



Executive Training Program for Young Energy Leaders

**Energy Efficiency Governance
Why investing in energy efficiency
is important?**

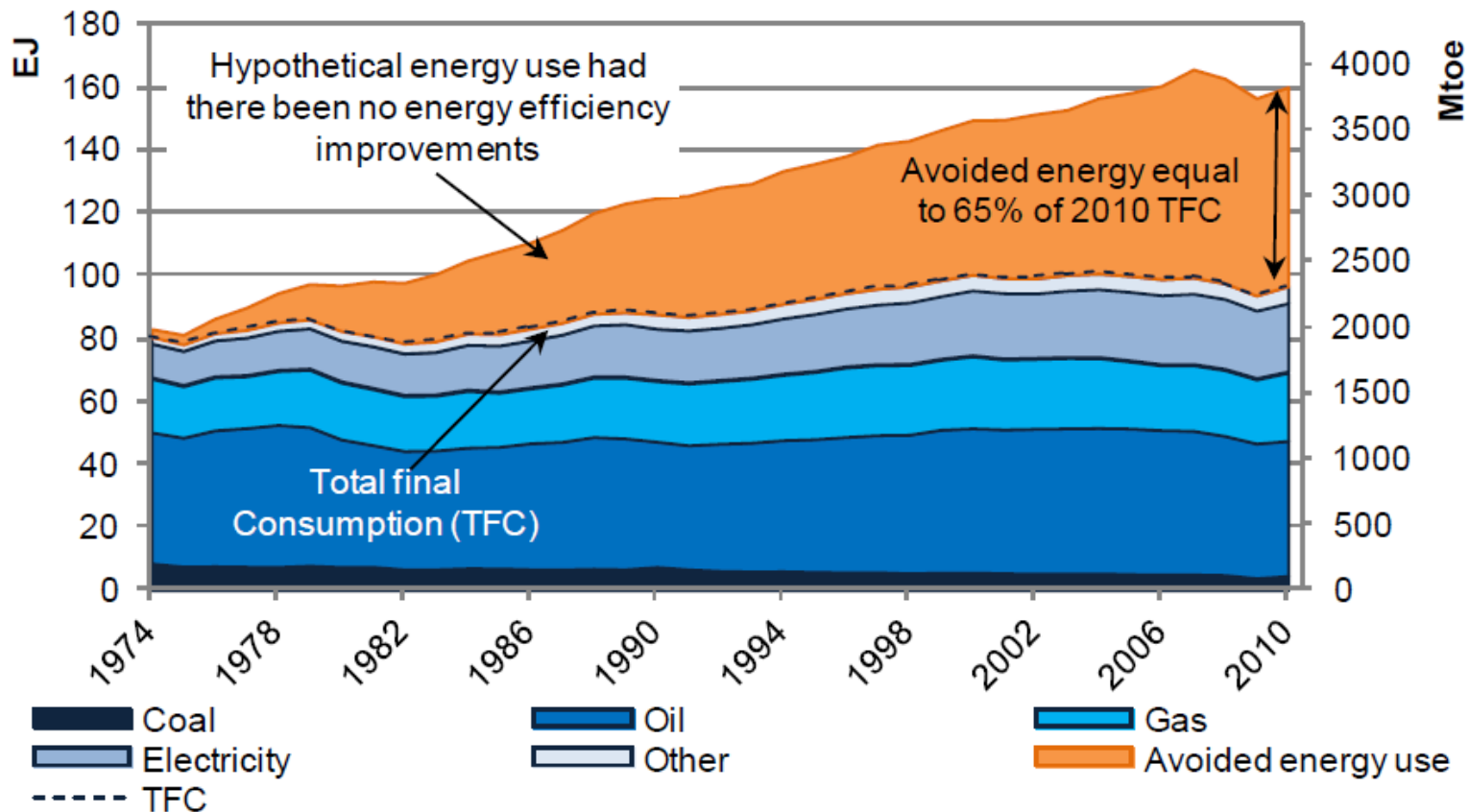
Astana, 11 June 2014

**Presented by Bilyana Chobanova
Energy Efficiency Expert
Energy Charter Secretariat**



Energy Efficiency - the First Fuel

Over 1.5 billion toe avoided energy consumption thanks to energy efficiency (for 11 IEA countries)

