to heating stations) simply because there is more heat to control. Reducing losses in these locations will help improve heat quality in buildings "further down the line." Construction will begin in August and be completed before the heating season starts on October 15.

SERBIA: Preparing for Winter. Serbia is projected to have a large deficit of power this winter, exacerbated by the fact that most residents heat their homes with electricity. To help residents procure low-cost weatherization materials, the Ministry of Energy is creating a fund to be run through EPS, the national electric utility. The Alliance is advising the Ministry and EPS on this effort, which could supply weather-stripping to as many as 50,000 households prior to the winter. The fund, initially capitalized with USAID funding, is designed to be revolving with a small surcharge added to the bills of customers who participate. More than 400,000 residents recently received a utility bill leaflet marketing the program. Materials will be distributed in early October.

For those who are interested, the Alliance sends out a daily e-mail, "Serbia Daily Energy Press Review," with stories about the critical energy situation from the national and Belgrade news outlets. If you would like to get on the e-mail list, please contact Mirjana Stefanovic at mstefanovic@ase.org.yu.

Standing Conference Energy Efficiency Committee: On July 18th, the Standing Conference on Towns and Municipalities in Yugoslavia held the first meeting of its Energy Efficiency Committee. The Committee meets monthly and

currently has fifteen municipalities. Chaired by the Mayor of Krusevac, the Committee's other participants are either mayors or members of city executive councils. The members will initially work together to provide recommendations on energy use in the new Local Self Government Law that is now under development. In addition to this work, EnEffect (Bulgarian MUNEE partner) will provide municipal energy planning and finance training to eight cities in Serbia beginning this fall. For more information on the MUNEE work in Serbia, please contact Eric Carlson at ecarlson@ase.org.yu.

COMING SOON - Leasing and Cities!! The Alliance and some of its MUNEE partners are working on how to use leasing as a method to finance energy efficiency projects. The Alliance is now contacting leasing companies and leasing trade associations throughout the region to examine the barriers and the potential of leasing to municipalities. Many cities in the region lease everything from computer equipment to construction vehicles. Energy efficiency equipment could be leased as well, since some products could be removed and resold if the city does not make the payments. And leasing has many advantages over bank loans, which many cities have difficulty obtaining. More on the Alliance's research and efforts in the leasing area will be coming soon on the MUNEE website. If anybody would like to share experience with energy efficiency and leasing to cities, please let us know (sbaruch@ase.org).



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OTHER NEWS AND ITEMS OF INTEREST

RUSSIA: On August 16, 2001, the Moscow city government approved a housing and communal service reform program for 2002-2007 - an initiative that will provide heat subsidies only to those low-income residents that really need them. The program will start in the Moscow district of Zelenograd. Beginning October 1, residents with a monthly income more than 6,000 rubles (US\$204) - about 35 percent of Moscow's households - will have to pay the full cost of their communal services. Households making less than 6,000 rubles can continue to rely on subsidies (the average per capita income in Moscow was 8,638 rubles last December). Perhaps just as important, the pilot phase in Zelenograd will seek to promote competition between various housing maintenance and communal service companies.

Also on the tariff reform side is the noteworthy case of Cherepovets, which as of July 1 required its citizens to pay 100 percent of housing and communal costs. Currently, the Russian government allows citizens to have

20 percent of these costs subsidized. More than most cities, Cherepovets has looked at and studied the potential for tariff reform - starting with the creation of an inter-departmental Tariff Design Group in 1998. A rise in water prices - with the additional income channeled into energy and water efficiency improvements - has helped finance a significant investment program that is replacing many of the old and leaky water pipes. This case is one of the success stories that CENef will send around the MUNEE network, because it shows that with effort and persistence, a city can get results. For more information, contact Svetlana Sorokina at email: cenef@online.ru.

RUSSIA: On July 19-20, 2001, the Institute for Urban Economics in Moscow sponsored a conference "Budgetary Housing and Communal Service Review." Participants from several Russian ministries, local governments and other organizations discussed: 1) how to deal with the debts of housing service companies, 2) the Russian government's overall plan for nationwide housing and communal service reform (recently published in draft form); 3) restructuring subsidy programs in cities; and 4) needed changes in tariff policy. The main aim of the event was to discuss ways to improve housing and communal services and eventually attract investments into the housing sector. This is the next step in Russia's long effort to improve the country's aging housing stock. For more information, contact Svetlana Sorokina at email: cenef@online.ru.

BULGARIA: National Action Plan for Energy Saving in Bulgaria. On June 28, 2001 the Bulgarian State Energy Efficiency Agency (SEEA) organized a seminar to present the Action Plan for Energy Savings. SEEA, the Austrian Energy Agency (E.V.A.), and International Consulting on Energy (IEC), France, developed the Plan under the SAVE II Programme. The project has created a database with more than 80 energy conservation measures that are most applicable to Bulgaria. All of the evaluated measures require an investment of DM 11.6 billion and would produce savings of DM 2.2 billion. Upon further selection, the most important programs for the next 2-3 years have been elaborated in more detail and summarized in an Action Plan. The Plan contains concrete projects and the preparatory work for their implementation. For more details, visit http://www.eneffect.bg/SEEA_Sem4_Eng.pdf.


