



# Energy Efficiency Training Week

## Financing Energy Efficiency

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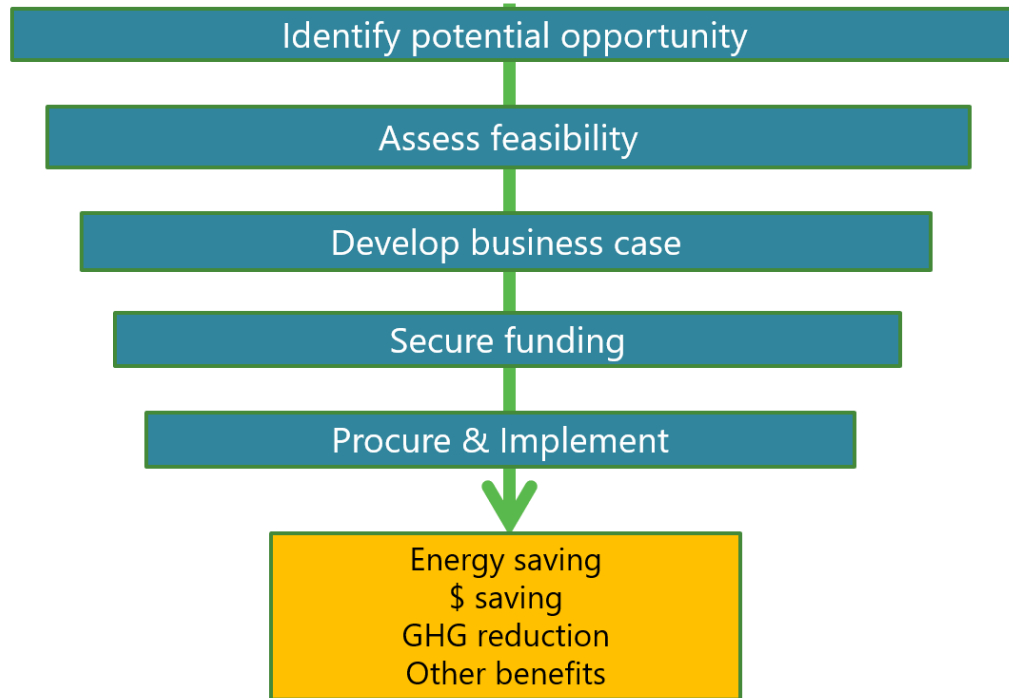
Industry Stream

Patrick Crittenden, Energy Efficiency in Emerging Economies, IEA  
Paris, May 2019

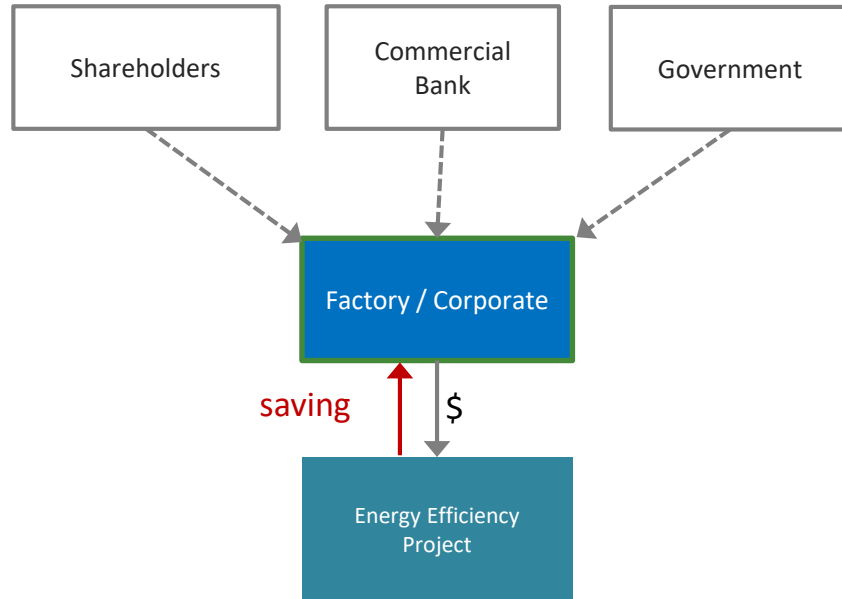


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1. Grants
2. ESCO funding model with shared savings
3. Preferential loans
4. Equipment leasing
5. Utility on-bill financing
7. Market based instruments
  - a. White certificate schemes
  - b. Utility obligations
  - c. Auctions and tenders
8. Tax incentives
9. Others ...

