

MUNEE NEWS :: e-zine # 3

WELCOME TO MUNEE NEWS!!

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

Sponsored by the United States Agency for International Development (USAID)

Managed by the Alliance to Save Energy

1200 18th Street, NW, Suite 900

Washington, DC 20036

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INTRODUCTION

We begin this newsletter with an exciting announcement from the Prime Minister of Ukraine on National Energy Efficiency Week. Also in this newsletter, we are glad to report that the MUNEE network continues its expansion with new, valuable partners in Lithuania and Latvia. All partners have been busy with a growing schedule of activities, including demonstration projects, regional training seminars, and even a revolving fund for low-cost weatherization. Summaries and results from all of these projects will be posted to the [MUNEE](#) website - which is now available in Bulgarian, Polish, Russian, and Ukrainian.

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SPOTLIGHT ON UKRAINE NATIONAL ENERGY EFFICIENCY WEEK - OCTOBER 15-29

The Ukraine Cabinet of Ministers (CMU) organized a National Energy Efficiency Week (NEEW), with the primary goal of raising public awareness of energy efficiency. CMU appointed the State Committee on Energy Conservation (SCEC) as the National Coordinator. Regional Centers of the National Energy Conservation Information Network of Ukraine (NECIN) and local administrations assisted SCEC in organizing local events.

Anatoly Kinakh, Prime Minister of Ukraine, sent a letter to the organizers and participants of NEEW underscoring the importance of reducing energy intensity - especially in home heating -- to Ukraine's economic growth and prosperity. Through the use of modern energy efficient technologies and equipment, the Prime Minister predicted potential daily savings exceeding UAH 25 million (\$4 million).

The week saw a number of public awareness initiatives and special conferences. Some focused on cities, such as a workshop on financing municipal efficiency projects for climate change mitigation. The winners of two competitions -- "Ukrainian National Energy Efficiency Awards" and "Energy of Our Future," -- were also announced. The award for Best Energy Auditor of the Year went to the Energy Consulting Group and to MUNEE partner ARENA ECO (Agency for Rational Energy Use and Ecology).

For more information, please visit the [NECIN](#) website.

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NEWS FROM MUNEE PARTNERS

HUNGARY: MUNEE Welcomes Hungarian Partner to Network. The Alliance recently signed an agreement with the Local Government Information Network (LOGIN), a regional program based in Budapest. This new partnership will facilitate the dissemination of information on municipal energy efficiency to a wider audience of local leaders in Central and Eastern Europe. LOGIN is a local government information clearinghouse designed to promote the professional development of local government officials and their staffs, and strengthen the capabilities of organizations that support the reform of public administration at the local level. For more information, visit the [LOGIN](#) website or contact [Sarah Meyer](#).

LATVIA AND LITHUANIA: MUNEE Welcomes New Local Partners. MUNEE is pleased to introduce our new partners from the Baltics: the Lithuanian Energy Institute (LEI) in Lithuania and Ekodoma in Latvia. LEI will help develop an energy strategy for the Lithuanian Association of Local Governments and will also work with the Alliance to introduce the integrated resource plan methodology to

Lithuania. Ekodoma will be training energy auditors and developing a municipal "demand-side action plan." Ekodoma has been working with Latvian municipalities on energy saving measures over the last decade and will be celebrating its 10th year anniversary on November 15th. For more information, visit the [LEI](#) website and the [Ekodoma](#) website.

MOLDOVA: MUNEE Kicks-Off Demonstration Project. October 25, 2001. The MUNEE program in Moldova held a ribbon-cutting ceremony for a demonstration project just completed at the Telecommunications College in Chisinau. The project replaced windows, installed new controls and replaced lighting. The Alliance expects the demonstration project will be small enough and cost-effective enough to replicate the effort throughout Moldova's 53 other colleges and universities. Results will be monitored on [munee.org](#). For more information, contact [Irina Plis](#).