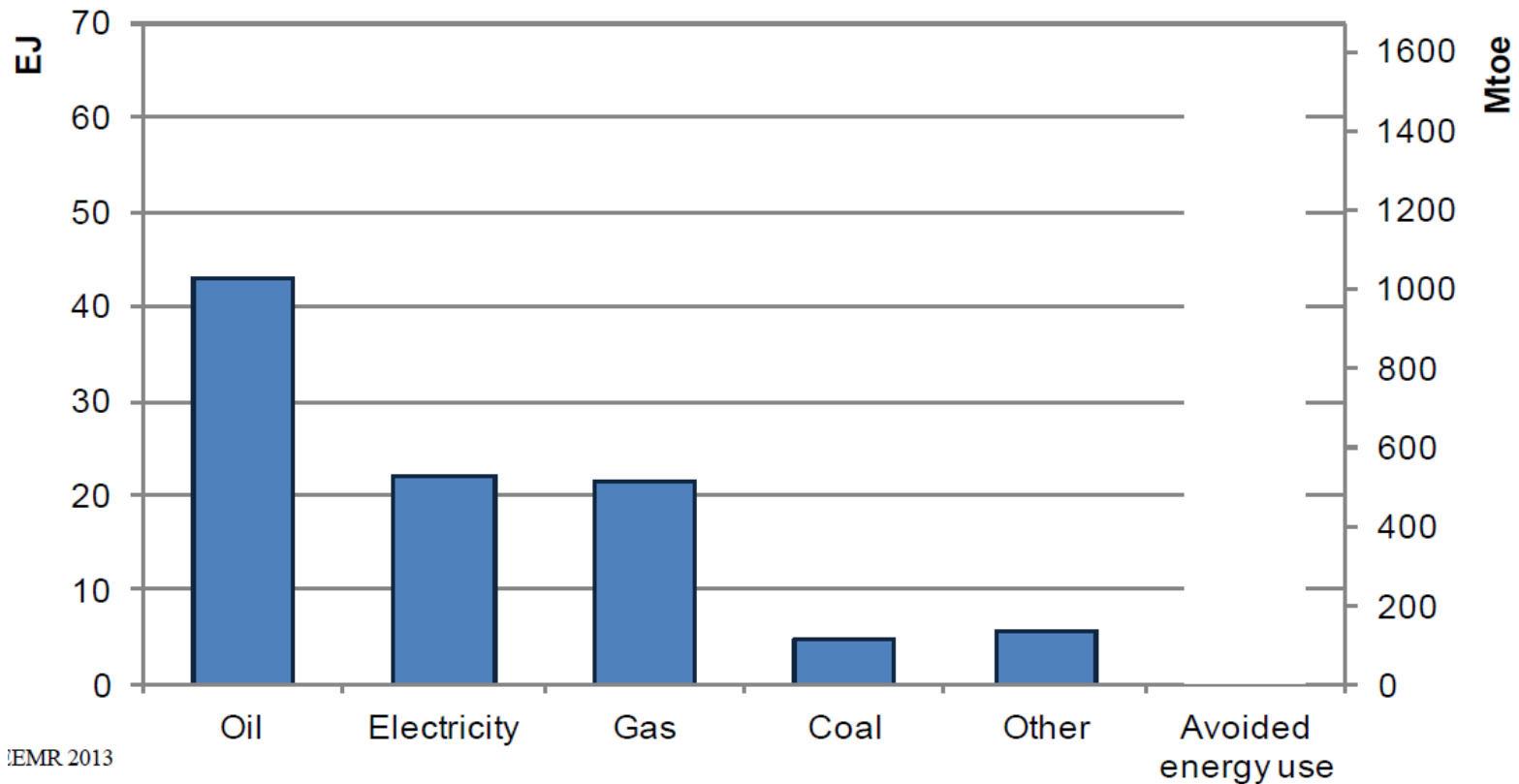


Source: IEA Energy Efficiency Market Report, 2013



Energy Efficiency - the First Fuel

.....larger than the consumption of oil (1,027 Mtoe), electricity or natural gas (525 Mtoe each)



EMR 2013

Source: IEA Energy Efficiency Market Report, 2013



Drivers for Government Action on Energy Efficiency

Quickest and least cost way to:

- Energy Security
- Climate Change Mitigation
- Economic development
- Public Health and Livelihood Improvement