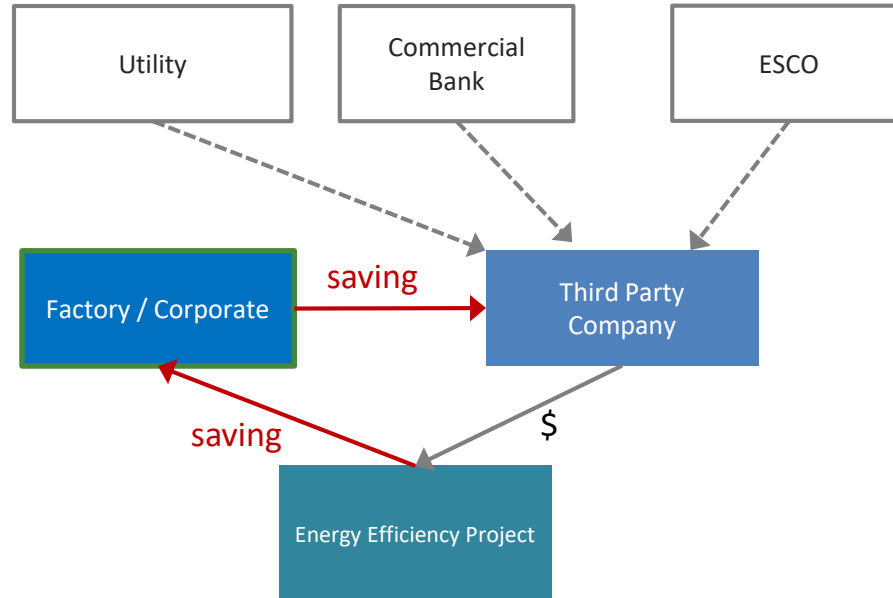


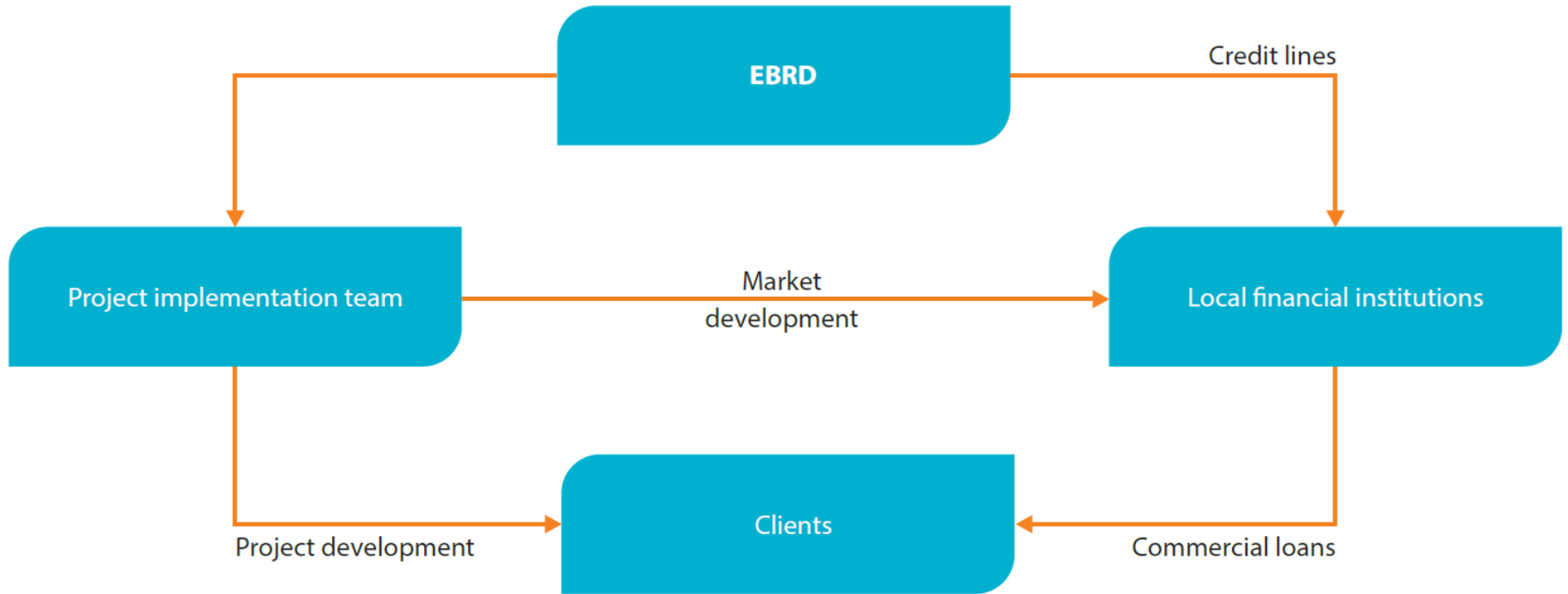
- Equipment company owned
- Held on the balance sheet as an asset



