



# Energy Efficiency Training Week

## Energy subsidies and energy efficiency swaps

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John Dulac, Energy Efficiency in Emerging Economies, IEA  
New Delhi, 13 December 2018

 #energyefficientworld

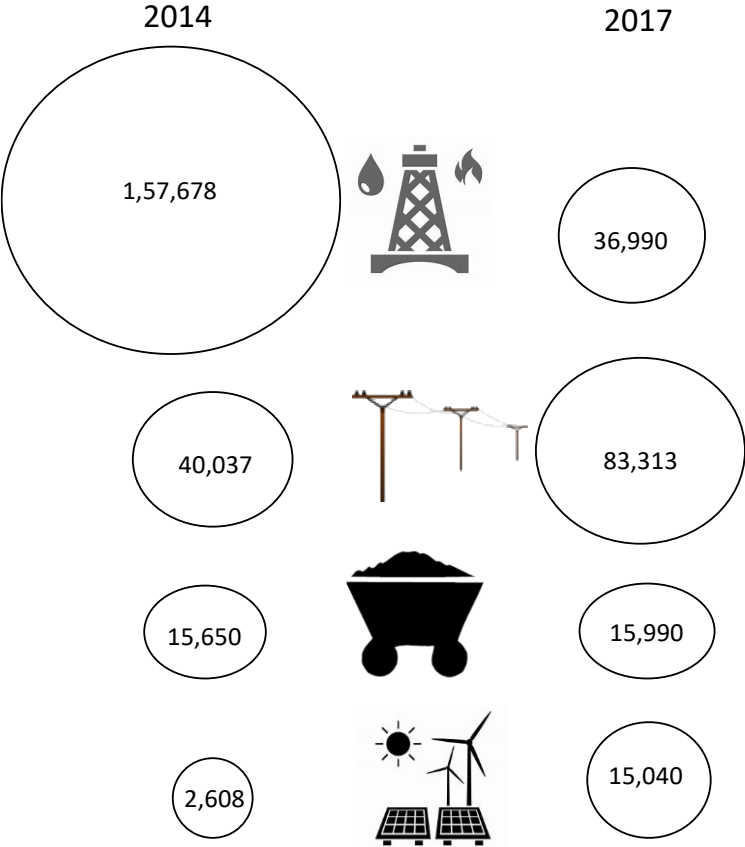
*Without energy pricing that includes the full cost of  
energy production and supply,*

*energy efficiency investments will not be attractive  
to businesses or consumers*

*and*

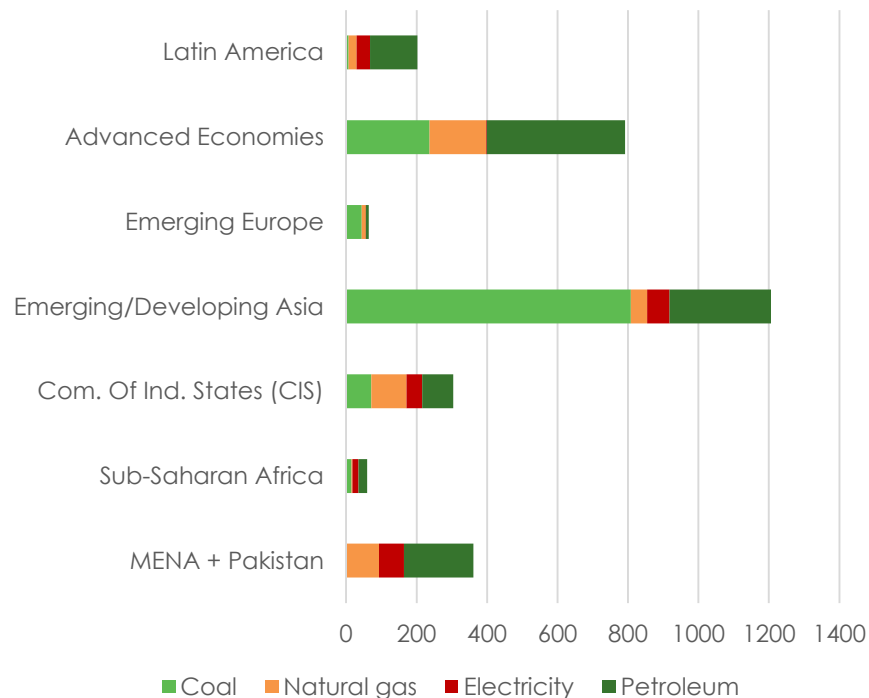
*it will not be possible to access the full range of  
economic and social benefits from energy efficiency*

