Options to improve energy efficiency: Is energy efficiency improving fast enough?

USD Bn/year


Balance
China
MLB
3rd party
Global
Challenges?

Investment skewed to OECD/EU & China

>USD150Bn gap [WEO] needs to occur in countries that are ‘less investment ready’

Challenge: grow EE ‘investment readiness’ in emerging economies

Investment skewed to some sectors

   Challenge; grow housing, transport, SMEs....

Only 30% from 3rd party financiers

   very small % of global investment
Recent IEA reports

USD310-360Bn/year

Macroeconomic gains
Public budgets
Health & Social
Utilities
Productivity
Energy providers (Utilities): a changing business model

Benefits for utilities: in resource constrained operating context
Benefits for consumers/indirect benefits for utilities: Increased affordability reduces customer default and associated costs
What needs to be done strategically

Re-allocate USD500Bn+/ann. of energy subsidies that undo EE

• Shift subsidy from energy **unit price** to consumer **service cost**
• Reduce energy system distortions while,
  – Improving targeting to high social / development needs
  – Higher social/economic returns (Multiple Benefits) from subsidies

**Integrate policy efforts:** Infrastructure-Utilities-Programmes

**Re-invent some sectors.** motivate construction companies, building developers, financiers and housing agencies to take a longer term view and develop SE4All buildings.
What needs to be done operationally at national level?

Every country has SE market segments that already work.

- **Immediate Rapid market Accelerators** (UNEP Enlighten, ENERGY STAR appliances...)
- **durable market Accelerators** (medium term changes, buildings insulation, VFES, PT EV...)
- **Market Transformers** are also required: new markets or step-changed markets for new services – new ways to build cost effective zero / low energy homes.