



# Barriers to energy efficiency and policy responses

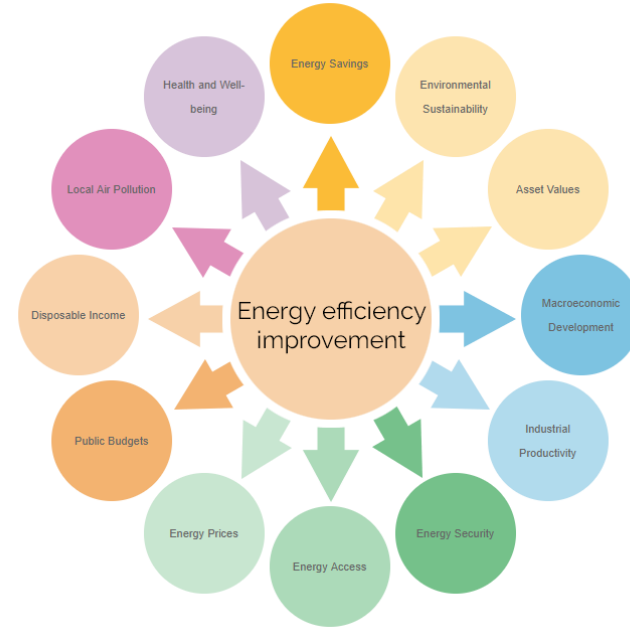
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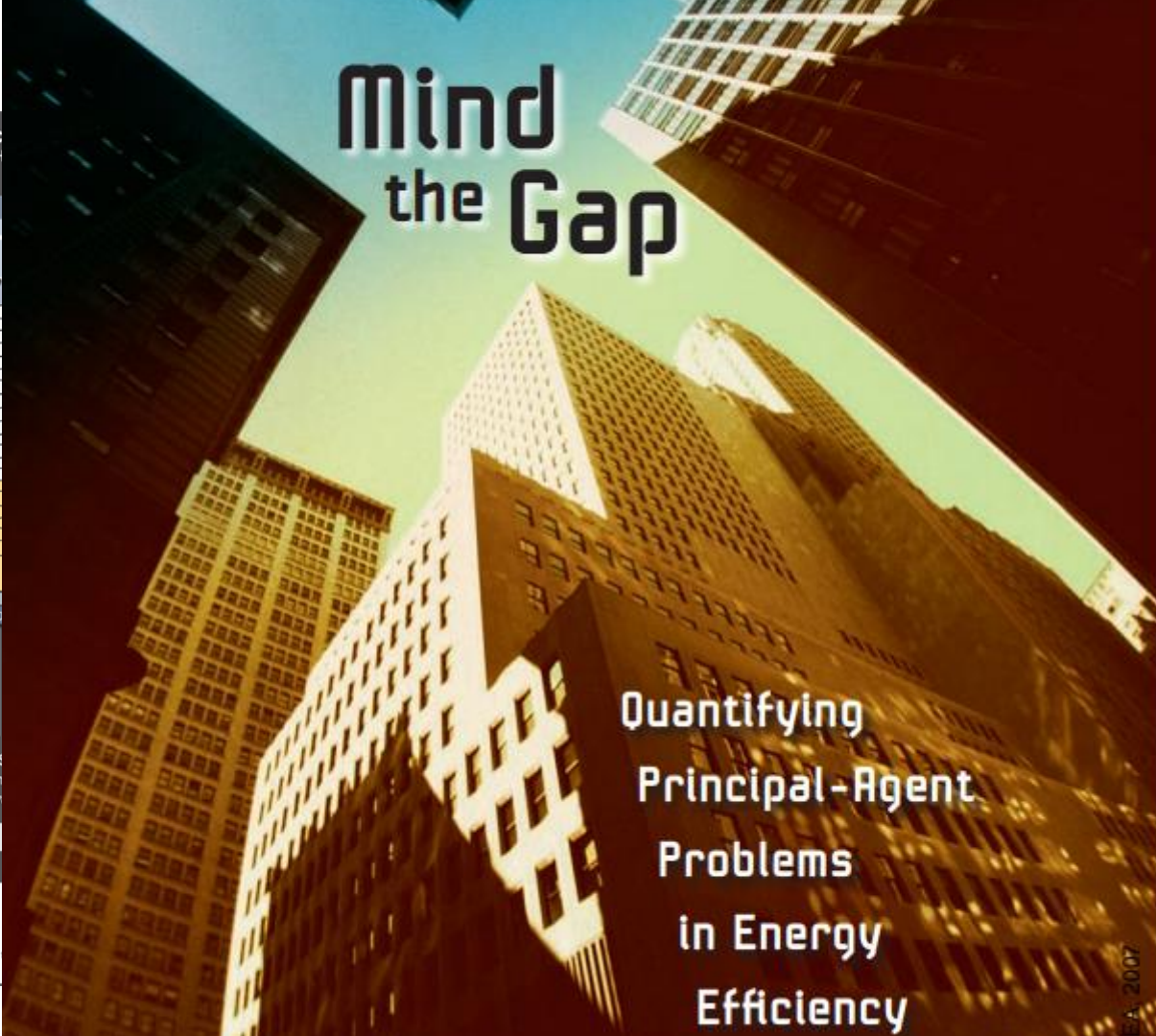
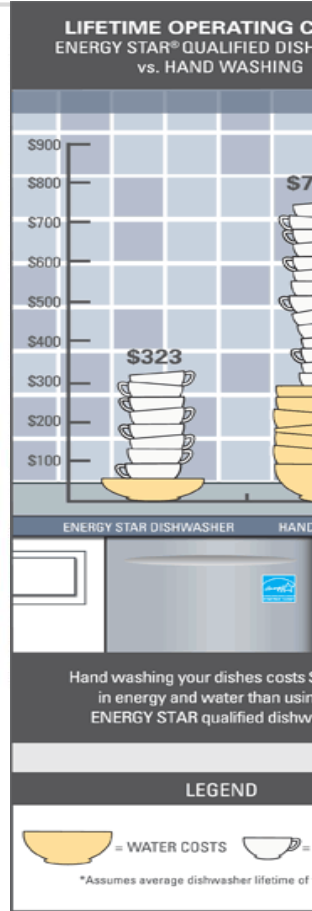
- The multiple benefits of energy efficiency are apparent
- But energy efficiency is not improving at a fast enough rate



