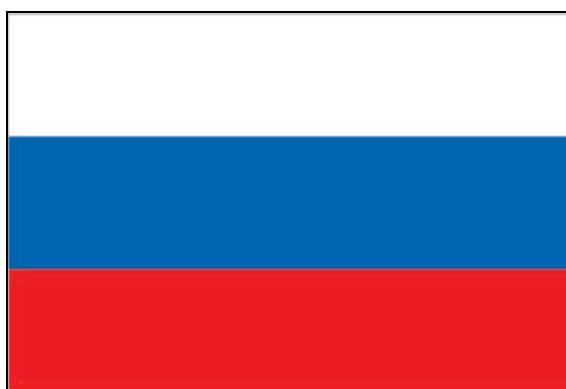


## CLIMATE CHANGE LEGISLATION IN

# RUSSIA

*AN EXCERPT FROM*

## The 2015 Global Climate Legislation Study A Review of Climate Change Legislation in 99 Countries



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# Russia

## Legislative Process

Russia has a bicameral system and the Federal Assembly consists of the State Duma (Lower Chamber) and the Federation Council. The Duma passes laws, which are then sent to the Council for confirmation and forwarded to the President for signing and publication. Federal laws have priority over regional laws and direct effect throughout the territory of Russia. Often, Russian laws are adopted in the form of a Code of Law. A Code is a complete collection of rules in an entire subject area.

Another source of law, graded lower in the hierarchy of laws, is executive regulations (decrees and directives). The President can pass decrees on any issue without limits if a valid federal law does not regulate that issue, except in cases when the Constitution directly says that the question requires the adoption of a federal law. Usually, Presidential decrees implement higher-level acts of law.

An additional group of legislation is comprised of normative acts of federal executive authorities. These acts are related to laws through directives of the government. They develop, add and consolidate existing legal norms. Although ministerial documents are acts of special jurisdiction and regulate activities of the subordinated persons and legal entities, sometimes they can be of interdepartmental or even general significance.

## Approach to Climate Change

The ratification of the Kyoto Protocol by Russia in 2004 was crucial for the entry into force of the international treaty. The main legislation on climate and emissions mitigation rests mainly on various laws on establishing the domestic compliance instruments as required by the Protocol as well as the recent Climate Doctrine. An important component of the Protocol's framework, the Joint Implementation mechanism, was adopted in Russian legislation in 2009. The original 2007 Joint Implementation legislation was considered too complicated so the responsibilities were redistributed by involving Sberbank, a state-owned bank, which fulfils the functions of the "carbon units' operator", and the approval system was re-established.

The Climate Doctrine, approved in 2009, marks a crucial step in Russia's recognition of the potential benefits of mitigation measures and its will to engage with the international community. Although it is not legally binding, it is a strong statement of intent. It sets strategic guidelines and targets as well as serving as a foundation for developing and implementing future climate policy, covering issues related to climate change and its consequences. The doctrine will serve as a blueprint to harmonise domestic climate-related legislation with

international standards, improve climate monitoring, stimulate the adoption of stronger environmental standards, the adoption of energy-efficiency and energy-saving measures, as well as greater use of alternative (including renewable) energy sources.

Although the doctrine recognises the potential of Russia's vast forests as a carbon sink and recommends their use, it does not set up any major forestry action. However, the commitment under the Copenhagen Accord includes measures to provide the "appropriate accounting of the potential of Russia's forestry in frame of contribution in meeting the obligations of the anthropogenic emissions reduction".

In 2013 the President issued a decree setting out the national domestic target for reducing emissions by 2020 to 25% below 1990 levels and in March 2014 the Ministry of Economic Development rolled out a draft action plan to deliver the 2020 goal. In November 2014, the government also presented a general concept for measuring, reporting and verification (MRV) system for businesses as one of the measures to help attain the 2020 goal. A first set of scenarios on Russia's emissions trajectory until 2020 and beyond (2030) has been elaborated within the Ministerial document Projection of long-term social and economic development until 2030 (March 2013), with projected GHG emissions peaking beyond 2020 and then declining again to 70% of 1990 levels by 2030.

### **Energy supply**

Russia's policy on sustainable energy supply and renewable energies is based on the State Policy of Energy Efficiency Increase through Use of Renewables for the Period up to 2020 adopted in 2009. The State Policy established targets for the share of electricity generation from renewable energy sources up to 2020, excluding large hydro (over 25MW). The target is 1.5% in 2010, 2.5% in 2015 and 4.5% in 2020 and a series of measures are to be implemented and monitored to achieve those. In early 2014 a new version of the State Programme on Energy Efficiency and Energy Development was adopted. It keeps the target of a 40% decrease in the energy intensity of the economy between 2007 and 2020. However it cut the share of electricity generation from renewable energy sources up to 2020 from 4.5% to 2.5% by 2020 excluding large hydro (over 25MW).