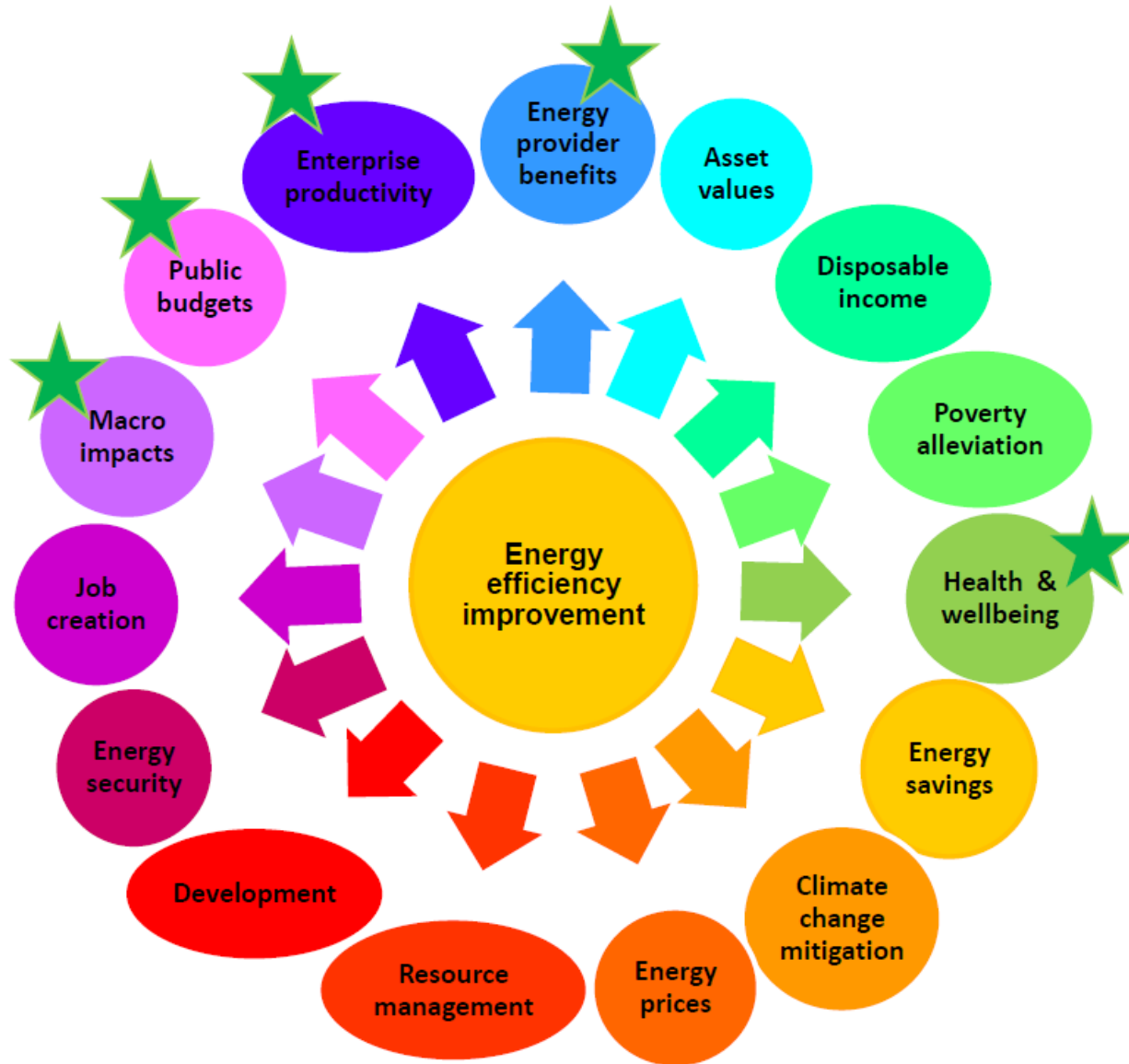
Contributions of EE to Energy Security

- Reducing imported energy
- Reducing domestic demand to maximize export
- Controlling energy demand growth
- Increasing reliability of supply
- Managing supply and capacity shortcuts
- Increase flexibility and resilience of the energy system



Other EE Drivers

- **Climate Change Mitigation**
 - Moving towards sustainable development trajectory
 - Meeting UNFCCC and other International obligations
- **Economic development**
 - Reducing energy intensity
 - Improving industrial competitiveness
 - Energy affordability
 - Job creation
- **Public Health**
 - Reduce indoor and local pollution