***Key question:***

***Why is energy efficiency not improving fast enough?***

# Examples of



1. Partner with the person sitting next to you
2. Person on the left is an individual consumer, and the person on the right is a business
3. Discuss and identify at least three key barriers you each face in looking to improve energy efficiency
4. Discuss for ten minutes, then live voting via the app

What is the biggest barrier to individual consumers and business improving energy efficiency:

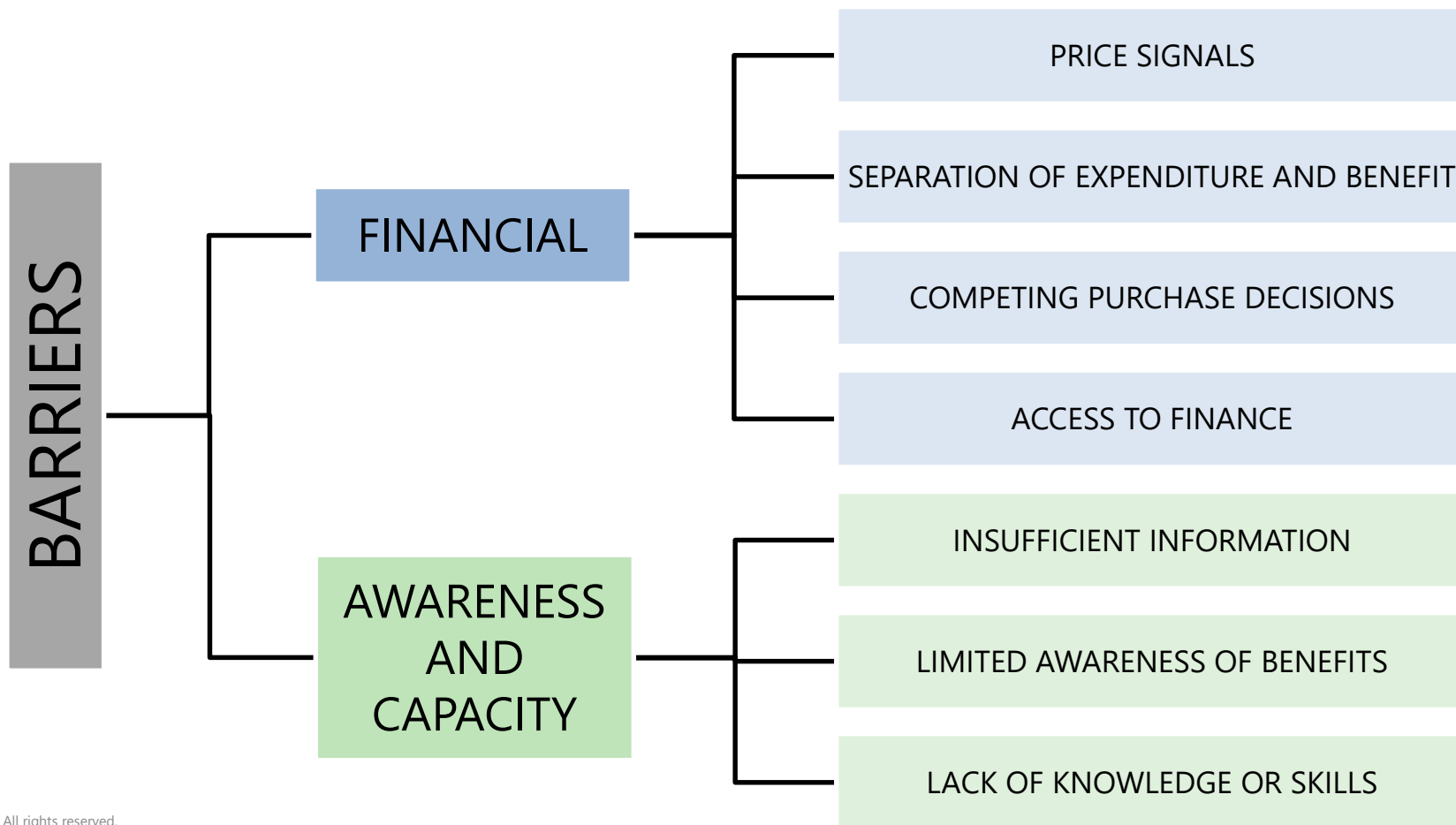
- a. Lack of motivation to improve efficiency
- b. Lack of information and understanding about how to improve energy efficiency.
- c. Lack of service providers / installers
- d. Low returns on investment in energy efficiency
- e. Other

Everyone votes!

Individual consumers

Business

# Why is energy efficiency not improving fast enough?



## ***The market is not delivering greater levels of energy efficiency***

- **Using prices to drive behaviour**
  - Raising energy prices to increase incentives for energy efficiency
  - Not always feasible
  - Doesn't ensure that appropriate information is available
- **Introducing government policy to drive greater action on energy efficiency**

***Addressing the inability of the market to deliver greater levels of efficiency is the key reason for the introduction of government policy***

1. Pair up with the same person from the first exercise
2. Discuss what actions government can take to reduce the barriers to improving energy efficiency for both individual consumers and businesses.
3. Discuss for ten minutes, then live voting via the App.



What is the best thing that governments can do to reduce barriers to energy efficiency for individual consumers and business:

- a. Introduce regulations mandating certain actions or levels of energy efficiency.
- b. Develop information and capacity building resources to improve understanding of energy efficiency
- c. Provide incentives and/or finance to encourage efficient choices
- d. Other

Everyone votes!