# India's Energy Subsidies, INR Crores

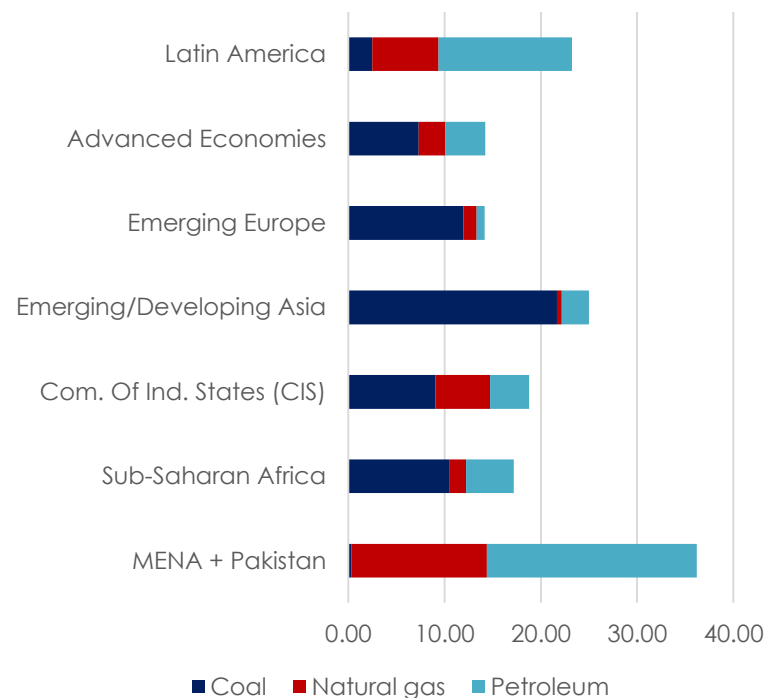


# Benefits of removing subsidies

Fiscal gain from removing subsidies,  
(billion USD)



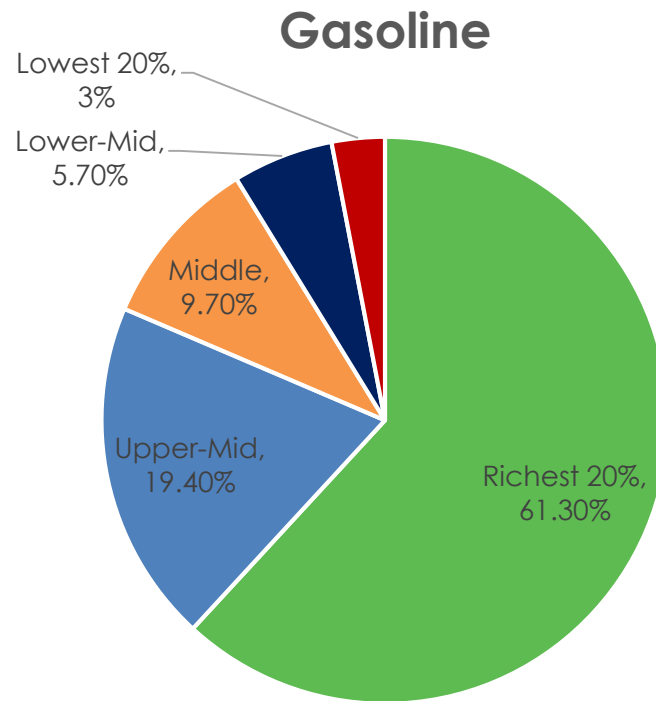
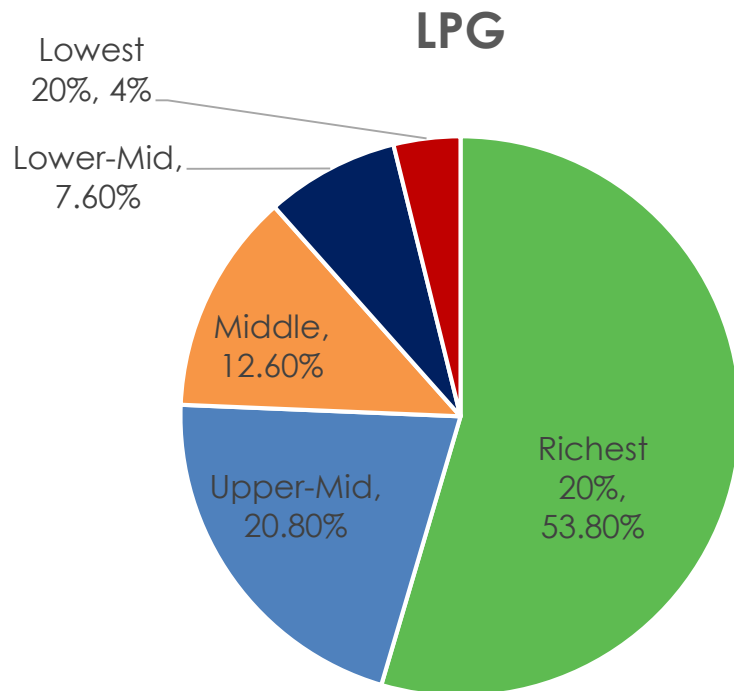
Estimated Percent Reduction in  
CO<sub>2</sub> Emissions



