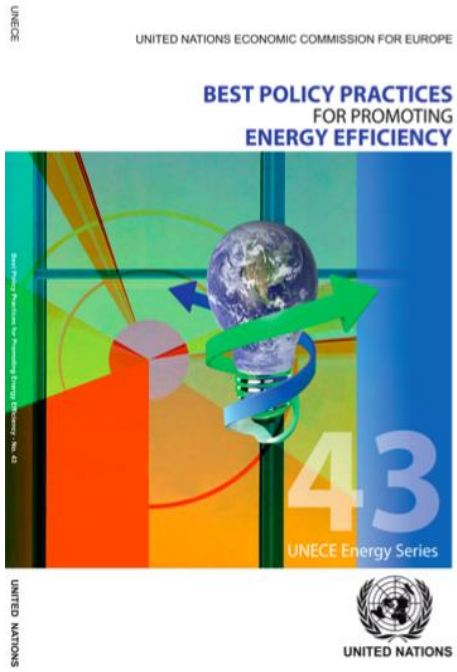
BEST POLICY PRACTICES FOR PROMOTING ENERGY EFFICIENCY

UNECE Group of Experts on Energy Efficiency (GEEE), Geneva, 5-6 November 2015



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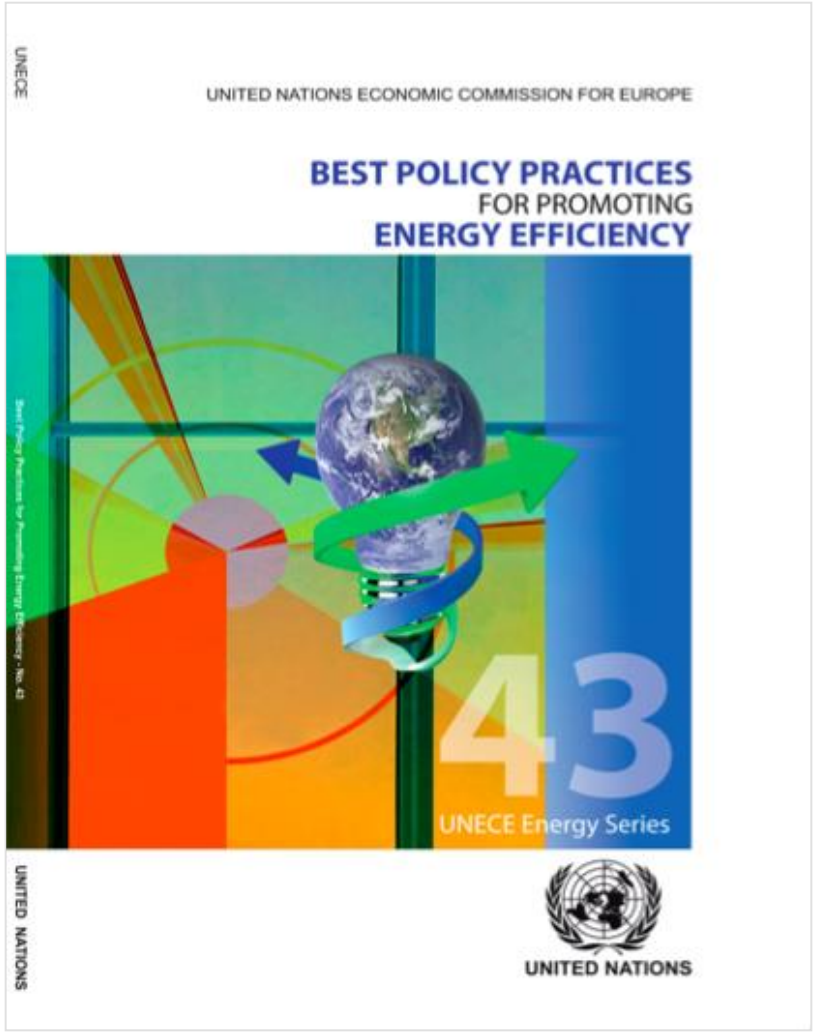
UNECE thought it would be helpful if we could identify high performing energy efficiency policies.

A Structured Framework of Best Practices in Policies to Promote Energy Efficiency for Climate Change Mitigation and Sustainable Development.

UNECE Energy Series 43



http://www.unece.org/fileadmin/DAM/energy/se/pdfs/geee/pub/ECE_Best_Practices_in_EE_publication.pdf

Four key attributes are used to identify best practice policies.

Best practice policies for energy efficiency will each have:

1. Significant outcomes. Demonstrated, quantifiable, ability to contribute to a large energy demand reduction and significant multiple benefits.

2. Complementarity. An easy fit with other national, regional and international efforts for ease of implementation and a supportive complementarity with other policies

3. Political alignment, governance and accountability attributes help ensure policies are politically palatable, likely to persist in multi-layer governance frameworks.

