

**Energy Efficiency Policies for Latin American Countries**

**Energy Efficiency Policy Development Working Session**

**UN CEPAL European Study Tour**

**29 May 2013**

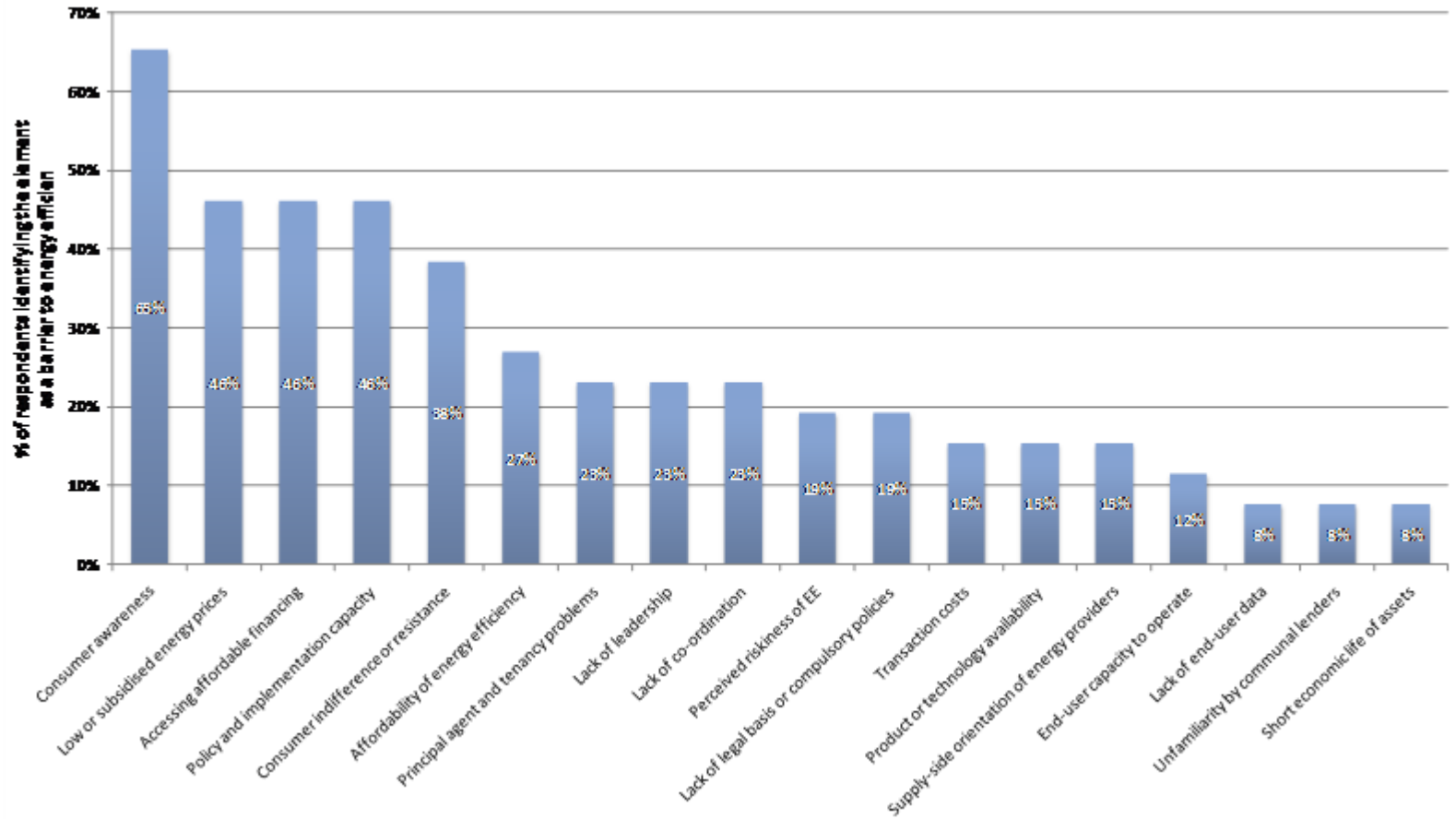


International  
Energy Agency

# Barriers to improved energy efficiency

Barrier	Examples
Market failures	<ul style="list-style-type: none"> <li>• Energy price subsidies</li> <li>• Agency problems, when benefits are split amongst several parties (e.g., renter-occupied housing), reducing the motivation to act</li> <li>• Project size</li> </ul>
Financial	<ul style="list-style-type: none"> <li>• Perceived risk</li> <li>• Transaction costs</li> <li>• Low capacity within the financial sector</li> <li>• Lending terms (period, interest rate, collateral requirements)</li> </ul>
Information	<ul style="list-style-type: none"> <li>• Lack of awareness</li> <li>• Consumer indifference</li> </ul>
Regulatory and institutional	<ul style="list-style-type: none"> <li>• Energy tariffs that discourage EE investment</li> <li>• Institutional bias</li> <li>• Competing priorities for government and regulators</li> </ul>
Technical	<ul style="list-style-type: none"> <li>• Lack of affordable or suitable EE technologies</li> <li>• Measuring savings</li> <li>• Capacity to identifying and implementing EE projects</li> <li>• Project performance risk</li> </ul>

# IEA survey of energy efficiency barriers



## Matching policies to barriers - examples

Barrier	Policy
Limited Information	Appliance labeling Awareness and education campaigns
Perceived Risk	Public sector procurement Guarantee facilities
Price or market distortion	Appliance standards
Technology and capacity shortfalls	Industry formation Creating EE delivery agencies
Transaction Costs	Audit requirements Project preparation facilities
Access to financing	Revolving funds Public-private partnerships

# Questions to consider when formulating energy efficiency policies

- **Will it work?**
- **How much will it cost?**
- **Who will pay?**
- **How long will it take?**
- **Will there be unintended impacts or interference with other policies?**
- **Does the capacity exist to implement?**

# Form small groups organized by sector

- Industry
- Buildings
- Transport
- Appliances

# Sequence of group discussion

## 1. Consider the IEA's policy recommendations

- Which of these are being implemented already?
- Which aren't a good fit for Latin America? Why?
- Identify any major differences across countries

## 2. Develop additional, regional policies

- Discuss additional policies especially applicable to the Latin America
- Identify any major differences across countries

## 3. Report-out your results

- Identify a rapporteur
- Present your review of the IEA's policy recommendations and your own policy ideas