



The Energy Charter Experience: 10 Years of Experience

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Energy Efficiency: A Strategic Agenda for Government and Industry

Amman, Jordan

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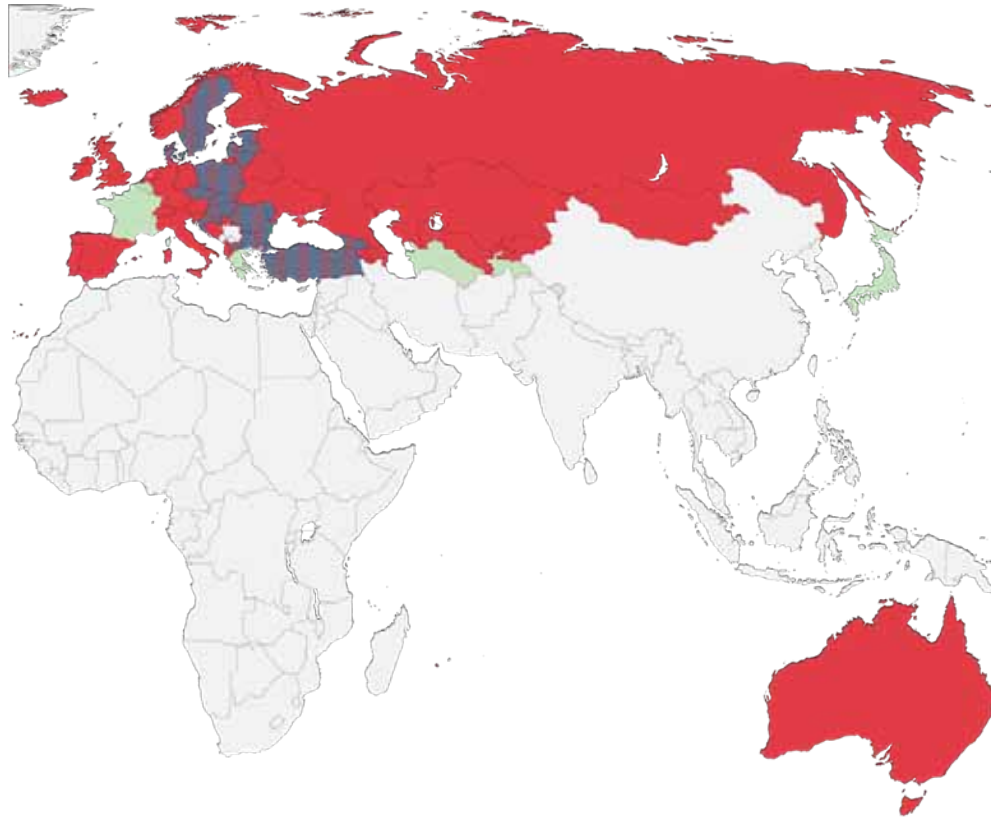
Protocol on Energy Efficiency and Related Environmental Aspects (PEEREA)

- **Formulate and implement EE strategies and policies**
- **Create appropriate legal, regulatory and institutional frameworks**
- **Develop, implement, and update EE programmes**
- **Encourage new approaches of financing EE**
- **Co-operate internationally and assist each other**



