Establishment of Energy Agencies in Ukraine

Reducing costs by investing in energy efficiency measures

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Partner: Ministry of Regional Development, Construction, Housing and Communal Services of Ukraine
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Success Story
On behalf of the German Federal Government the city of Odessa received support for setting up Odessa Municipal Energy Agency (OMEA). Already in its first operational year OMEA has made important contributions to increase energy efficiency and, thus, decrease energy costs for Odessa city. For example, OMEA continuously monitors current energy consumption in more than 500 public buildings in the city. Hence, unnecessary „energy absorbers“; e.g. malfunctioning or unnecessary usage of heating systems in public buildings on weekends, can be immediately detected and fixed. Thus, this energy management system immediately saves the city approximately five percent of costs, which the city, in turn, might now consider reinvesting in modernizing public buildings according to high energy efficient standards.

Objective
Potentials for saving energy and raising energy efficiency are identified, and measures are implemented to reduce consumption, cut costs and improve the availability of energy.

Challenges
When measured against its economic output, Ukrainian energy consumption is four times higher than the EU average. Industry, public administration and private households need to increase their energy efficiency in order to reduce production costs and the dependence on imported energy. Reduced consumption of fossil fuels will also decrease greenhouse gas emissions. But, for the time being, neither the providers nor the customers are aware of technical and financial solutions in this area.

Activities
The Project is supporting the Government of Ukraine in its efforts to create a legal framework that encourages investments in energy efficiency measures at the level of municipalities. In Odessa a pilot energy agency was established. Its task is to advise municipalities on proper measures and to create awareness among the general population for the topic of energy saving. The aim is to kick off a process that attracts investments in energy efficiency measures.

Results
With the assistance of the project, Odessa was able to establish Ukraine’s first municipal energy agency. In addition to the established municipal energy management system, OMEA managed also to obtain almost 500,000 Euro of international funding for the modernization of three city schools and kindergartens. On the national level studies and analyses, drafted by the project, serve as a basis for important reforms in energy efficiency sphere. Various ministries as well as the Cabinet of Ministers of Ukraine refer to their recommendations and conclusions.