

MATRIX OF RECOMMENDATIONS

CHALLENGES OF SMES DURING THE TRANSITION TO ALTERNATIVE ENERGY SOURCES

January 2023

This matrix of recommendations aims to summarize the recommendations and solutions proposed in the Technical Note and serves as an Internal Plan for monitoring from AIC secretariat team to follow up their implementation.

The following recommendations are product of the analyses and consultation of IC Secretariat with many stakeholders and experts both in private and public sector *and try not to repeat the ones approved in the previous IC meetings*. The IC Analysis brings for discussion interventions relying upon private sector (MSME's) perspectives on the challenges of SMEs during the transition to alternative energy sources, based on (a) energy model market and power exchange; (b) getting energy and quality of supply; (c) the net metering scheme for self-producers/photovoltaics under 2MW; (d) best practices of incentivization of renewables.

Intervention / Recommendation	Responsible institutions/ Institutions included in implementation	Term
A. AT MACRO AND POLICY LEVEL		
Recommendation 1 MFE/MIE to assess the current instruments at disposal of SMEs, especially for those operating in crucial sectors (tourism, construction) and set up a national priority intervention list focusing on plans/roadmaps for green SMEs which could tackle their uncertainties related to funding source, return of investments in renewables, energy security and accurate information on applicable legislation. This study should provide policy vision related to (i) financial support ¹ (via grants, loans, subsidies, tax relief or a combination of measures), that structurally optimize energy consumption ex: the replacement of equipment/appliances with more efficient ones, improved insulation, etc.; (ii) increased information/advice SME services (via awareness raising, guidance, training, networks), on new regulation (e.g., supplier obligations and standards) and national plans or strategies. Ex: set up an efficient system for disseminating information among key stakeholders, enable effective dialogue between business representatives and public authorities on funding opportunities as crucial elements to facilitate the energy transition for SME entrepreneurs; (iii)	MFE MIE MTM Agency of Efficiency AIDA	Medium-term

¹ Support with government funds, grants or low-interest loans, incentives to cover part of the investments (for a faster return), mainly in the covering of the external facades of buildings, solar and photovoltaic panels, heating installations /cooling and electrical equipment for SMEs (hotels, agritourism, etc.)

supporting energy audits and advice services. Advocate SMEs, or even offer/grant energy audits and advice aiming to quickly identify opportunities for reducing their energy consumption; (iv) implementing the most cost-effective recommendations coming from energy audits, and potentially provide by financial support.		
<p>Recommendation 2</p> <p>To timely enable easy and unified access of producers and prosumers of electricity to the necessary information related to the promotion of renewable energies, as well as addressing issues related to the energy efficiency, it is proposed the development of a centralized instrument (e.g. functions of an agency, platform, website, application etc.), as a disseminating information center also sharing best practices, managed by the Ministry of Infrastructure and Energy, which could include (at minimum):</p> <ul style="list-style-type: none"> • transparency overview on current donors' assistance programs and government support in the SME energy transition area and key capacity delivery issues². • general presentation on renewable energy and energy efficiency. • applicable legal ground. • requirements to become a producer and prosumer of electricity from renewable sources, form, and method of application. • investment support from donors/banking institutions, including and not limited to the offered financial products and their comparison. • identification of the offered subsidies as well as means to benefit from them. • return on investment for all types of investments. • business plan for all types of renewable resources. • active support (online) on submitted applications and/or related issues. • active support (online) on submitted applications and/or related issues. 	<p>MFE</p> <p>MIE</p> <p>Donors</p>	<p>Medium-term</p>
<p>Recommendation 3</p> <p>In order to guarantee the involvement of SMEs in the drafting of the investment plans, and, as a result, addressing the issues related to the quality of the supply service and the security performance of the electricity distribution network, MIE/ERE should enable the practical implementation of the “Regulation on the</p>	<p>MIE</p> <p>ERE</p>	<p>Medium-term</p>

² In annex there is an initial snapshot of current instruments that could be further customized to SME needs.

procedures for the submission and approval of the investment plans by electricity transmission and distribution operators”, adopted by ERE Decision No. 135, dated 06.09.2017, related to the consultation of the investment plan of OST and OSSH with the interested parties before submission for approval to ERE.		
<i>B. LEGAL AND REGULATORY LEVEL</i>		
Recommendation 4 Amendment to article 15.3 of the Law No. 7/2017 “For promoting the use of energy from renewable sources”, replacing, in the “Net Electricity Metering Scheme”, the monthly resolution with the annual one	MIE MFE	Short- term
Recommendation 5 Amendment to Law No. 7/2017 “For promoting the use of energy from renewable sources”, granting the opportunity to prosumers active in the deregulated market, to sell the electricity produced by the generating unit to the Renewable Energy Operator, based on the “Methodology for determining the selling price of electricity produced by active prosumers in the deregulated market”, to be adopted by the Council of Ministers.	MIE MFE	Short- term
Recommendation 6 Amendment to article 15.1 of Law No. 7/2017 “For promoting the use of energy from renewable sources”, increasing the total capacity of prosumers to 1 MW.	MIE MFE	Short- term
Recommendation 7 Amendment to Law No. 7/2017 “For promoting the use of energy from renewable sources”, including the adoption of the functioning principles of the “Aggregator” as well as of the “Renewable Energy Community”.	MIE MFE	Short- term
Recommendation 8 Amendment to Law No. 7/2017 “For promoting the use of energy from renewable sources”, clearly defining the possibility of installing the electricity generating unit by prosumers in a <u>location</u> independent from the electricity consumption unit.	MIE MFE	Short- term

