

## **Realizing Energy-Saving Potential to Ensure the Success of the Housing and Urban Environment National Project: Nationwide Meeting**

### KEY CONCLUSIONS

#### **Solving issues related to housing requires the use of energy efficient technologies**

"President of the Russian Federation Vladimir Putin has set new objectives in the housing sector and in the utilities sector. One of the main objectives is sustainably decreasing the volume of unfit housing on the market, as well as creating new, technologically advanced, and comfortable urban environments. Achieving these objectives is impossible without the use of energy efficient technologies and energy saving events. This includes the creation of an energy efficient urban and utilities infrastructures," Sergei Stepashin, Chairman of the Supervisory Board, Housing and Utilities Reform Fund.

"The national project includes 4 federal projects. The first is related to mortgages, so that the constructed housing – the volume of which is quite large, 120 million square metres by 2024 – ends up being purchased. <...> Plus, there are also a number of measures tied to financing construction that meets the new regulations," Vladimir Yakushev, Minister of Construction, Housing, and Utilities of the Russian Federation.

#### **Utilities are an important factor in lowering the Russian economy's energy consumption**

"Up to 40% of energy is consumed by the housing and utilities sector. Effectively solving this problem will affect not just the utilities sector but also the national economy at large," Sergei Stepashin, Chairman of the Supervisory Board, Housing and Utilities Reform Fund.

#### **Integrating energy efficient technologies in the housing sector is beneficial to both the government and the population**

"As part of the national programme to resettle the population out of unfit housing, we've seen the building of 154 energy efficient residential buildings, modern 21st century houses in 30 federal subjects of the Russian Federation <...> According to the Fund, the utilities savings <...> in these 'smart houses'

totals an average of 28%," Sergei Stepashin, Chairman of the Supervisory Board, Housing and Utilities Reform Fund.

"The Housing and Utilities Reform Fund has implemented a number of projects for the construction of energy efficient, multi-family buildings as part of the programme to resettle citizens living in unfit housing. Experience has shown that these projects will appreciate by 3,000 roubles per square metre. At the same time, citizens' expenditures on utilities are decreasing significantly," Vladimir Talalykin, First Deputy General Director, Housing and Utilities Reform Fund.

"The population living in standard homes pay subsidized rates for utilities. They pay for 78% of actually consumed resources <...> In energy efficient homes, residents pay 100% of the actual price of utilities, these buildings' utilities consumption does not have to be subsidized. As a result, the republic is able to save 17 million roubles that would have been spent on subsidies," Anatoliy Kistenev, Head of Urban Okrug Jhatay of the Republic of Sakha (Yakutia).

## PROBLEMS

### **Transitioning to new construction financing rules is complicated**

"We are currently in a complex transition period, where the banking system must be proactive and support the projects currently being implemented by the construction industry. Today, banking support, which all of our current construction and residential developers depend on, is in a tough spot. There are new regulations being developed, there are a lot of inconsistencies, and already accepted legislation needs more clarification," Vladimir Yakushev, Minister of Construction, Housing, and Utilities of the Russian Federation.

### **Energy saving stimuli are lacking**

"Our energy efficiency objectives require structural change that will affect each of us. Currently, no one is motivated to organize energy efficiency events. The amount of electrical energy currently being sold on the market depends on how much is produced, not how much is needed. Producers have no incentive to lower production, because the more energy they sell, the more money they make," Alexander Sidyakin, First Deputy Chairman, State Duma of the Federal Assembly of the Russian Federation Committee on Housing Policy and Housing and Communal Services.

"In this [housing and utilities] sector, work towards energy efficiency and modernization is being done extremely slowly, far slower than in any other sector," Svetlana Razvorotneva, Executive Director, National Centre for Public Control in the Field of Housing and Communal Services HCS Control.

## SOLUTIONS

### **The use of energy efficient technologies in renovation programmes**

"A mandatory part of <...> constructing residential houses for the resettlement programme is implementing energy efficient technologies or, to exaggerate the matter a bit, 'stop building Khrushchev-era apartments, we're living in the 21st century.' Second, modernize utilities infrastructure. <...> Third, citizens should be encouraged to increase the energy efficiency of existing residential buildings through support from municipalities and through holding comprehensive energy saving events," Sergei Stepashin, Chairman of the Supervisory Board, Housing and Utilities Reform Fund.

### **Improving government regulations and simulating the implementation of energy efficient technologies**

"The energy saving processes are going fairly slowly. This is because our money is expensive and resources are cheap. Today, the economic potential that is achievable through capital investment rarely exceeds the volume of these investments <...> We need to make money cheaper," Dmitry Vakhrukov, Director of the Department of State Tariffs Regulation, Infrastructure Reforms and Energy Efficiency, Ministry of Economic Development of the Russian Federation.

"We must create financial instruments to accelerate the renovation of multifamily housing. <...> For the programme to start working immediately, <...> we should not make the demands for financing too strict. However, we must clearly evaluate the abilities of multifamily housing owners, taking into account their limited means," Andzhey Raykevich, Vice President, National Energy Conservation Agency SA.

### **Popularizing energy efficiency**

"For the ideology of energy efficiency to take precedence among the masses, so to speak, this topic must be addressed in public information campaigns and



in education, starting from preschool,” Vladimir Talalykin, First Deputy General Director, Housing and Utilities Reform Fund.

“A large number of informational and educational events were held in the interest of increasing the knowledge of each of the programme’s participants. I want to bring to your attention the first results <...> To some of you, they may seem rather modest. Just over 70 buildings. Nevertheless, if we look at international experiences, at countries like Poland and Lithuania, we can see that this is absolutely in line with the government support programmes being implemented in those countries,” Ekaterina Levitanskaya, Project Manager of Financial Markets of Europe and Central Asia Department, International Finance Corporation.