Source: IMF Working Paper, 2015

# Who are the real beneficiaries of subsidies?

## Global survey of energy subsidy beneficiaries



# Subsidies can be switched to other forms of support



Switching support away from fossil fuel subsidies to energy efficiency and renewable energy will improve sustainable development

- Energy subsidies are a significant draw on public budgets
  - Around 261 billion USD around the world, with national share of GDP reaching even as high as 14%
- Subsidy reform is progressing across the world
  - Reducing public expenditure often a primary driver, not efficiency
  - Concerns centre on the poor and vulnerable, and industrial competitiveness
- **Energy efficiency can reduce the impact of subsidy reform**

# Break-out group exercise

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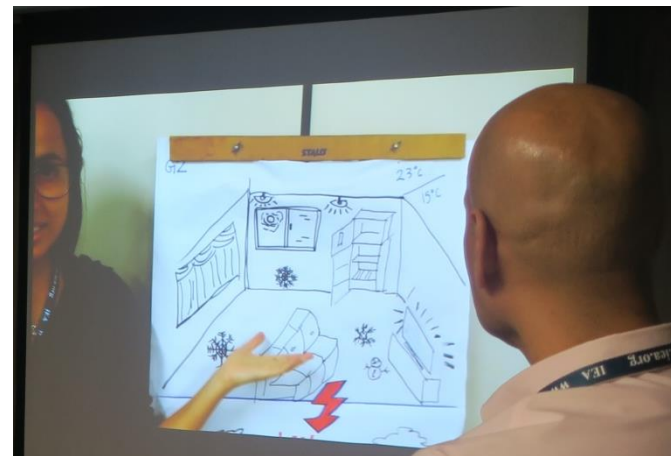
Fossil fuel subsidy reform strategies



- Group yourselves together by state or region
  - 10-12 people per team
- The exercise:
  - For states with fossil fuel subsidies, **the government wants to reduce or remove fossil fuel subsidies and would like to come up with ways to reduce energy consumption**
  - For states without fossil fuel subsidies, **the government wants to reduce energy consumption**

# Breakout group exercise

- In your groups:
  1. Define priorities and objectives for your state
  2. Select policy packages to meet those objectives
  3. A good communication campaign to support it
- Don't forget to have a **catchy slogan** for your campaign!
- Nominate **2 spokespeople** to present to everyone
  - **6 minute** presentation per group



## ***Now through lunch: work on the exercise***

*13:00 – 13:30 – complete the exercise*

***13:30 – 14:30 – team presentations***

*14:30 – 15:00 – coffee & tea*

*15:00 – 16:00 – closing remarks and awarding of certificates*



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