<p>Recommendation 9</p> <p>MIE/The Council of Ministers, pursuant to article 15.3 of Law No. 7/2017 “For promoting the use of energy from renewable sources”, to adopt the “Methodology for determining the price of the sale of surpluses to the Universal Service Supplier, charged with public service obligation”. ERE, pursuant to article 15.3 of Law No. 7/2017 “For promoting the use of energy from renewable sources”, after the adoption of the “Methodology for determining the price of the sale of surpluses to the Universal Service Supplier, charged with public service obligation”, to adopt the selling price of surpluses to the Universal Service Supplier.</p>	<p>MIE</p> <p>Council of Ministers</p> <p>ERE</p>	<p>Medium-term</p>
<p>Recommendation 10</p> <p>The Ministry of Infrastructure and Energy to adopt the Decision “For the approval of the simplified authorization procedure for connection to the distribution system of small renewable projects for prosumers of electricity from the wind”.</p>	<p>MIE</p>	<p>Short- term</p>
<p>Recommendation 11</p> <p>ERE, in cooperation with the Ministry of Infrastructure and Energy as well as the Secretariat of the Energy Community, Vienna, to adopt (i) the procedure for enabling the trading of “green certificates” (ii) Methodology for calculating the renewable energy obligation and the procedure for compensating priority producers of electricity”, as well as (iii) the procedure for enabling the trading of “guarantees of origin”.</p>	<p>MIE</p> <p>ERE</p>	<p>Medium-term</p>
<p>Recommendation 12</p> <p>ERE to adopt the “Indicators for the standard criteria (KPI) of the quality of supply service and the security performance of the electricity distribution network for the year 2023 (and thereafter for each calendar year)”.</p>	<p>MIE</p> <p>ERE</p>	<p>Medium-term</p>
<p>Recommendation 13</p> <p>ERE to adopt, in the framework of the “Regulation for the standard criteria of the quality of supply service and the safety performance of the electricity distribution network”, adopted by ERE Decision No. 181, dated 10.11.2017, the “compensation amount” of customers in case of non-compliance with the criteria for the standard quality service. The nature of the compensation should be of an automatic penalty, in</p>	<p>MIE</p> <p>ERE</p>	<p>Medium-term</p>

accordance with the precedent of the “Regulation on the minimum conditions of the quality of the service of distribution and sale of electricity” , adopted by ERE Decision No. 110, dated 21.10.2011.		
Recommendation 14 ERE to amend the “Methodology on Defining the Retail Electricity Sale Price for the End-Use Customers Supplied from the Universal Service Supplier (FSHU)”, adopted by ERE Decision No. 189, dated 23.11.2017, clearly defining special incentivized tariffs for electricity consumed at night/off-peak hours.	MIE ERE	Medium-term
<i>C. RECOMMENDATION THAT AIMS TO ENABLE BUSINESS STAKEHOLDERS TO INVEST IN ENERGY TRANSITION</i>		
Recommendation 15 Business Chamber of Commerce and Industry/Business Association in cooperation with universities and specialized knowledge centers, must proactively engage in projects, initiatives, events, and training sessions that enable increased awareness of business community (focus SMEs) to expand their knowledges and upgrade their management capacities on energy related to (i) energy data and management (being able to correctly collect, manage); (ii) innovative solution for a sustainability culture that would meet both company ‘priorities and stakeholders impacted by the business, best examples/practices; (iii) training on better understanding determining factors of investment such as the value of initial investment, period of return, security of energy supply, energy cost, etc.	Chambers of commerce and Industry Business Associations Universities	Medium-term
Recommendation 16 Banks, scheme promoters and other financial institutions that gives credit to consider more attention to the promotion of energy innovative products and focus relevant capacity building of their staff in local level.	Bank’s Associations Partners for Development	Medium-term

Suggestions from Members	Subject
Good fiscal climate is very important. Efforts have been made in terms of the fiscal framework by MIE and MFE, but we would appreciate if the incentive through the removal of import VAT for photovoltaic equipment such as panels, transformers, inverters and other equipment is taken into consideration.	FIAA/Voltalia
Alternative sources of energy, are considered with continuous interruptions from nature, since if the wind does not blow or the sun does not come out, no energy is produced, so energy storage is super important, but currently there is a lack of legal framework on battery energy storage.	FIAA/Voltalia
According to building permits that must be granted by the National Territorial Council, acquire a long and quite bureaucratic process, we suggest that it should be considered for review.	FIAA/Voltalia

Abbreviation :

MIE- Ministry of Infrastructure and Energetics

MFE – Ministry of Finance and Economy

MTM – Ministry of Tourism and Environment

ERE – Energy Regulatory Entity

Term :

Short term- period from 1 to 6 months.

Medium-term – period from 6 month to 1 year.

Long term – period over 1 year.