Individual consumers

Business

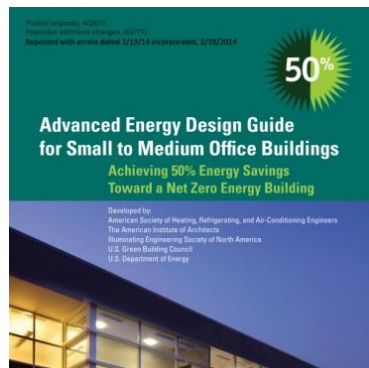
# What types of energy efficiency policy are possible?

- Regulation:
  - Legal requirements to improve energy efficiency or meet specified targets or standards
- Information and capacity building:
  - Providing information about the efficiency of products or how to improve efficiency
  - Providing training and capacity to build and improve energy efficiency skills
- Incentives and finance:
  - Supporting energy efficient choices through fiscal or financial incentives

***The ideal energy efficiency policy package contains a mix of these three pillars***

# What are the efficiency policy options in the buildings sector?

Regulation	Information/capacity building	Incentives and finance
<ul style="list-style-type: none"> <li>Mandatory building codes, requiring new buildings to achieve efficiency levels.</li> <li>Mandatory disclosure of building efficiency levels</li> </ul>	<ul style="list-style-type: none"> <li>Guides about how to improve building efficiency</li> <li>Building energy audit tools and guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Rebates for the purchase of energy efficient equipment.</li> <li>Finance on favourable terms for building efficiency measures</li> </ul>



## New Low Interest Financing

Payback periods:



# What are the efficiency policy options in the transport sector?

Regulation	Information/capacity building	Incentives and finance
<ul style="list-style-type: none"> <li>Mandatory fuel efficiency standards.</li> </ul>	<ul style="list-style-type: none"> <li>Information about vehicle fuel efficiency levels.</li> <li>Guides about reducing fuel consumption.</li> </ul>	<ul style="list-style-type: none"> <li>Lower cost fares for public transport.</li> <li>Different taxes/charges for efficient vehicles.</li> </ul>



Learn About  
Green  
Vehicles



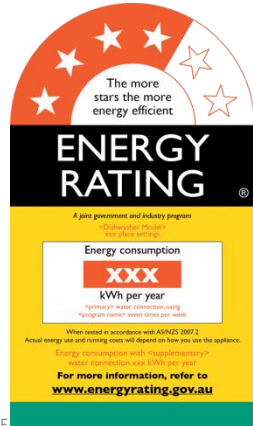
# What are the efficiency policy options in the industry sector?

Regulation	Information/capacity building	Incentives and finance
<ul style="list-style-type: none"><li>• Mandatory improvement targets</li><li>• Mandatory implementation of energy management systems</li></ul>	<ul style="list-style-type: none"><li>• Guides about energy efficient equipment</li><li>• Energy efficiency case studies</li></ul>	<ul style="list-style-type: none"><li>• Special tax treatment for agreeing to efficiency actions or targets.</li><li>• Financial support for efficiency measures</li></ul>



# What are the efficiency policy options for appliances?

Regulation	Information/capacity building	Incentives and finance
<ul style="list-style-type: none"> <li>Minimum energy performance standards</li> <li>Phase-out of inefficient products</li> </ul>	<ul style="list-style-type: none"> <li>Energy efficiency labels</li> <li>Consumer guides and websites</li> </ul>	<ul style="list-style-type: none"> <li>Rebates for the purchase of energy efficient appliances</li> <li>Assistance for market transformation</li> </ul>



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1. What is the reason(s) why energy efficiency is not being delivered at a fast enough rate?
2. What needs to be done to address this issue(s)?
3. What policies and measures could be implemented?
4. What have other countries done to address similar issues?
5. What mix of regulation, information and incentives are best suited to this country or region?

***The IEA Energy Efficiency Training week will help you answer these questions***



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