POLAND: Workshop To Be Held on State-Level Financing. December 9-12, 2001. A MUNEE regional seminar, titled "State-Level Financing of Energy Efficiency as a Component of Environmental Protection," and organized by the Alliance and the Polish Network "Énergie Cités," will be held in Kraków and Lopuszna. The workshop will focus on national level agencies that influence municipal investment: national environmental protection funds (which are often a good way for cities to obtain financing) and national finance ministry officials responsible for municipal budget policy. The seminar will provide a platform for exchange of information and experience among representatives of different countries, as well as between government officials and NGOs within a given country. For more information, contact [Bozena Gierek](#).

ROMANIA: Municipal Energy Efficiency Network Expands its Membership. The Romanian Energy Efficiency Network (REEN) is now up to 53 members from 40 different cities. This membership includes mayors, deputy mayors, and representatives of energy utilities who meet to analyze their energy situations, explore possible financing sources, and seek to overcome the barriers facing city managers who want to invest in energy efficiency. For more information, contact [Laura Radulescu](#).

ROMANIA: APER Holds First MUNEE Workshop. September 20, 2001. The Romanian Energy Policy Association (APER) held its first MUNEE workshop in conjunction with the RomExpo Cogen 2001: "Promoting Energy Efficiency in Romanian Municipalities: Specific Aspects and Ways to Implement Projects." Experts focused on municipal finance options, such as bond issues. APER presented its new website -- <http://www.aper.ro/>, which includes the latest news on energy efficiency laws, tariff schedules, energy capacity, important energy links, and more. At the workshop, a number of international and Romanian companies displayed their energy-saving equipment. More information on speakers and the agenda can be obtained from [Laura Radulescu](#) from APER.

ROMANIA: MUNEE Partners Hold Second Policy Working Group Meeting. November 15, 2001. The Alliance to Save Energy will hold its second Policy Working Group Meeting in Bucharest. More than 35 energy efficiency network members, energy experts and representatives of professional organizations from Poland, Russia, Ukraine, Moldova, Bulgaria and Serbia will visit Bucharest. The attendees will consider the progress of MUNEE to date and strategy for future collaborations. The agenda will include discussion on energy services for low-income consumers and model policies to promote municipal energy efficiency. For more information, contact [Seth Baruch](#).

SERBIA: MUNEE Prepares for Winter with Low-Cost Weatherization Plan. Under a program sponsored by the Alliance, about 10,000 residential energy consumers signed up to receive a weatherization kit to prepare for the upcoming winter. The participants will receive the kit this month and will have a small fee added to their electric bill. It is expected that the energy savings will exceed this charge. Repayment of weatherization materials will be waived for customers who reduce electricity consumption by 10% compared to last winter (the high end of the estimated savings range). Otherwise, the repayment period for weatherization materials will occur in warmer months, when energy bills are typically lower. In addition, the Alliance is launching a major documentary to be aired around the country on what residents can do to save energy this winter when the country is expected to face a serious electricity shortfall (many homes use electric heat). For more information, contact [Eric Carlson](#).

UKRAINE: Stakeholders Meet to Discuss Reduction of Energy Consumption. November 8, 2001. Energy sector stakeholders participated in a roundtable titled "Development of Energy Efficiency for Cities and Regions in Ukraine." Participants included the Institute of Energy Saving and Energy Management, the State Committee on Energy Conservation (SCEC), Association of Ukrainian Cities, and the Ukrainian Association of ESCOs. Objectives of the roundtable included implementation of the 1999 Presidential Decree No.662/99 "On measures to reduce energy consumption at budgetary agencies and organizations." Discussion ranged from preparing for the next SCEC meeting to assessing the impact on energy efficiency businesses of recent changes in the Budget Code and anticipated changes in the Tax Code. For more information, send an email to [Arena](#).

UKRAINE: Alliance Analyzes Energy Expenditures in Ukrainian Cities. Alliance staff in Ukraine conducted an analysis of energy expenditures in the City of Lviv and in the surrounding region. The analysis revealed that payments for thermal energy accounted for 78% of all energy expenditures in the oblast and municipal budgets. Other energy expenditures included water payment (13%) and electric energy (9%). The analysis supports a prioritization of energy efficiency initiatives, focusing first on heat systems rehabilitation and second on water projects. For more information on this analysis, contact [Anatoliy Kopets](#).

