Energy Efficiency Delivery Frameworks

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International Energy Agency
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Topics

- Why are delivery frameworks important?
- The IEA’s work on energy efficiency governance
- Key delivery frameworks
- Conclusions
Energy savings attributable to the IEA 25 Recommendations

Yearly savings by 2030

Buildings 20.8 EJ
Appliances 3.7 EJ
Lighting 4.0 EJ
Transport 32.1 EJ
Industry 26.0 EJ
Total 86.6 EJ

Remaining energy consumption after energy efficiency savings
What is a Policy Delivery Framework?

The combination of legislative frameworks and funding mechanisms, institutional arrangements, and coordination mechanisms, which work together to support implementation of energy efficiency strategies, policies and programmes.
Energy Efficiency Policy Drivers

% of respondents identifying the main driver for energy efficiency policy in their country

- **Worldwide**
  - Energy security: 57%
  - Economic development: 24%
  - Climate change: 11%
  - Economic competitiveness: 5%
  - Public health: 1%
  - Other: 3%

- **IEA**
  - Energy security: 50%
  - Economic development: 26%
  - Climate change: 43%
  - Economic competitiveness: 6%
  - Public health: 1%
  - Other: 8%

- **EBRD**
  - Energy security: 31%
  - Economic development: 19%
  - Climate change: 10%
  - Economic competitiveness: 19%
  - Public health: 1%
  - Other: 6%

- **LAC**
  - Energy security: 4%
  - Economic development: 4%
  - Climate change: 5%
  - Economic competitiveness: 18%
  - Public health: 2%
  - Other: 2%

- **Non-IEA Asia, MENA and Africa**
  - Energy security: 6%
  - Economic development: 10%
  - Climate change: 18%
  - Economic competitiveness: 18%
  - Public health: 1%
  - Other: 3%

- **Energy security**
- **Economic development**
- **Climate change**
- **Economic competitiveness**
- **Public health**
- **Other**

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Energy Efficiency Governance

Enabling Frameworks
- Laws and Decrees
- Strategies and Action Plans
- Funding Mechanisms

Institutional Arrangements
- Implementing Agencies
- Resourcing Requirements
- Role of Energy Providers
- Stakeholder Engagement
- Public-Private Sector Cooperation
- International Assistance

Coordination Mechanisms
- Governmental Coordination
- Targets and Goals
- Evaluation
## Funding mechanisms

<table>
<thead>
<tr>
<th>Funding mechanism</th>
<th>Funding good governance score</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Adequacy</td>
</tr>
<tr>
<td>Government budgets</td>
<td>✓</td>
</tr>
<tr>
<td>Grants from other agencies</td>
<td>✓</td>
</tr>
<tr>
<td>Energy or environmental taxes</td>
<td>✓</td>
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<tr>
<td>System public benefit charges</td>
<td>✓</td>
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<tr>
<td>Stimulus funds</td>
<td>✓</td>
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<tr>
<td>Licensing and permitting fees</td>
<td></td>
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<tr>
<td>Carbon finance</td>
<td></td>
</tr>
<tr>
<td>Donor funding</td>
<td>✓</td>
</tr>
<tr>
<td>Fee-for-service arrangements</td>
<td></td>
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</tbody>
</table>
## Choosing an implementing agency

<table>
<thead>
<tr>
<th>Organizational Type</th>
<th>Advantages</th>
<th>Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government energy agency</td>
<td>Access to decision-makers</td>
<td>Limitations on salary and staff</td>
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<td></td>
<td>Influence on policy &amp; legislation</td>
<td>Difficulty in taking decisions</td>
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<td></td>
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<td>Must compete for attention</td>
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<td></td>
<td></td>
<td>Turnover of officials</td>
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<tr>
<td>Government EE and clean energy agencies</td>
<td>Credibility with other “agencies”</td>
<td>Limitations on salary and staff</td>
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<td></td>
<td>Ability to specialize and focus</td>
<td>Potential opposition from elsewhere within government</td>
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<td></td>
<td>Often have a firm basis in law</td>
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<td></td>
<td>Cultural benefits</td>
<td></td>
</tr>
<tr>
<td>Independent EE and clean energy Statutory Authority or Corporation</td>
<td>Linkages to private sector</td>
<td>Cannot directly access donor funding</td>
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<tr>
<td></td>
<td>Access to multiple funding sources</td>
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<tr>
<td></td>
<td>Independence and autonomy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Firm statutory basis</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cultural benefits</td>
<td></td>
</tr>
<tr>
<td>EE and clean energy Public/private partnerships</td>
<td>Independence and autonomy</td>
<td>Indirect access to policy makers</td>
</tr>
<tr>
<td></td>
<td>Access to private sector funding</td>
<td>Difficulty in policy coordination</td>
</tr>
<tr>
<td></td>
<td>Cultural benefits</td>
<td>May not be permanent</td>
</tr>
<tr>
<td>EE and clean energy NGO or public benefit organization</td>
<td>Independence and autonomy</td>
<td>Indirect access to policy makers</td>
</tr>
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<td></td>
<td>Credibility with stakeholders and consumers</td>
<td>Must compete for resources</td>
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<tr>
<td></td>
<td>Cultural benefits</td>
<td>Lack of authority</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Difficulty in policy coordination</td>
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<td></td>
<td></td>
<td>May not be permanent</td>
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</table>
Coordination Mechanisms

- **Intra-Governmental (Horizontal)**
  - Cooperation among national government ministries and agencies
  - Useful horizontal coordination
    - Internal coordination
      - One
    - Inter-agency agreements
      - Several
    - Coordinating committees
      - Many
  - Number of institutions with energy efficiency responsibilities

- **Inter-Governmental (Vertical)**
  - Cooperation across levels of government, including national, regional and local government entities
  - Useful vertical coordination
    - Partnerships
      - One
    - Demonstrations
      - Several
    - Programmatic (Block Grants)
      - Many
  - Levels of Government or number of Government Entities
Conclusion: What makes for an effective policy delivery framework?

- Clear implementation authority
- Accountability established
- Political consensus
- Implementation partnerships available
- Resources available
- Oversight arrangements in place