

IMPLEMENTATION OF LAW OF RATIONAL (EFFICIENT) USE OF ENERGY

Law No 359-VIQ, *On Efficient Use of Energy Resources and Energy Efficiency*, of 9 July 2021, having replaced the Law, *On Use of Energy Resources*, of 30 May 1996 came into effect on 1 July 2022. This legal act developed within the [EU4ENERGY Project](#) reflects the key energy saving targets, in particular, reduction of energy consumption and of CO2 emissions and ensuring a more reliable energy supply.

The scope of Law covers the full energy chain, from production to end-use consumption. The State policy is aimed at ensuring a secure and reliable energy system, sustainable development of economy, attracting investments for implementation of energy efficiency measures and putting in place high-efficient technologies, promoting collaboration among and between energy producers, energy suppliers, including enterprises in charge of transmission and distribution, and the local authorities.

Energy Audit and Management

An energy audit is a valuable mean to promote the energy efficiency. Pursuant to the said Law, the energy audit is an evaluation of non-residential premises and businesses for cost-efficient measures of energy use, energy saving opportunities, an amount of energy losses and wastes released into environment, as well as obtaining information of energy consumption.

The energy audit is mandatory for businesses and non-residential premises meeting the criteria determined by the Cabinet of Ministers. These subjects shall undergo the energy audit every three years. Other businesses, including branches and representative offices of resident enterprises located outside Azerbaijan, may conduct the energy audit on a voluntary basis, by concluding an agreement with an auditor.

An auditor is an individual holding higher energy and economy education as well as professionally attested by the Ministry of Energy. The Ministry maintains the public register of the auditors.

Apart from the energy audit, the Law provides for implementation of the energy management system. An energy manager may be appointed at enterprises whose annual energy consumption exceeds 1,000 tonnes of oil equivalent and non-residential premises of a floor area at least 10,000 m² or whose annual energy consumption exceeds 250 tonnes of oil equivalent.

Efficiency Measures

Energy efficiency measures consist of organisational, legal, scientific, economical, and technological measures aimed at promoting the rational use of energy sources.

Implementation of energy efficiency measures and public programs is supported through:

- grants and subsidies;
- implementation of pilot projects;
- preferential loans; and
- the energy efficiency fund.

The foregoing incentives also serve for development of energy management system, cogeneration and high efficiency cogeneration, financing of scientific-technical activity, supply of smart meters and use of renewable energy sources.

Other energy efficiency measures include labelling of products and adoption of eco-design requirements, improvement of energy performance of buildings.

The energy sector is controlled by the Ministry of Energy. The Energy Regulatory Agency under the Ministry monitors a rational use of power by the energy suppliers, putting in place of measures for prevention of negative impact on environment, and verifies whether the suppliers implement the measures for reduction of consumption of primary energy sources (fuel) used to generate energy.

Reduction of CO2 Emissions

To overcome challenges that the climate change is bringing, governments around the world take various commitments. For instance, the European Commission adopted a set of legislative proposals targeting a reduction of the CO2 emissions by 55% by 2030. The Energy Efficiency Directive by the Commission is an important element to progress toward the climate neutrality.

In Azerbaijan, the energy efficiency policy aims include taking appropriate measures to cut the greenhouse gas emissions. For development of the renewable energy sector, the Ministry of Energy is participating in a number of agreements for power generation from the renewables. As stated, industries and consumers are being made responsible for efficient use of power and energy products, compliance with the rules for the use of energy resources and controlling their wastes.

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