Russia has the world's largest emissions from gas flaring. The World Bank estimates the reduction potential from flaring to be 70 Mt CO<sub>2</sub> at 2007 gas prices. In 2009, a government decree was adopted that seeks to reduce emissions from gas flaring. A 5% limit for gas flaring has been set for 2012 and subsequent years, with fines being imposed if this threshold is exceeded or there is no measurement equipment.

### **Energy demand**

Russia is one of the main global suppliers of gas and oil. In order to improve its energy conservation and efficiency, it has passed several laws and rules,

including the federal Thermal Performance of Buildings code (2003) and legislation “On Saving Energy and Increasing Energy Efficiency” (2009), which establishes basic principles to improve energy efficiency and to encourage energy saving, and provides for various amendments to existing legislation. Various subsequent sub-laws define tasks and responsibilities. In addition, there are various federal or regional programmes on heating or building efficiency such as the Heat Efficiency Leveraging Programme (HELP, initiated 1998) under the auspices of USAID, the Russian Investment Initiative and the US–Russian Commission on Scientific and Technological Co-operation.

Russia also has several framework policies or energy strategies where the goals, objectives and main directions of long-term energy policy are set out, with a strong emphasis on energy efficiency. These include the 2001 Federal Targeted Programme for an Energy Efficient Economy for 2002–2005 (updated in 2010 by the State Target Programme on Energy Efficiency) the 2003 Energy Strategy to 2020, and the 2009 Energy Strategy to 2030 where, by the end of the third stage, Russia is expected to have switched to highly efficient use of traditional energy and stand ready for the transition to alternative energy. The Energy Strategy of Russia to 2035 is currently under discussion. It identifies energy efficiency as one of the four main strategic goals and expands the concept of energy efficiency beyond energy saving. It proposes lowering the amount of electricity per unit of GDP by 40% and energy intensity by 50% by 2035 (as compared to 2010 levels). The Strategy is expected to be adopted in early 2015.

### **Adaptation measures**

Despite not having a specific National Climate Change Adaptation Plan, Russia has adopted some climate change adaptation measures aimed at reducing natural disaster damage and other negative climate events, based primarily on provisions of the Climate Doctrine (2009). The 2014 Progress Report on the Execution of the Climate Doctrine Implementation Plan states that measures and solutions were developed in 2013 to address issues such as: development and implementation of measures aiming to prevent growth in the frequency of forest and peat fires; mitigation of production loss risks in agriculture; limiting negative impacts caused by more frequent floods due to higher rainfall and rising sea levels; and mitigation of mountain glaciation degradation, dangerous mudflow and avalanches. The Ministry of Natural resources is in the final phase of developing the Strategy Convention on Biodiversity Conservation, which includes tasks on adaptation of biodiversity to climate change and on forestry adaptation to climate change. The project is financed by the GEF and its implementation is co-ordinated by the WWF Russia.

## Russia: Legislative portfolio

<b>Name of Law</b>	<b>Energy Efficiency legislation (Federal Law 261-F3, “On Saving Energy and Increasing Energy Efficiency Increase and Amending Certain Legislative Acts of the Russian Federation”)</b>
<b>Date</b>	2009
<b>Summary</b>	<p>The Law establishes basic principles to regulate energy consumption to increase its efficiency and encourage energy saving, and provides for various amendments to existing legislation (on technical regulation, housing, town planning, taxation, etc.) to enforce energy-saving rules.</p> <p>The Law calls for a number of follow-up implementing by-laws. Various sub-laws to the 2009 Energy Efficiency legislation further define the tasks and responsibilities. Under the Law, all energy resources produced, transmitted, and consumed are subject to compulsory accounting by virtue of the respective meters.</p> <p>The Law contains energy efficiency rules for circulation of goods (energy efficiency classification of goods, labelling, prohibition of non-efficient incandescent bulbs etc.). It establishes a general rule that buildings and other structures should meet applicable energy efficiency requirements both when being commissioned and during their subsequent operation. State construction supervisory authorities shall assign energy efficiency classes to apartment buildings.</p> <p>The Law sets the conditions for voluntary or mandatory energy audits and encourages energy-saving technologies including, but not limited to, the use of secondary energy resources and renewable energy sources.</p> <p>State programmes aimed at energy savings and energy efficiency increases are expected to set such targets as the number of facilities relying on secondary energy resources or renewable energy sources for their energy supplies.</p> <p>Instruments: Tax incentives include investment tax credits of up to 30% for companies investing in energy efficiency technologies, accelerated depreciation of high energy efficiency assets or sites and partial compensation of interest on loans granted by Russian banks for the purpose of investing in energy saving and increased energy efficiency technologies.</p> <p>Seventeen Decrees of application will be adopted by the government (covering such issues as energy efficiency requirements for goods, including electric bulbs, buildings and constructions, energy efficiency classes of goods and apartment buildings, requirements for public procurements, requirements for regional and municipal programmes in the sphere of EE1, etc.).</p>