Energy Charter

Energy Efficiency Reviews

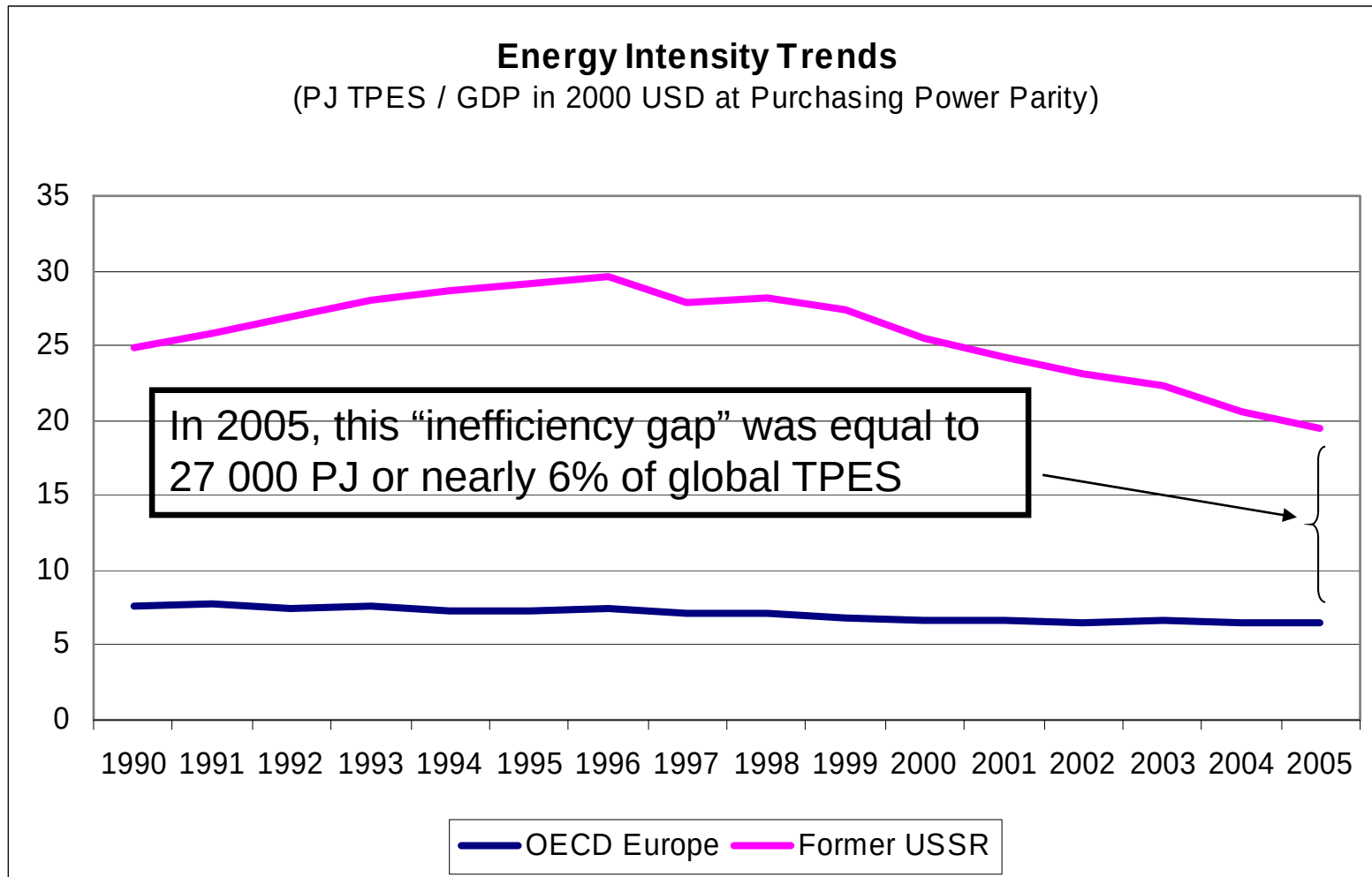


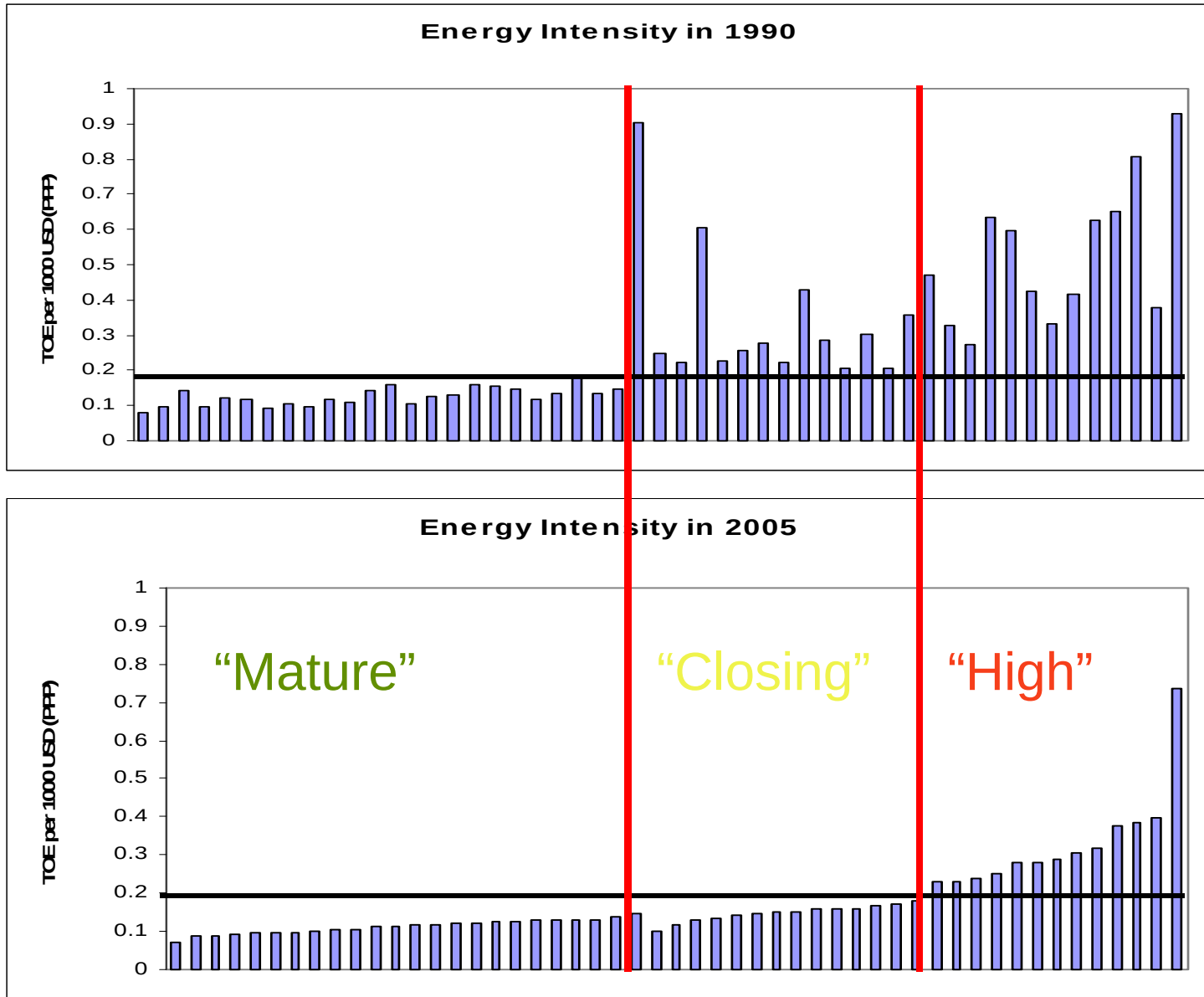
Regular Reviews

In-Depth Reviews



The Costs of Inefficiency







How much investment is needed?

UNFCCC “Investment and Financial Flows to Address Climate Change”, 2007

- to return to current emissions levels by 2030
- annual investment of \$150 billion in 2030 in EE
 - Of this, \$60 billion in developing/transition countries
 - On top of \$400 billion p/y in clean energy supply

IEA “Energy Technology Perspectives 2008”

- to halve emissions by 2050 (Blue Scenario)
- \$45 trillion in investment to 2050
- 36% of savings from end-use efficiency



Where will investment come from?

“When considering means to enhance investment and financial flows to address climate change in the future, it is important to focus on the role of private-sector investment as they constitute the largest share of investment and financial flows (86 per cent)” - UNFCCC



Why is EE different?

- Business Framework
 - Split incentives
 - Not “core business” (eg industrial or commercial operations are not EE businesses)
 - Poor understanding
- Nature of investments
 - Often small and scattered
 - No obvious revenue stream – baseline problem
- Fewer picture opportunities



What is needed?

1. Underlying investment framework
2. Energy Efficiency Institutional Framework
3. Well-targeted Programs
4. Enhanced International Cooperation



1. Strong underlying investment framework

- EE investments still investments
- Financial situation means less “easy money”
- Pricing
- Energy Charter Framework exists and is working



2. Strong EE Institutional Framework

- Government EE Organisations
 - Dedicated, stable
 - Links with other government agencies (incl. transport)
 - Active cooperation with industry
 - Links with regions
- Strategy and Action plans
 - Targets and timelines
 - Short- and long-term
 - Realistic funding (maybe dedicated funding)
 - Clear roles for EE and RE
- Legislation
 - Priority for EE clearly stated
 - Responsibilities clear and effective
- Monitoring and review
 - Accurate and transparent assessment
 - Balance precision with stability



3. Well-targeted programs

- Commercial and Residential sectors dominated by mass produced items, so regulation supported
- Industry sector can be more diverse – need more specific approaches
- Transport is often difficult – need a systems approach
- Role for broad measures (eg white certificates, information)
- EE on supply side important