Source: IEA Multiple Benefits of Energy Efficiency, 2013

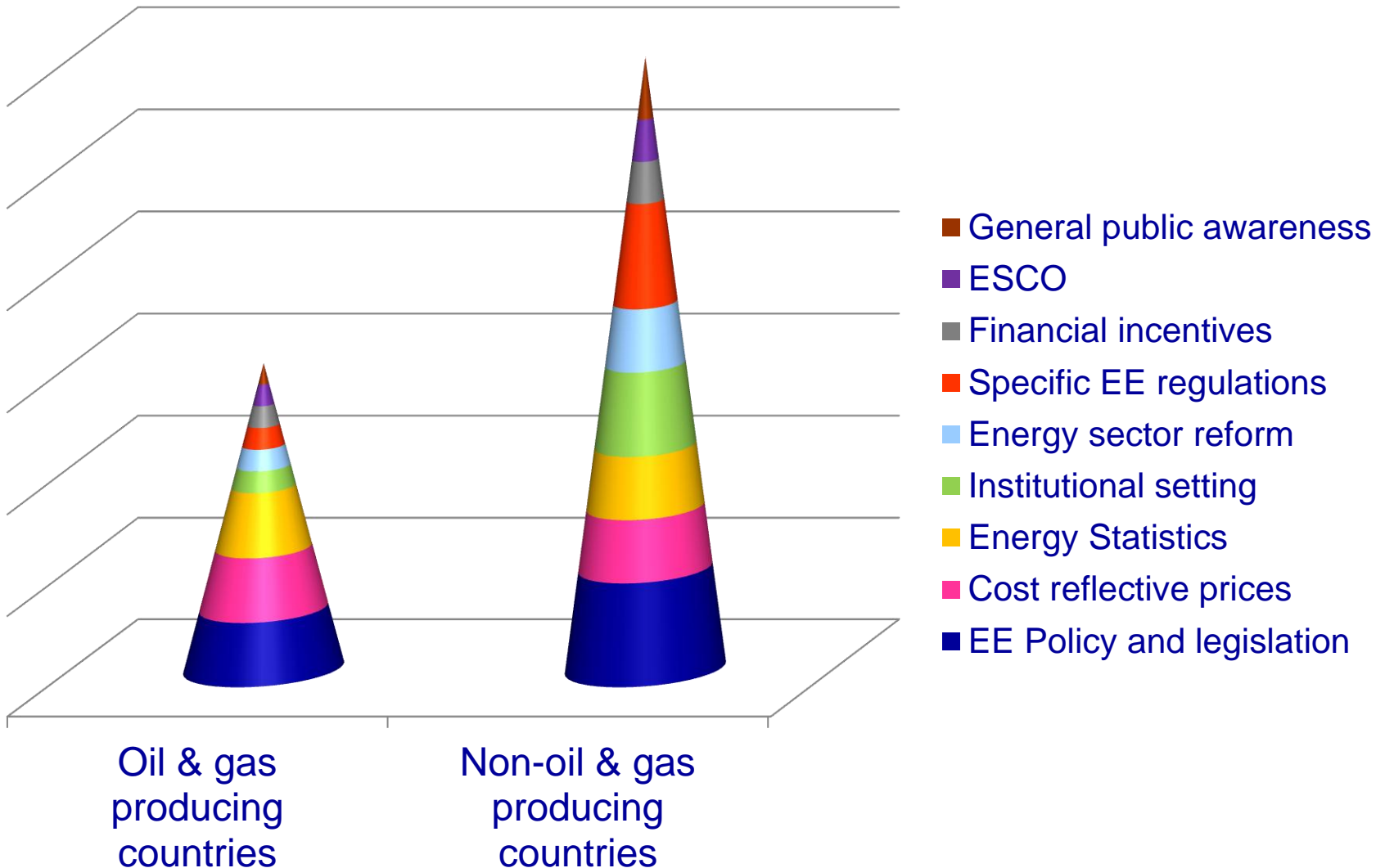


Types of EE Policies

Policy	Example
Pricing mechanisms	<ul style="list-style-type: none">- Fuel taxes- Penalties for inefficient vehicles/equipment- Energy block rates
Fiscal measures and tax incentives	<ul style="list-style-type: none">- Grants, subsidies and tax incentives for EE investments- Tax credits& accelerated depreciation for EE investments- Import duty exemptions for EE equipment- Reduced VAT for EE equipment and services
Regulatory and control mechanisms	<ul style="list-style-type: none">- Compulsory energy audits and energy management- Minimum energy performance e standards- Energy consumption reduction targets- EE investment obligations
Promotional and market transformation programmes	<ul style="list-style-type: none">- Appliance labeling and building certification- Public information campaign and promotion
Technology development	<ul style="list-style-type: none">- Demonstration and development of EE technologies
Commercial development	<ul style="list-style-type: none">- ESCOs- EE industry