## Russia: Executive portfolio

<b>Name of Policy</b>	<b>State Programme on Energy Efficiency and Energy Development (approved by Government Decree No 321)</b>
<b>Date</b>	15 April 2014
<b>Summary</b>	<p>The main objective of the Programme, which updates and replaces measures of the previous State Policy on Energy Efficiency Increase through the Use of Renewables for the Period up to 2020 (2009), is to “ensure reliable supply of the country's fuel and energy resources, increase the efficiency of their use, and reduce of anthropogenic impacts of the energy sector on the environment”.</p>

This new version keeps the target of a 40% decrease of energy intensity of the economy between 2007 and 2020, but alters the 4.5% share of electricity generation from renewable energy sources target to 2.5% by 2020 (excluding large hydro over 25 MW). The Programme calls for diverse measures to attain those targets, including:

- evaluating the technological and economic potential of efficient renewables use
- providing subsidies from the state budget in order to compensate for the costs of grid connection for renewables
- installation of smart meters (18.9% of metering devices by 2020)
- increasing the availability of energy infrastructure – reducing the number of steps required to gain access to the grid (from 8 to 5) and reducing the delay of connection to the grid (from 276 to 40 days)
- raising public awareness on energy conservation and energy efficiency.

The State Programme is composed of seven sub-programmes:

- SP1: Energy conservation and energy efficiency improvement
  - SP2: Development and modernisation of the power industry
  - SP3: Development of the oil industry
  - SP4: Development of the gas industry
  - SP5: Restructuring and development of the coal industry
  - SP6: Development of renewable energy
  - SP7: Ensuring the implementation of the state programme.
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<b>Name of Policy</b>	<b>Greenhouse Gas Emission Reduction (Presidential Decree 752)</b>
<b>Date</b>	30 September 2013
<b>Summary</b>	<p>The Decree adopts a target for GHG emissions, establishing that by 2020 they cannot exceed 75% of the total emissions of 1990.</p> <p>The government approved in April 2014 an Action Plan to achieve the GHG emissions reduction goal that consists of three parts:</p> <ul style="list-style-type: none"> <li>• Development of GHG emissions accounting and reporting system at regional and private corporate level;</li> <li>• Development of GHG emissions scenarios for the period up to 2020 and towards 2030 (including GHG emissions reduction potential by economy sectors);</li> <li>• Provisions for future development of measures for carbon regulation. As the action plan remains a framework document, it does not identify specific types of regulation but rather calls for elaboration of long-term scenarios and a concept for carbon-regulation to be completed during 2015 (aimed at providing incentives and support for GHG emissions reduction projects).</li> </ul>

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<b>Name of Policy</b>	<b>Climate Doctrine of the Russian Federation</b>
<b>Date</b>	2009
<b>Summary</b>	<p>The Doctrine has a declarational nature, sets strategic guidelines and serves as a foundation for the development and implementation of future climate policy, covering issues related to climate change and its consequences. It is not a binding bill.</p> <p>The Doctrine is based on fundamental and applied scientific knowledge, including various studies carried out within the Russian Federation, and is a political document recognising the challenges and issues surrounding climate change.</p> <p>The Doctrine will serve as a blueprint to harmonise domestic climate-related legislation with international standards, improve climate monitoring, stimulate the adoption of stronger environmental standards, the adoption of energy-efficiency and energy-saving</p>

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measures, as well as greater use of alternative (including renewable) energy sources.

It underlines three areas for future climate policy: improving research to better understand the climate system and assess future impacts and risks; developing and implementing short- and long-term measures for mitigation and adaptation; and engagement with the international community. Participation in international efforts is recognised as crucial for a long-term solution to climate problems.

Putting a price on carbon: Participation in international mechanisms facilitating the reduction of GHG emissions constitutes one of the most important priorities of Russian climate policy.

Energy – supply-side policies: Russia will aim to reduce the share of energy generated from natural gas to 46% or 47% by 2030 (from more than 50% currently) while doubling the capacity of nuclear power plants. It will also limit the burning of gas produced from oil wells, and increase the share of electricity produced from renewable energy sources to: 1.5% by 2010, 2.5% by 2015 and 4.5% by 2020.

Energy – demand-side policies: Russia will develop and implement measures to enhance energy efficiency across the economy and expand the use of renewable and alternative energy sources.