# Third-party financing

- Equipment owned by a third party
- No asset on the balance sheet
- Service fees covered by savings



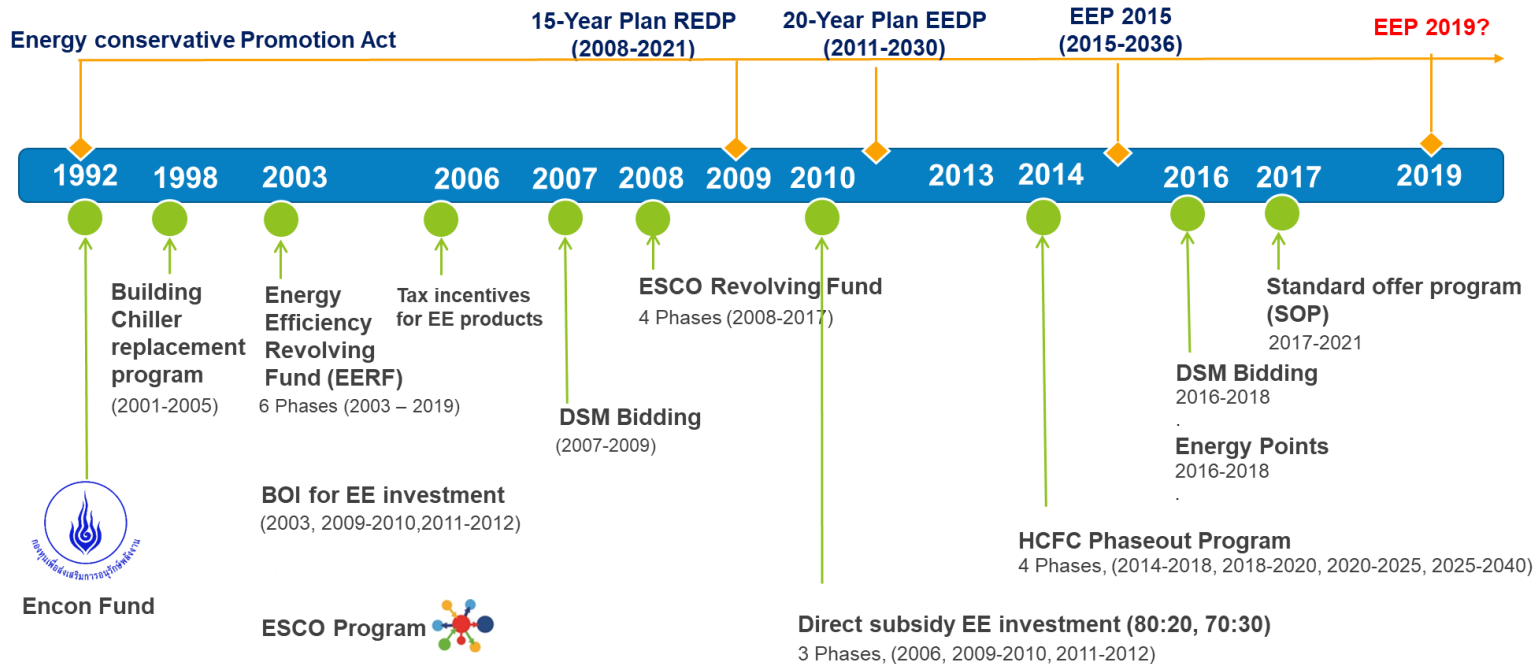


Source: Policy Pathways - Accelerating Energy Efficiency in Small and Medium-sized Enterprises, IEA 2017