4. Marketability and market impact ensure policies will work in the global and local energy efficient technology markets, attractive to decision-makers, likely to attract finance.

A Structured Framework of Energy Efficiency Policies.

Policies For Household Energy Efficiency

Policies For Transport Energy Efficiency

Policies For Industry Energy Efficiency

Utility Policies for Energy Efficiency

A foundation of Governance and Finance Policies

The identified policies are best practices because;

- They have been through ongoing policy reviews,
- They have undergone improvement cycles,
- Recognised in international reviews,
- Evolved policies that have a ‘survival of the fittest’ track record.

The identified policies are augmented with exemplars;

- examples of applications of the policies from around the world that have been evaluated
- can be drawn on by countries as models for local adaptation and application.

Policy / measure	Policy Selection Attributes			
	Significant economic energy demand reductions and significant multiple benefits	**Complementarity, synergies and integration attributes**	**Political alignment, governance and accountability attributes**	**Marketability and market impact.**
Public Transport and low energy modes	23% fewer vehicle kilometers, and a reduction in 27000 sq. kilometers of parking is possible by 2050 by applying shift and avoid polices to reduce the need for energy intensive modes (IEA 2014)	Energy efficiency and mobility service quality improvements can pay for the necessary maintenance and renovation of older public transport systems, and minimize future land use impacts.	The returns from energy efficiency offset costs and enable governments maintaining close control of budgets to advance public transport projects.	Engaging the many stakeholders that are involved in urban transport is critical to policy success.

The huge diversity of different policies, each tailored to the unique situation in many cities, makes it difficult to identify individual best practices. However the IEA publication, *A Tale of Renewed Cities* is a comprehensive guide to transforming cities by improving the efficiency and the delivered mobility services of urban transport systems, and contains case studies and policy guidance. Two relevant examples from this publication are:

Poland. EBRD-EIB public-private funding of efficiency upgrades to Warsaw metro and tram companies in 2011. By working with local commercial banks, EUR130Bn was leveraged with EU Cohesion funds to provide a EU740Bn improvement program to 2030.

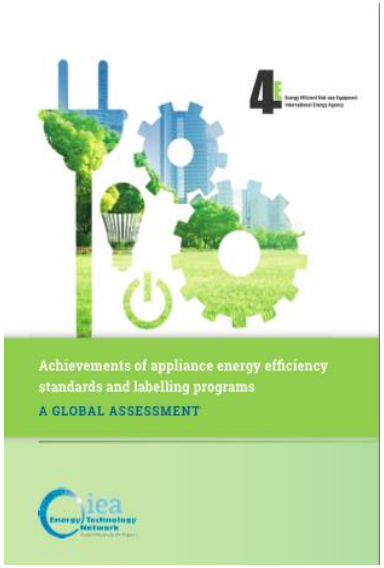
Nigeria. The 2005 Lagos State Transport Master Plan set economic development targets for a sustainable public transport system that doubled public transport mode share (PT2x) by 2025. The resultant bus rapid transit system has reduced average transport costs by 50% for commuters while reducing congestion on BRT routes by 40%. (IEA 2013b)

APERC CEEDS. Best practices in Energy Efficient Urban Passenger Transportation outlines policies that avoid or reduce the need to travel or use motorized vehicles with policies that promote livable communities and transit-oriented development (TOD).... http://aperc.ieej.or.jp/file/2013/12/24/Final_Report_CEEDS_Phase_3.pdf

There is a need to balance selected policies in a strategic approach in order to:

- Focus on priority energy efficiency potentials where tangible economic gains can be made
- Ensure balance of effort and actions over sectors in the society
- Ensure an effective mix of resources (financing) delivery capability (energy efficiency operational agency, utilities, ESCos,) and market motivators (labeling, regulations etc.) are developed
- Ensure a critical mass of effort.
- The development of a national strategy within a statutory framework provides the balance and makes clear to all the intent, capabilities that are mobilized, and accountabilities in order to deliver a balanced and effective program.

So, how good are these policies?



Energy efficiency standards and labelling (EESL) programs since the 1970s, from 80 countries, more than 50 different types of appliances and equipment.

“the cornerstone” of most national energy efficiency programs,

•Save 10% to 25% of national / sectoral energy consumption.

•Benefits outweighed the additional costs by at least 3 to 1,

•Little long-term impact on appliance price trends,

•EESL programs have been very successful in fostering innovation, expanding existing markets and opening up new market opportunities,

•Multiple benefits; Enhanced employment: 800,000 direct jobs created by EESL programs in the EU, 340,000 jobs in the US.

http://www.iea-4e.org/document/359/achievements-of-appliance-energy-efficiency-standards-and-labelling-programs-a-global-assessment

We have identified the better performing policies, but its still not easy:

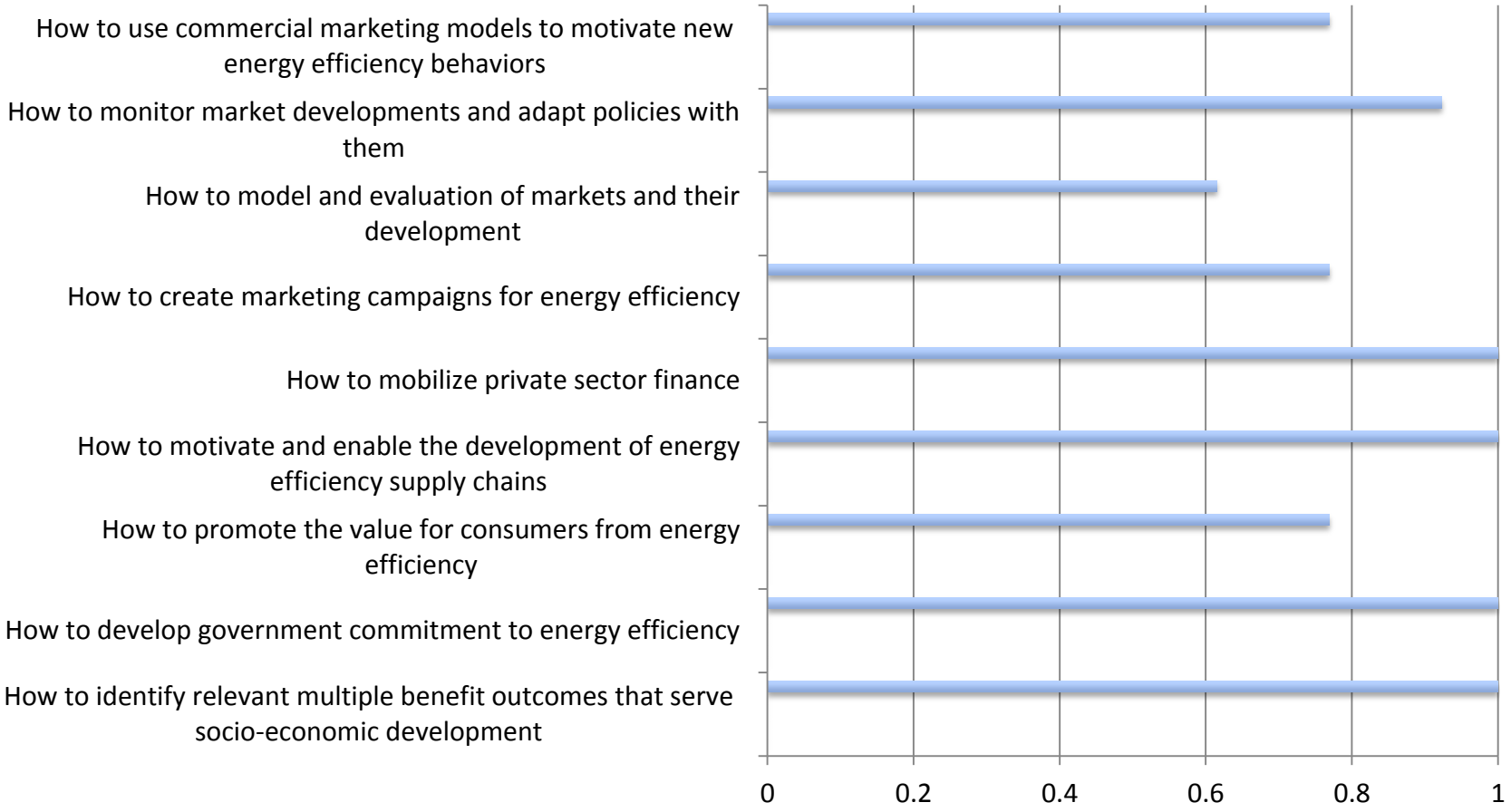
- Capacity to implement policies effectively in many countries is overestimated,
- Institutional commitment and capacity is critical, but poor governance, unwillingness to commit….
- Adaptation of policies to country contexts requires capacity and experience with policies,
- Marketing effort is underestimated; Consumers are quite indifferent to energy efficiency.

C2E2 Practices on Energy Efficiency Workshop

Day 3 Thursday 1 October 9.00 to 13.00

- What is the current status of EE in different regions? focus on Eastern Europe, the Caucasus, and Central Asia
- What are the existing best practices in energy efficiency?
- How can energy efficiency be accelerated in your country?

Feedback


How to use commercial marketing models to motivate new energy efficiency behaviors
How to monitor market developments and adapt policies with them
How to model and evaluation of markets and their development
How to create marketing campaigns for energy efficiency
How to mobilize private sector finance
How to motivate and enable the development of energy efficiency supply chains
How to promote the value for consumers from energy efficiency
How to develop government commitment to energy efficiency
How to identify relevant multiple benefit outcomes that serve socio-economic development
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http://www.unece.org/fileadmin/DAM/energy/se/pdfs/geee/pub/ECE_Best_Practices_in_EE_publication.pdf

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