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UPCOMING EVENTS

RUSSIA/BELARUS: September 18-20, 2001, the Energy Efficiency Project (EE-21) of the United Nations Economic Commission for Europe (UNECE) is

implementing a training course titled "Financial Engineering and Business Planning" at the Moscow Medical Academy. For more information, contact Boris Reutov at email: reutov@minstp.ru or Trond Dahlsveen at email: trond.dahlsveen@ensi.no

For more information on the EE-21 project, visit <http://www.ee-21.net/abee21.shtml>. The same training course will be offered in Belarus on October 9-10. For more information on that course, please contact Victor Fedoseev at se-bies@belsonet.netor.

ROMANIA: September 18-21, 2001, ROMEXPO SA will organize a trade show, Cogenerg 2001. Companies involved in combined heat and power production will present their products and services, and there will be several seminars and roundtables related to CHP. For more information, visit: <http://www.exporom.ccir.ro/2001/e160252.htm>.

During this conference, MUNEE partner APER (the Romanian Energy Policy Association) will hold it's first workshop as part of the MUNEE program. The workshop, to be held on September 20, 2001, is called "Promoting Energy Efficiency in Romanian Municipalities: Specific Aspects and Ways to Implement Projects." The event will take place at Madgearu Hall within the ROMEXPO Exhibition Centre in Bucharest. For more information, contact Laura Radulescu at aper@bx.logicnet.ro.

POLAND: September 26-28, 2001: Fourteenth Annual Meeting/Seminar of the European Network of Training Organisations for Local and Regional authorities (ENTO). As part of this conference, ENTO is holding a workshop on "The Role of Training Organizations in Supporting the Processes of Decentralization." The seminar will address the development of training organizations and programs relevant to the needs of local authorities -- all in the context of decentralization. This event is organized by ENTO, the Congress of Local and Regional Authorities of Europe, and the Foundation in Support of Local Democracy. For more information, contact Elisabeth Barczyk at ebarczyk@frdl.org.pl, or Tel: +48 22 / 869 92 00 - 07 / Fax: + 48 22 / 839 22 85.

ROMANIA: On October 2-5, 2001, the Association of Equipment Engineers will hold a conference called "Equipment for the Third Millennium." The event will take place in Sinaia. More details are available from Mr. Liviu Dumitrescu, Telephone +40 1 324 7223, Email: transpro@dnt.ro.

BELGIUM: On November 7-9, 2001, the European Association for the Promotion of Cogeneration will host, "Cogen Europe: Cogeneration in a New Energy Market," the 9th annual conference focusing on technology developments and key policy

issues such as security supply and harmonization of rules. For more information, visit: <http://www.arena-eco.kiev.ua/>


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NEW RESOURCES / NEW OPPORTUNITIES

Energy Globe Award 2002: Join the competition for the world championship in sustainable energy solutions! The Energy Globe Award 2002 honors the best projects in the fields of energy efficiency and renewable energy sources worldwide. The top prize is 10,000 Euro per category, and the deadline for submission is October 24, 2001. Proposals can be submitted by companies, public organizations and individuals. The best projects will be presented at the international conference WORLD SUSTAINABLE ENERGY DAY 7-8 March 2002 in Wels/Austria. A CD-ROM with the 300 most interesting projects from the 2001 competition is available free of charge at O.Oe. Energiesparverband, E-mail: energy.globe@esv.or.at. A new, additional initiative called the Water Globe Award will be presented to outstanding innovative water projects. Further details can be found on the homepage of O.Oe. Energiesparverband: www.esv.or.at/energyglobe. For further information, call +43 732 6584 4386, Fax: +43 732 6584 4383, E-mail: office@esv.or.at.

EcoLinks: EcoLinks is an initiative of the US Agency for International Development that seeks practical solutions to environmental problems in the cities of Central and Eastern Europe and Former Soviet Union. The program promotes partnerships by linking businesses, local governments, and associations from the region with US businesses and other organizations. EcoLinks provides Partnership Grants that build the capacity of businesses and local governments to implement market-based solutions to urban and industrial environmental problems. Grants of up to \$50,000 support one-year partnership projects or activities that address specific environmental issues. For more information on these grant opportunities, visit: <http://www.ecolinks.org/grants.html>.

Russia Energy-Links: Energy-links.com is a portal and database comprised of organizations and companies offering products, services or information related to energy efficiency and renewable energy. The database focuses on projects and activities in the Barents Region of Russia. For more information, please contact Erik Wurster at erik.wurster@ensi.no or visit <http://www.energy-links.com/>.

U.N. Best Practices Hub: The United Nations Centre for Human Settlements

maintains a database of local government "best practices." The agency now also has a "hub" that focuses on municipal best practices in Eastern Europe and the Former Soviet Union. To search the database, see <http://www.bestpractices.org/cgi-bin/bp98.cgi?cmd=1>. Cities and towns are encouraged to present their own best practices for evaluation in the Dubai International Best Practices Award 2002 competition: <http://www.sustainabledevelopment.org/blp/awards/>

WE WANT YOUR FEEDBACK

Do you have or know of an innovative municipal energy efficiency program? We want to hear about it!! The Alliance is constantly looking for innovative efforts that city leaders are undertaking to improve energy efficiency. We put these projects on our website so others can learn about them. If you have a "cutting-edge" program and want others to know about it, please contact Seth Baruch (sbaruch@ase.org) or Sarah Meyer (smeyer@ase.org).

Comments on MUNEE NEWS? If you have any comments or suggestions as to what information you would like to get from MUNEE NEWS, please don't hesitate to contact us.

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