Mainstreaming climate change: Climate policy will be implemented on the basis of action plans, at a federal, regional and sectoral level.

Federal authorities will be responsible for fiscal and financial incentives for technology development and deployment, including energy-efficient and energy-saving technologies as well as renewable energy technologies, across various industrial and other sectors. It will also be responsible for developing a national GHG inventory along with regional authorities.

Enterprises will be responsible for implementing measures to improve the energy efficiency of thermal and electric power, vehicles, buildings and facilities. They will also implement measures to increase the share of alternative (including non-carbon) energy sources.

Objective coverage of the problems connected with climate change and its consequences, including climate change outreach programmes (including in mass media), is among the priorities of climate policy.

“Anticipatory adaptation to climatic change consequences is among the priorities of the Russian Federation climate policy... Climate change adaptation measures are regulated by state authorities’ decisions, including decisions related to interaction of the Russian Federation with the international community.”

The Climate Doctrine has been followed by the Comprehensive Plan for Implementation of the Climate Doctrine to 2020.

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<b>Name of Policy</b>	<b>On the Measures of Implementing Article 6 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change (Government Decree No. 844)</b>
<b>Date</b>	2009
<b>Summary</b>	Document providing for new opportunities for the realisation of Joint Implementation projects envisaged under the Kyoto Protocol.  The Selection Rules were prepared and approved in December 2009 and have been submitted for registration (legal expertise) at the Ministry of Justice but have yet to be approved. Companies can apply for JI projects in energy, agriculture, forestry, waste

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products, industrial processes and use of solvents and other products. Sberbank (a state-owned bank) is the designated “carbon units’ operator”.

This document expedited the procedure for JI projects’ implementation, changed the state bodies involved in the project approval procedure, modified the eligibility criteria for JI projects and introduced some other major changes to legislation in the sphere of Kyoto Protocol mechanisms.

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<b>Name of Policy</b>	<b>Energy Strategy to 2030</b>
<b>Date</b>	13 November 2009
<b>Summary</b>	<p>The strategy, approved until 2030, is aimed at increasing domestic oil and gas production. The main goal of the first stage is to eliminate the impact of the on-going economic crisis on the energy sector and pave the way for post-crisis development. The second stage will focus on improving energy efficiency.</p> <p>By the end of the third stage, Russia is expected to have switched to highly efficient use of traditional energy and stand ready for transition to alternative energy.</p> <p>It is to be updated in 2015 by Energy Strategy of Russia to 2035.</p>

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<b>Name of Policy</b>	<b>Legislation on the limitations of associated gas flaring (Government Decree No. 7)</b>
<b>Date</b>	2009
<b>Summary</b>	<p>This Decree seeks to reduce emissions from gas flaring. A 5% limit for gas flaring has been set for the year 2012 and subsequent years, with fines being imposed if this threshold is exceeded or if there is no measurement equipment.</p>

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<b>Name of Policy</b>	<b>Rules of Using Thermal Performance of Buildings</b>
<b>Date</b>	2003
<b>Summary</b>	<p>The Thermal Performance of Buildings code entirely replaced the federal building code, Thermal Engineering for Buildings, revised in 1995 and 1998.</p> <p>Effective 1 October 2003, the new code:</p> <ul style="list-style-type: none"><li>• Establishes numerical values for required performance targets, corresponding to world levels</li><li>• Classifies new and existing buildings according to their energy efficiency</li><li>• Encourages buildings that are more efficient than required by code</li><li>• Creates a mechanism for identifying low-performing existing buildings and mandating necessary upgrades</li><li>• Develops design guidelines for both prescriptive and performance-based compliance paths</li><li>• Develops methods for oversight and enforcement of compliance in terms of thermal performance and energy efficiency (energy passports), during design, construction and prospective operation phases</li></ul> <p>Between 1995 and 2004, 50 regions implemented their own building codes in accordance with federal building standards. Some local enforcement agencies offered incentives for exemplary performance, others mandated auditing. Regions established their own requirements for calculating a building’s energy consumption and compliance with local code.</p>

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<b>Name of Policy</b>	<b>Programme for Energy Efficient Economy (Framework policy adopted by Government Decree № 796)</b>
<b>Date</b>	2001
<b>Summary</b>	<p>In 2001, Russia launched a Federal Targeted Programme for an Energy Efficient Economy for the period 2002–2005, with an outlook to 2010. It sets targets and outlines measures for energy efficiency improvements in different sectors of the economy. It was to be financed partially by the federal budget, partially by municipal/regional budgets and other sources.</p> <p>The key targets set in the 2001 programme were to reduce energy intensity by 13.4% (total final energy consumption/GDP) below 2000 levels by 2005, increasing to a 26% reduction below 2000 levels by 2010.</p>

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