



*Tirana International Energy Charter Forum*  
**Energy Diversification, Renewables and Energy Efficiency**  
**Tirana, Albania, 12-13 June 2019**

**FORUM CONCLUSIONS**

**Background information**

1. The Tirana Forum was jointly organised by the Ministry of Infrastructure and Energy of Albania and the Energy Charter Secretariat under the Albanian Chairmanship of the Energy Charter Conference.
2. More than 150 participants from 20 countries, including Ministers, Deputy Ministers, high level representatives of international organisations, international financial institutions, business and civil society debated on how to address climate change objectives while achieving energy prosperity and socio-economic benefits.
3. Today, fossil fuels represent about 80% of the global energy mix and this share is projected to decrease in the next decades to account for 35-50% by 2040. Therefore, challenges will need to be addressed by both developed and developing countries:
  - a. The implementation of balanced policies when phasing out highly CO<sub>2</sub>-emitting generating capacities before the end of their economic life;
  - b. Determining the optimal combination of energy diversification, renewable energy and energy efficiency strategies.
4. Taking into account the nature of the Tirana Forum, the discussions were spread over the following sessions:
  - a. Ministerial Session “Diversification, Renewables and Efficiency – Striking the Right Balance”;
  - b. Panel 1 “Linking Efficiency and Renewables to Socio-Economic Benefits”;
  - c. Panel 2 “Shared Prosperity - Interconnections and Regional Integration”.

### **Diversification, Renewables and Efficiency – Striking the Right Balance**

5. Ministers, Deputy Ministers and other high-level speakers noted the complexity of the interplay between the deployment of renewable energy technologies, energy efficiency improvements and diversification of energy sources. The interplay becomes even more complex when countries pursue multiple socio-economic and environmental targets combined with the reduction of energy dependency on a single source, route or supplier.
6. The speakers agreed that the investment conditions contribute to the future success or failure of the efforts aimed at achieving energy related and climate change targets. In order to achieve synergy between the three fields, they should contribute to achieving strategic energy targets in the most cost-effective and environmentally friendly way. A strategy to embrace such an approach may, for instance, include looking into the most promising and cost-effective combination of investment vehicles promoting interconnectors, renewable energy and energy efficiency.
7. The Energy Charter Treaty, together with its underlying political declarations, are critical instruments for promotion of investments, trade and international cooperation in the energy field. Whereas governments and businesses may engage in different approaches to energy investments, the presence of an overarching international mechanism encourages the alignment of the domestic legal regime with international standards.
8. Taking into account the importance of the Energy Charter Treaty (ECT), as the only multilateral trade and investment agreement applicable to the energy sector, the ongoing Modernisation of the ECT should therefore address the actual challenges related to the smooth clean energy transition as well as be aligned with the objectives of the Paris Agreement and UN Sustainable Development Goals.
9. The Ministry of Infrastructure and Energy of Albania, recognising the importance of the initiated discussions, proposed the following topic for the 30<sup>th</sup> Meeting of the Energy Charter Conference in Tirana to be held on 10-11 December 2019: “Facilitation of Investment in Renewables, Diversification and Efficiency”. The Conference will serve as a platform for top government and business decision-makers and international organisations and will continue the discussion on the ways how to link efficiency, renewables and diversification to enhancing investment conditions.

### **Linking Efficiency and Renewables to Socio-Economic Benefits**

10. The development of renewable energy sources (RES) and energy efficiency (EE) is often seen not only as a key mean for clean energy transition, but also as a driving force to reduce dependency on a single source, route or an energy supplier. The EE as the main fuel for energy transition and as a key tool for rational use of both existing and new energy capacities plays one of the most importance role for both processes.
11. Along with demand side efficiency strategies, more effort should be devoted to enhancing efficiency of energy supply, reduction of energy losses and tariff reforms, especially for ECT contracting parties with less developed energy markets. While performing tariff reforms, the protection and enhancing efficiency of energy performance of vulnerable consumers should be one of the main priorities. The cost-effective energy prices and efficient protection of vulnerable

consumers can be one of the main incentives for the energy efficiency improvements, rational use of energy and the elimination of wasteful behaviour.

12. Based on the presented experience, the improvement of energy efficiency and the deployment of renewables can be pursued at different paces and with different attitudes. For example, various renewable energy options could be deployed without taking into account energy efficiency improvements beyond business as usual. And, in reverse, energy efficiency objectives can be achieved through ambitious energy efficiency improvements across different sectors, without taking into account the contribution of renewable energy options.
13. In order to achieve synergy between energy efficiency and renewable energy, both fields should contribute to achieving strategic targets in the most cost-effective and environmentally friendly way. Therefore, all participants decided that future discussions in this area should be devoted to the identification and quantification of competitive interactions, potential synergies and trade-offs between RES and EE which manifest differently in different settings.

### **Shared Prosperity - Interconnections and Regional Integration**

14. Renewable energy production is rapidly increasing and creating greater energy mix diversification, environmental and economic benefits. The distributed generation growing at a fast pace worldwide and its installed capacity expected to more than double in the next decade.
15. Natural gas is attracting great interest as a cleaner alternative to coal and oil, mainly due to ongoing natural gas pipeline projects and the rapid development of global liquefied natural gas (LNG). It is expected that the use of LNG will lead to a steady increase in demand over the next few decades. To meet the growing demand for LNG, natural gas liquefaction plants have been constructed across the globe and are influencing prices of traditional natural gas.
16. The further development of electricity and natural gas interconnection networks will also lead to long-term energy security and fundamental structural changes in economies and societies. This will also create new opportunities for countries that have never had access to natural gas resources or clean electricity produced from abundant hydro-capacities in neighbouring countries.
17. The development of natural gas networks and generating capacities can play an important role for implementing balanced policies on phasing out highly CO<sub>2</sub>-emitting generating capacities and substituting them with a low-carbon energy sources. Phasing out coal and other highly polluting generating capacities before the end of their economic life while protecting financial interests of investors and security of supply obligations of government, should be one of the main topics for the 30<sup>th</sup> Meeting of the Energy Charter Conference in Tirana on 10-11 December 2019.