NEWS IN THE MUNEE REGION*

BULGARIA: Non-System Subscribers Pay for System. According to Deputy Minister of Energy Angel Minev, the amended Energy Act states that subscribers who decide to disconnect from central heating or dismantle their radiators will still pay 10 to 30 percent of the total cost of a building's heating. These payments will cover the regular expenses of maintenance on the heating-supply network. The Act also stipulates that the central heating utility will switch off the heating facilities - by sealing valves or removing radiators -- to those who have not paid their bills for two consecutive months. If citizens deny access to their apartments, sanctions will follow. All subscribers must buy individual heating meters before September 30 next year. Those who fail to meet this deadline will be fined.

BULGARIA: Central Heating Price Frozen Until April. There will be no more price increases for heat this winter according to the Agency for Power Generation and the Commission for Energy Regulation. Energy specialists expect that "a second rise in the tariff for one and the same heating season is inadmissible. It would provoke social tensions and a mass-scale renunciation of the service." The latest leap was the 10% increase of last October 1. The next increase by another 10% was expected to come into effect as of January 1, 2002. Only the 7 central heating firms that will not be subsidized as of this autumn will fix higher prices depending on their costs. According to the Power Generation Agency, the remaining 15 centralheating firms will sell the service at a fixed price of 40,051 Bulgarian leva per MWh, an estimated 50% of the cost of production. Industrial and governmental customers will pay a higher price because they will not receive any state subsidies.

LITHUANIA: World Bank Approves Vilnius District Heating Project. August 2001. The World Bank approved a project for \$17 million that will support the government's energy strategy. The project seeks to supply safe, reliable energy at least cost, encourage energy efficiency, reduce the impact of energy on the environment, improve the quality of district heating supply, and reduce the delivery costs. Activities will focus on reliability of supply and building level temperature control. For more information, please email [Gina Ciagne](#).

ROMANIA: Energy Law Modified to Require Metering. The government recently amended the Energy Law and now stipulates that end-users (legal and natural persons) are obliged to take measures to install meters for their energy consumption. In accordance with article 18 (1), in order to facilitate energy efficiency investments, energy consumers may obtain financial support (up to 50% of investment) from the Special Fund for National Energy System Development.

ROMANIA: Energy Efficiency Fund Announced. The government recently created

an energy efficiency fund. The Fund is a legal and autonomous entity. The main task of the Fund will be to manage the financial resources from the Global Environmental Fund (GEF) and identify projects to finance. In the beginning, the Fund will have US \$10 million for financing projects.

ROMANIA: Government Takes Steps to Decrease Energy Intensity. The 2002 State Budget Draft Law is under debate in Parliament. The main provisions of this document are economic growth of 5% of GDP, an inflation rate of 22% and a budgetary deficit of 3% of GDP. Statistics show that Romania continues to register an energy intensity (MWh / 1000 USD GDP) 2.5 times higher than the values registered in EU countries. According to IEA, energy intensity and GHG emissions in Romania are approximately 3 times higher than those registered in countries like the United Kingdom, France or Germany. The Government has decided to take steps to reduce by 2010 the industrial energy consumption by 16-25%. A report of the Consumer Protection Office shows that the Bucharest heat distribution company (RADET) has introduced plate heat exchangers in almost every substation. About 1,400 plate heat exchangers have been installed for water and 255 for heat. In addition, out of the 9,500 homeowner associations, 2808 (29.5%) have been provided with meters.


RUSSIA: Government Recommends Cherepovets Case for Replication. The Government Committee on Housing Policy, under the direction of Vice Chairman of the Russian Federation, V.B. Christenko, discussed plans for the transition to a new system of payments for residential and communal services. Discussion centered on the organizational and technical measures for realization of wide-spread reforms. The mayor of Cherepovets, M.S. Stavrovskovo, detailed reforms in Cherepovets and steps taken to bring the municipal enterprise (residential and communal services) to the point of financial solvency. The new system of tariff regulation, created in Cherepovets last year, employs social protection measures under the transition to 100% payment. As a result of this meeting, the Committee members approved the measures taken by the Cherepovets administration and recommended this model for use in other Russian municipalities.

