



Policies for Energy Provider-Delivered Energy Efficiency *Key Issues*

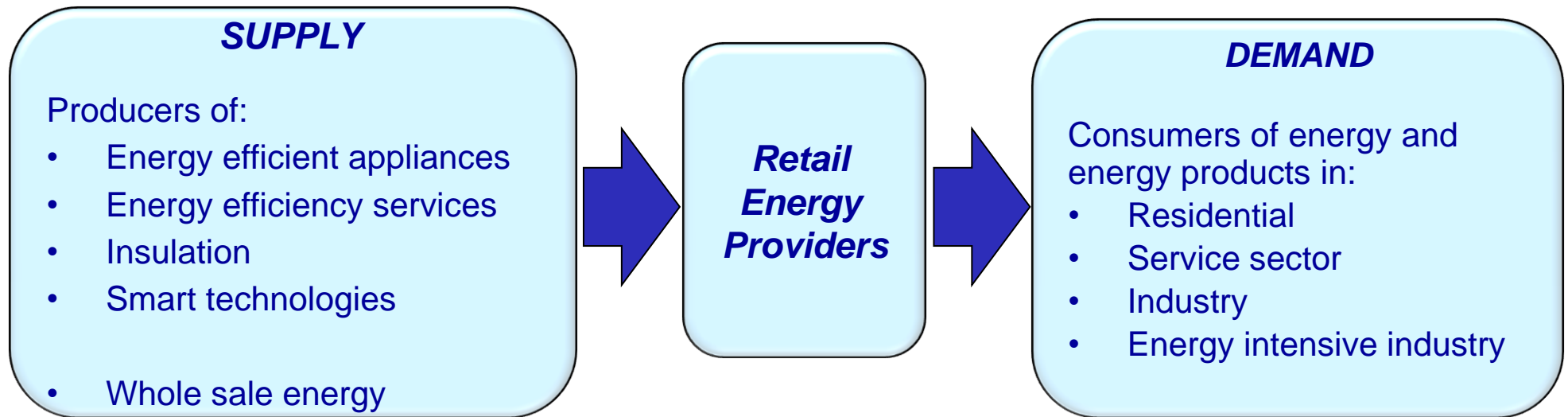
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The role of energy providers



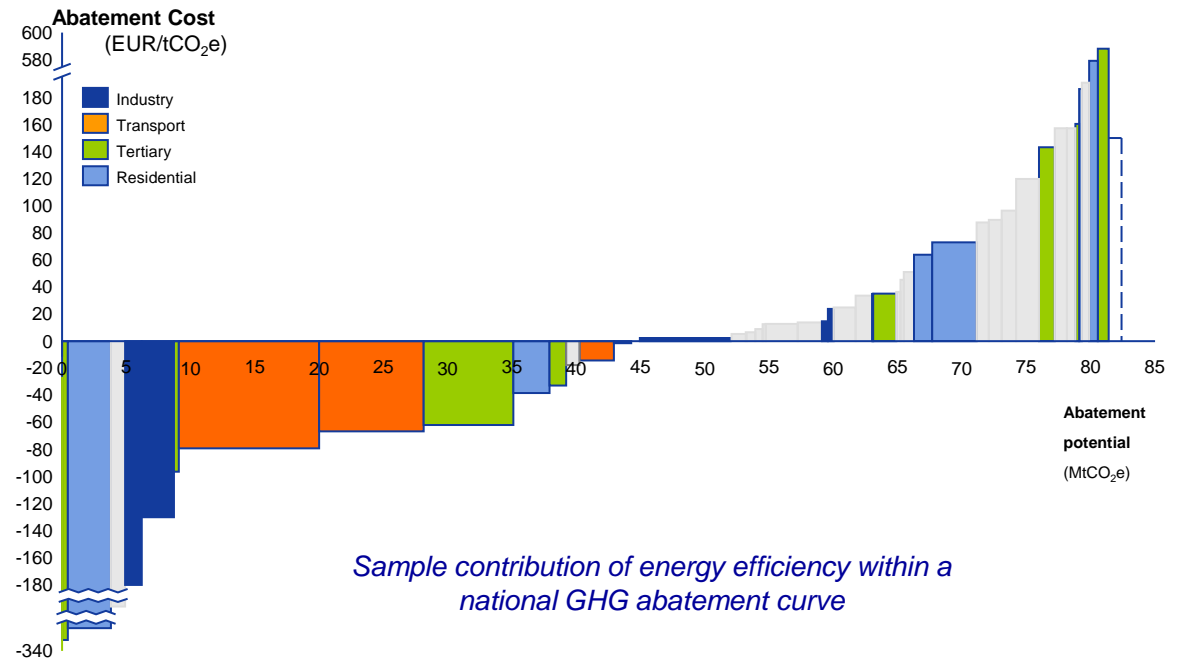
***A challenge we are ready to take:
helping supply to meet demand***



Overlapping policies

Energy efficiency is a cross cutting theme with impacts on issues in different policy areas including:

- **Environmental protection** – emission controls, solid waste mgt
- **Renewable energy** – distributed generation, energy transformation
- **Climate change** – emission reductions
- **Transport** – reductions of congestion, reduction of local pollution
- **Energy security** – geographical supply, distributed generation



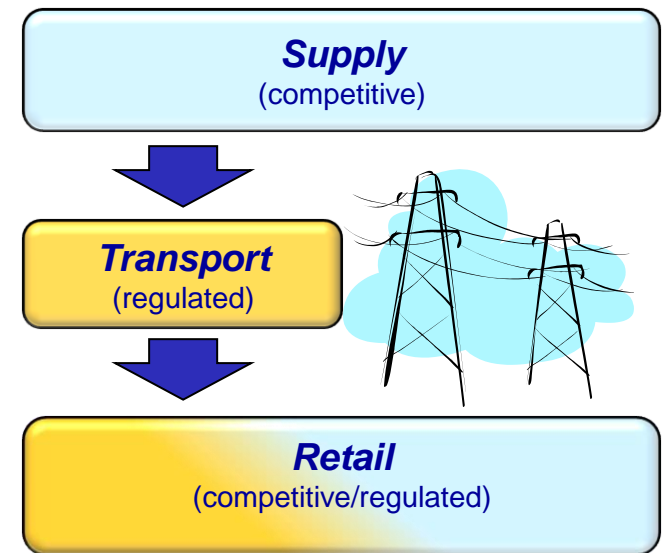
Need to carefully consider synergies and contrasts with other policy areas



Interaction with markets

Regulatory intervention within liberalising markets needs to take into account factors such as:

- **Vertical integration** – what is the relation between different actors across the value chain and what profit maximisation strategies they pursue
- **Possible market distortions** – how actors will recover costs, how certain players may be placed at a competitive advantage or disadvantage
- **Market power** – how measures may reinforce and/or be affected by market power (the level of competition in energy provision)



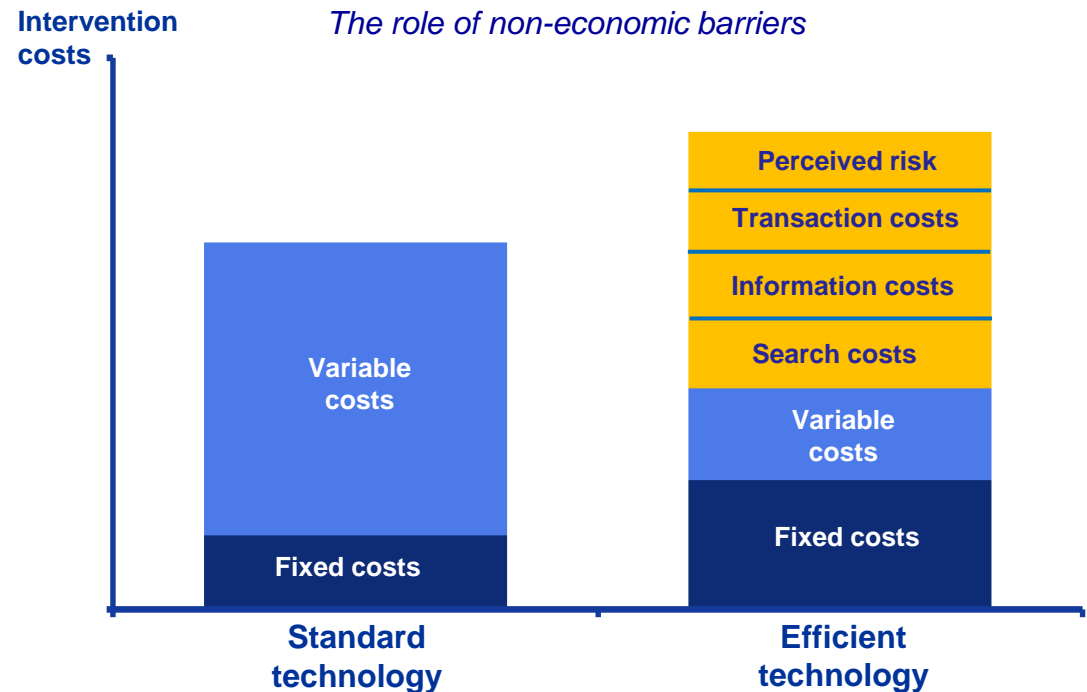
Need to carefully consider market dynamics and the level of liberalisation



Economic costs

Assessing economic impacts needs to consider:

- **Supply** – the readiness of the supply chain to provide products and services on an industrial scale
- **Demand** – the readiness of consumers to receive energy efficiency products and services
- **Timing** – the speed and path with which supply and demand will converge towards equilibrium



Costs depend not only on technology but also on non-economic barriers and timing



Thank you for your attention!

All EURELECTRIC documents on energy efficiency are available at:

www.eurelectric.org/energyefficiency