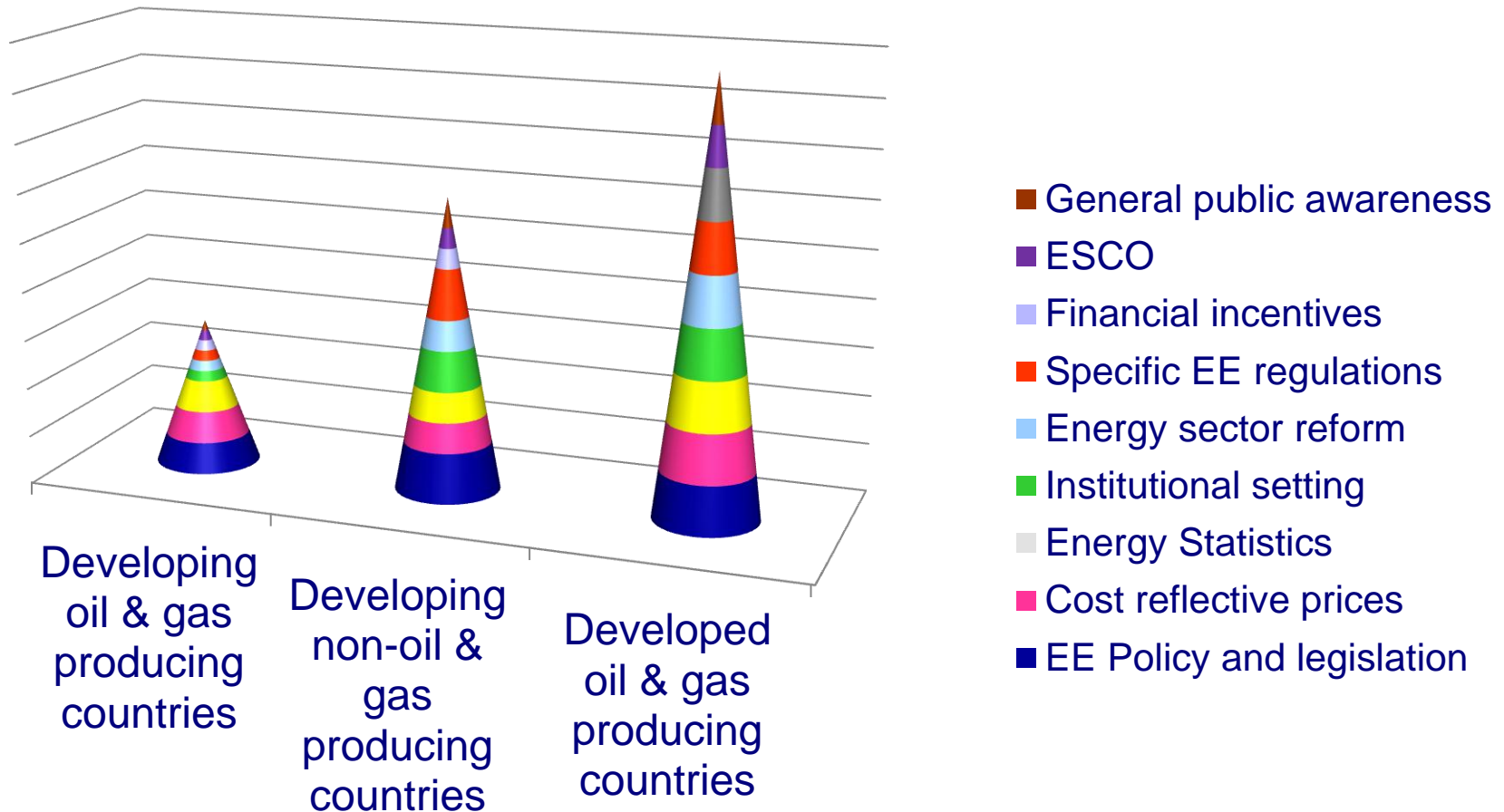


EE governance in developing countries





EE governance in developing vs. developed countries





What is energy efficiency governance?

EE governance combines the existing enabling frameworks (legislative and regulatory requirements), institutional arrangements, financial provisions and coordination mechanisms that ensure the successful implementation of energy efficiency policies and measures



EE Governance system

- **Engage key stakeholders** in consultative process
- Analyse potential and **set targets**
- Develop **legislative and policy framework**
- Ensure **well resources institution** is in place to develop and enforce future legislation and policies
- **Coordination mechanism** within, between and across levels of government
- **Monitor, evaluate and analyse** results



Stakeholder participation

Benefits	Learn from diversity of opinions
	Build strategic partnerships with key implementers of policies
	Build trust and political consensus
	Learn from past experience and lessons learnt
Risks/disadvantages	Time consuming
	Costly
	Could create more opposition



Importance of coordination

- Common problem to successfully meet the EE goals
- Defining coordination: policy makers, stakeholders and implementers working together to active common EE goals
- Governmental coordination: agencies and governmental entities at all levels working together to implement common EE policy and meet EE goals



THANK YOU

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