RUSSIA: Moscow Mayor Temporarily Cancels Schedule for Energy Tariff Increases. Juri Luzhkov decided to cancel the October 1 introduction of 100% payment for communal services in Zelenograd. In the words of the deputy of the Moscow state department, Galina Hovarska, "Moscow will gradually move towards full payments, but first it is necessary to reduce subsidies of communal services. Reform of communal services will not begin earlier than January." In the Zelenograd district, the city government originally intended to implement reform that would eventually affect all citizens of Moscow. Over a three-month period, citizens with family incomes greater than 6,000 rubles per person would have to pay fully for communal services. A standard, two-room apartment would cost about 1,200 rubles per month. Detailed analysis of the situation shows that today Zelenograd is one of the poorest regions of the capital, though the program was intended to rationalize the subsidy system to protect poorer citizens.

SERBIA: Government Considers District Heating Price Increases. October 29, 2001. Price increases for the district heating plants service will be considered in the next Government session on November 1, said Minister of Energy Goran Novakovic. He said that the new price, 26 diners per square meter, is "reasonable and includes all expenses - fuel, repair, salaries..."

In a recent meeting with representatives of municipalities, Novakovic said "they were told somebody has to pay - either citizens or local governments." Two days later, an assistant to the minister explained that "there was some confusion in interpretation of the Minister's statement on price increases for district heating." His statement came after tough public reaction that followed the announcement on price increase. "The Minister did not say that it is decided, but that it will be proposed to the Government", Kostic said. Unofficial sources say that the Government will decide in favor of price increase, but in amounts less than what the Ministry of energy proposed.

UKRAINE: Energy Efficiency Feasibility Study in Kharkiv Oblast. October 2001. Kharkiv Oblast State Administration signed a contract for development of a feasibility study for the investment project "Energy Efficiency Upgrades to Kharkiv District Heating System." Kharkiv is the second largest Ukrainian city with a population of about 1.8 million; 85% of the population uses heat energy supplied by the district heating system. The work is financed by the U.S. Trade and Development Agency, and parties to the contract include Parsons Energy & Chemical Group Inc., ARENA ECO and Taylor-DeJongh. The study will analyze various options for both district and decentralized heating of different city districts. Project implementation is to be supported by a World Bank loan with expected investments of approximately \$170 million.

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UPCOMING EVENTS

SWITZERLAND: November 20-21, 2001. The twelfth meeting of the EE 21 Steering Committee (part of the United Nations Economic Commission for Europe) will be held at the Palaise des Nations. Among other issues, the meeting will have a special session on the [RENEUER](#) project - in South-Eastern Europe, as well as a report on Energy Efficiency investment projects being developed under a program funded by the United Nations Foundation. For more information, visit the Upcoming events section in [EE-21](#).

RUSSIA: November 29-30, 2001. The Congress of Municipal Associations of Russia will hold their Annual Meeting in Moscow. Municipal leaders will discuss past activities and future plans. The agenda will include discussion of the status of housing reform, barriers to its expansion, and policies and other incentives to support such reform. For more information, contact [Sarah Meyer](#).

ROMANIA: December 10-11, 2001. The Romanian Energy Efficiency Society (SOCER) will organize a national conference on "Methods, Installation and Equipment for Energy Measurement, Conservation and Management." The conference will be held in Craiova. For more information, please contact [Laura Radulescu](#).

ITALY: January 2002. Euroheat & Power, the international association for combined heat and power, district heating and cooling is organizing a seminar on marketing issues. How can branding be applied in the new millennium? What was Italy's strategy for the successful implementation of DHC? And how does a US company respond to their home market? A multimedia show will bring present best practices - marketing in Austria, Finland, Sweden, Hungary and of course Italy. For more information, please contact: info@euroheat.org.

BELGIUM: March 5, 2002. Euroheat & Power will hold its annual conference, focusing on European perspectives, targets, policies and measures for combined heat and power (CHP) and district heating and cooling. The conference agenda will also include the role of renewables in the heat market, certification of CHP plants, CO2 savings etc. For more info please contact: info@euroheat.org.

BELGIUM: March 19-21, 2002. 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.cogen.org/>.

