

**Opening Speech
Workshop on Policies for Energy Provider-
Delivered Energy Efficiency
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International
Energy Agency

Discussion Points

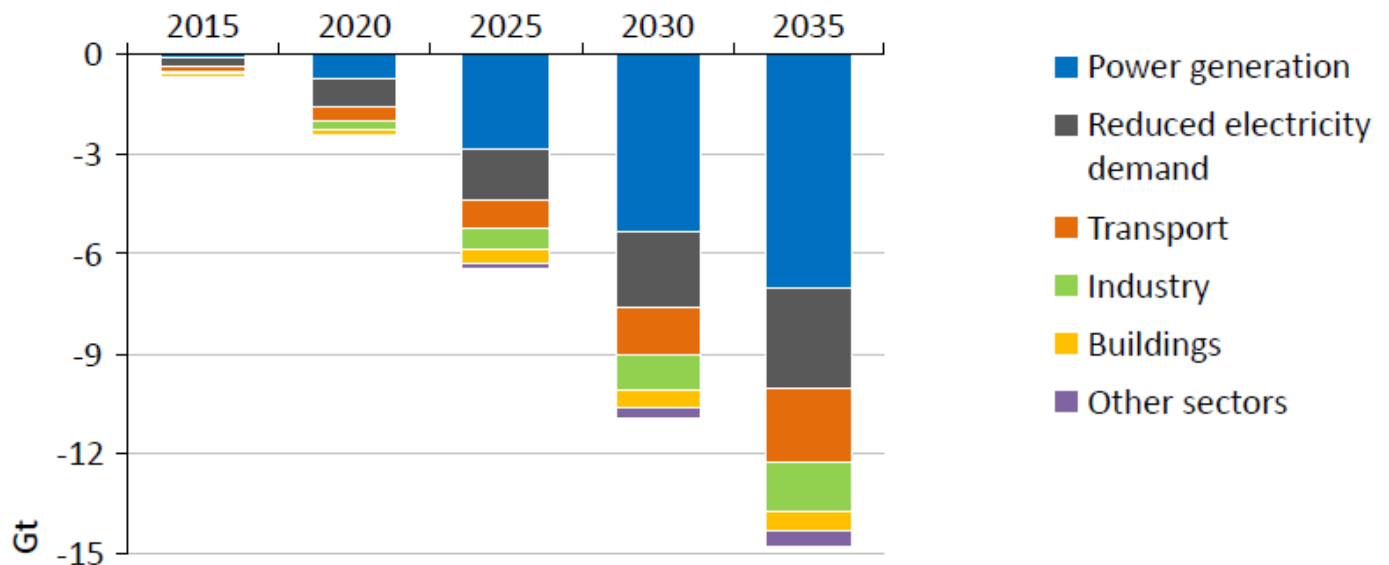
- IEA snapshot
- A global view of energy providers and energy efficiency
- IEA-recommended EE policies for energy providers
- The PEPDEE project

IEA snapshot

- **An autonomous body within the framework of the OECD, founded in 1974**
- **An energy policy advisor and think tank**
- **28 Member countries**
 - **Asia Pacific: Japan, South Korea, Australia & New Zealand**
 - **North America: USA, Canada**
 - **Europe: UK, Ireland, Germany, France, Belgium, Luxembourg, Spain, Portugal, Italy, Austria, Denmark, Netherland, Greece, Finland, Sweden, Czech Rep, Hungary, Slovak Republic, Turkey, Switzerland, Norway, Poland**
- **Decision making body:**
 - **Governing Board: Director-Generals of Member countries**
 - **Standing Committees review IEA programs and work**
- **Secretariat: Under the Executive Director, about 250 staff**

A global view of energy providers and energy efficiency

World energy-related CO₂ abatement by sector in the 450 Scenario compared with the New Policies Scenario



The power sector accounts for 2/3 of cumulative emissions abatement to 2035, through switching to less carbon-intensive generation, more efficient plant & lower electricity demand

Why should energy providers deliver energy efficiency?

- Well positioned in the energy marketplace
- Strong technical and administrative capacity
- Ability to mobilize funding
- Shared responsibility – with government - for energy security and sustainability
- Well positioned to help overcome barriers to energy efficiency

Energy efficiency policies for energy providers are a global trend

■ North America

- Rapid growth in energy provider EE spending
 - \$6 billion in 2010 —————> \$15 billion by 2015
- Great diversity of regulatory mechanisms

■ Europe

- Obligations already in place in several EU member states
- \$3 billion annual investment (0.5% of sales)
- Proposal for EU-wide obligations on energy providers

■ Asia-Pacific

- China's new DSM Rule
- DSM efforts by India's investor-owned utilities
- Australia's obligations schemes and proposed NESI

The IEA is playing its part through its 25 EE Policy Recommendations

- Provide a level playing field for energy efficiency and energy supply options in resource procurement and wholesale markets;
- Oblige energy providers to deliver cost-effective energy efficiency to end-users;
- Require energy customers be provided with cost-reflective pricing and other information they need to manage their energy use; and
- Consider utilizing revenues from end-use energy consumption to fund energy efficiency

The PEPDEE Project

- ❑ **Purpose: Foster policy development for delivering energy efficiency via energy providers**
- ❑ **Approach: Research on regulatory mechanisms and EE delivery schemes plus knowledge-sharing and policy dialogue between governments, regulators, energy providers and other stakeholders**

Building on energy provider and regulator networks

Region or Country	Regulatory network	Energy provider network
Europe	Council of European Energy Regulators	Eurelectric Eurogas
North America	National Association of Regulatory Utility Commissioners Canadian Association of Members of Public Utility Tribunals	American Gas Association Edison Electric Foundation American Public Power Assn.
Australia	Independent Pricing and Regulatory Tribunal Essential Services Commissions of SA and Victoria	Electricity Retailer Assn. of Australia

PEPDEE regional policy dialogues

- **Sydney, Australia – December 12, 2011**
- **Brussels – January 18-19, 2012**
- **Washington, DC – April 18-19, 2012**
- **China and India – late 2012 TBD**