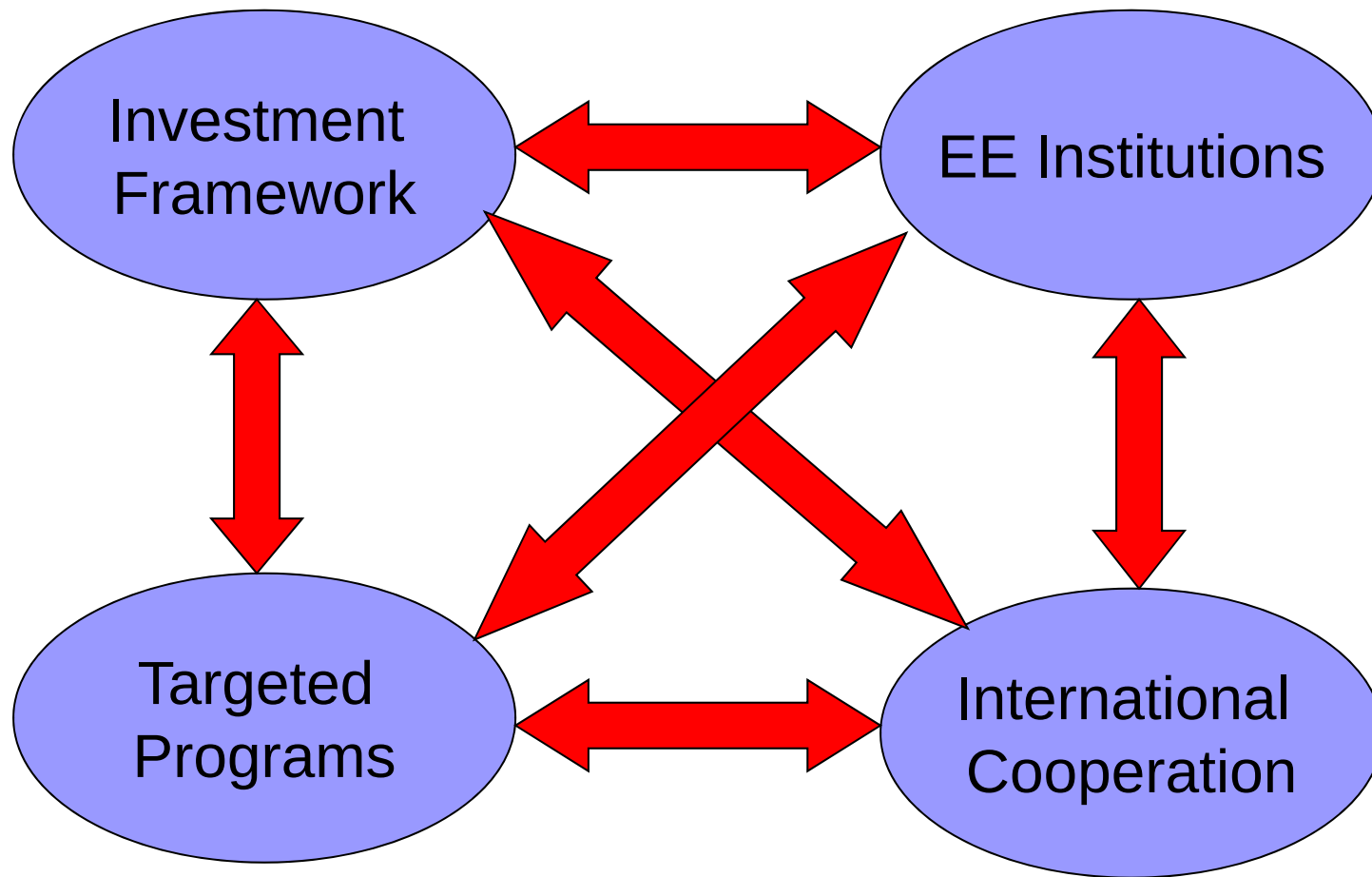


4. Enhanced International Cooperation

- Sharing of Information and Experience
 - Examples: IPEEC, PEEREA, IEA
- Joint projects
 - Examples: APEC-ESIS
- Global frameworks
 - Examples: UNFCCC, Energy Charter, IPEEC
- International Finance
 - Examples: Development Banks, GEF



Promoting Investment in EE





Thank You!

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