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RECENT EVENTS

BELGIUM: November 6, 2001. DG TREN organized a European Conference of Local and Regional Energy Agencies. The main objective of the workshop was to support the dissemination and replication of successful project outcomes in order to underpin community energy policies in the field of energy efficiency, to promote the use of renewable energy sources, and to discuss the potential role of the local and regional energy management agencies. For more information, please contact [Ismo Gronroos-Saikkala](#). For details on workshop agendas, lists of participants, and much more please visit: http://europa.eu.int/comm/energy/conf/en_conf/en_confworksh.htm.

ROMANIA: October 31, 2001. The National Institute for Energy Research and Development (ICEMENERG) organized a professional event "Municipal Energy Management." The presentations focused on energy efficiency topics, legislation, and

components of municipal energy plans. The agenda included issues such as co-financing schemes for energy efficiency projects from local budgets and from the Development Fund of the National Energy System, as well as participation of the private sector. Mr. Honoriu Pitaru of MUNEE Partner APER attended this workshop. For more information, contact [Laura Radulescu](#).

HUNGARY: October 27-30, 2001. The Energy Club organized a seminar to discuss energy efficiency and the use of renewable energy resources in municipalities. More than forty stakeholders from energy sectors throughout Central and Eastern Europe participated in this event. The agenda included case studies and various strategies to promote the effective use of energy, including policy tools, codes and standards, and energy efficient technologies. For more information, contact [Nathalie Francoeur](#).

ROMANIA: October 23-26, 2001. At the International Specialized Lighting Exhibition - Lighting Romania 2001, eighty companies from 18 countries presented their products and services concerning lighting. The exhibitors displayed devices for the following lighting topics: interior luminaries, exterior luminaries, luminaries for special utilities, light sources and accessories, interior and exterior lighting systems, and special structures for light. This exhibition was organized to present the state of the art of the lighting industry and to present the latest achievements of lighting manufacturers. For more information, contact [Laura Radulescu](#).

RUSSIA: October 23-24, 2001. The fifth conference and exhibition "Regional Energy Efficiency Problems and Solutions" took place in Russia. The conference was divided into the following sections: modern technologies, equipment, and methods to improve energy efficiency; non-conventional energy and renewables; and energy efficiency in the institutions of the Ministry of Education. For more information, contact cenef@online.ru.

RUSSIA: October 16-19, 2001. The Irkutsk international exhibition center "SibExpoCenter" recently housed exhibitions "Energy and Energy Efficiency" and "Control and Metering Equipment." The exhibition included more than 100 companies of different Russian regions and foreign countries. The program included the following seminars: "Information resource in the energy sector", "Heat-, power-, and industrial water meters", "Improving energy efficiency through variable speed drives", "Problems related to the quality of power supply", and round tables: "Energy efficiency technologies" and "Energy audit equipment". For more information, contact cenef@online.ru.



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NEW RESOURCES / NEW OPPORTUNITIES

UNDP's Bureau for Development Policy is launching the second phase of the Public-Private Partnerships for the Urban Environment facility (PPPUE).

At the core of the newly designed program is a new grant facility which awards pioneering PPP projects and policies with Innovative Partnership Grants.

The first deadline for proposals is November 30, 2001. The Innovative Partnership Grant (IPG) offers an opportunity to National and Local Governments, CBOs, Municipal Associations, Chambers of Commerce, NGOs etc. to propose innovative projects related to public-private partnership development at the local level. Proposals can target one or more of the following areas: establishing adequate policy, legal and institutional frameworks for public-private partnerships at the local level; building local capacity for public-private partnerships; designing and implementing innovative partnership arrangements. For more information, visit the [PPPUE](#) website.

Comments on MUNEE NEWS?

If you have any comments or suggestions as to what information you would like to get from MUNEE NEWS, send an email to [Sarah Meyer](mailto:Sarah.Meyer@ase.org).

For previous editions of the MUNEE Newsletter, log on to <http://www.munee.org/>. Thanks for your interest in the MUNEE program.

*For newspaper citations, please contact smeyer@ase.org.

Sarah Meyer

Alliance To Save Energy

1200 18th Street, NW, Suite 900

Washington, DC 20036

Telephone: (202) 530-4343

Fax: (202) 331-9588

Web: <http://www.ase.org/>

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