<i>Financial institutions</i>	<i>SME clients</i>
Training staff in promoting new product	Identifying energy efficiency investments and enhancing project design
Supporting staff in recognising technically eligible projects	Promoting the benefits of high performance technologies
Marketing the benefits of the finance programme	Supporting the completion of finance applications
Creating standards for environmental and social due diligence	Providing guidance during and after project implementation
Encouraging clients to originate investment opportunities	

Source: Policy Pathways - Accelerating Energy Efficiency in Small and Medium-sized Enterprises, IEA 2017

# Financing energy efficiency in Thailand



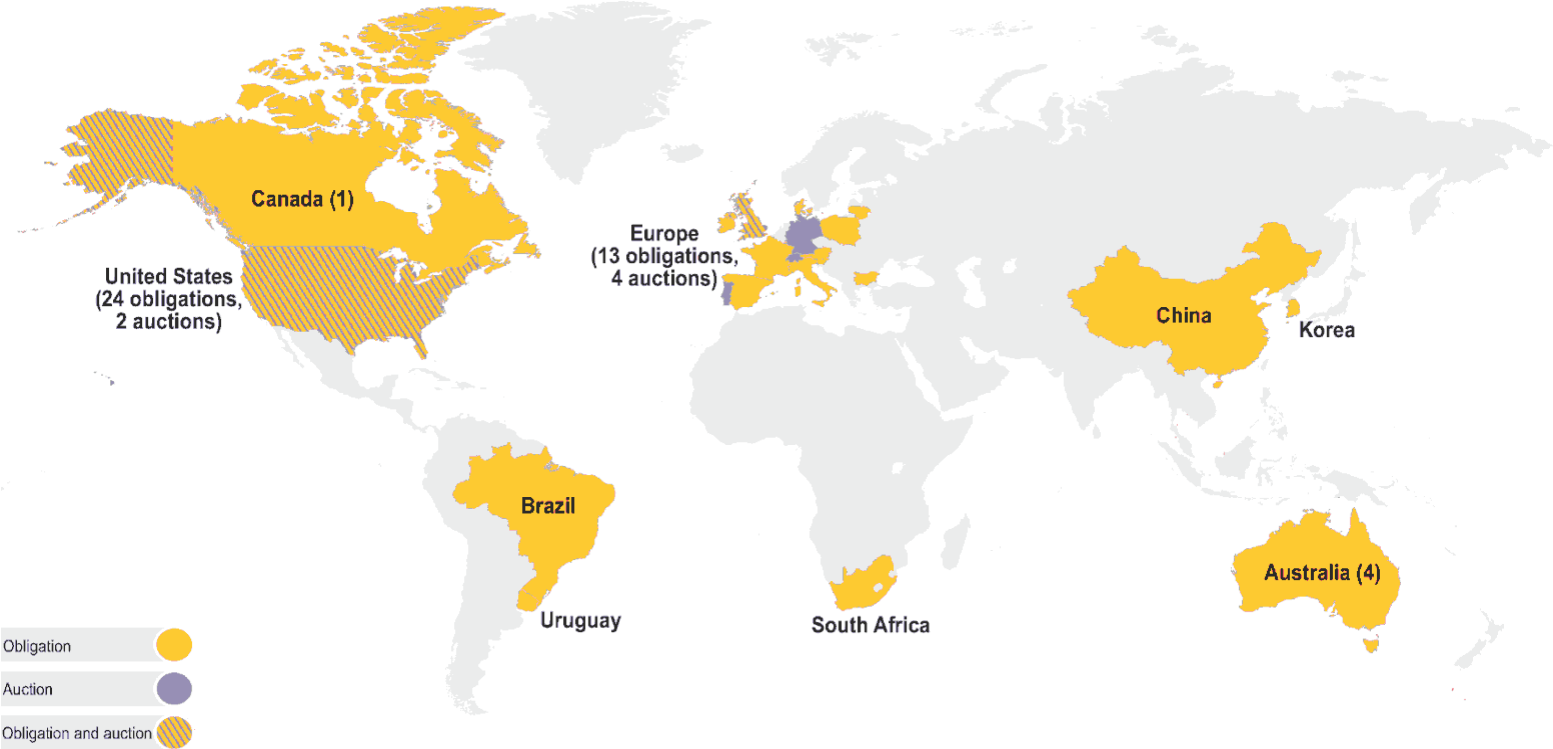
Source: Boonrod Yaowapruerk, The Creagy Company 2019



## Market Based Instruments for energy efficiency:

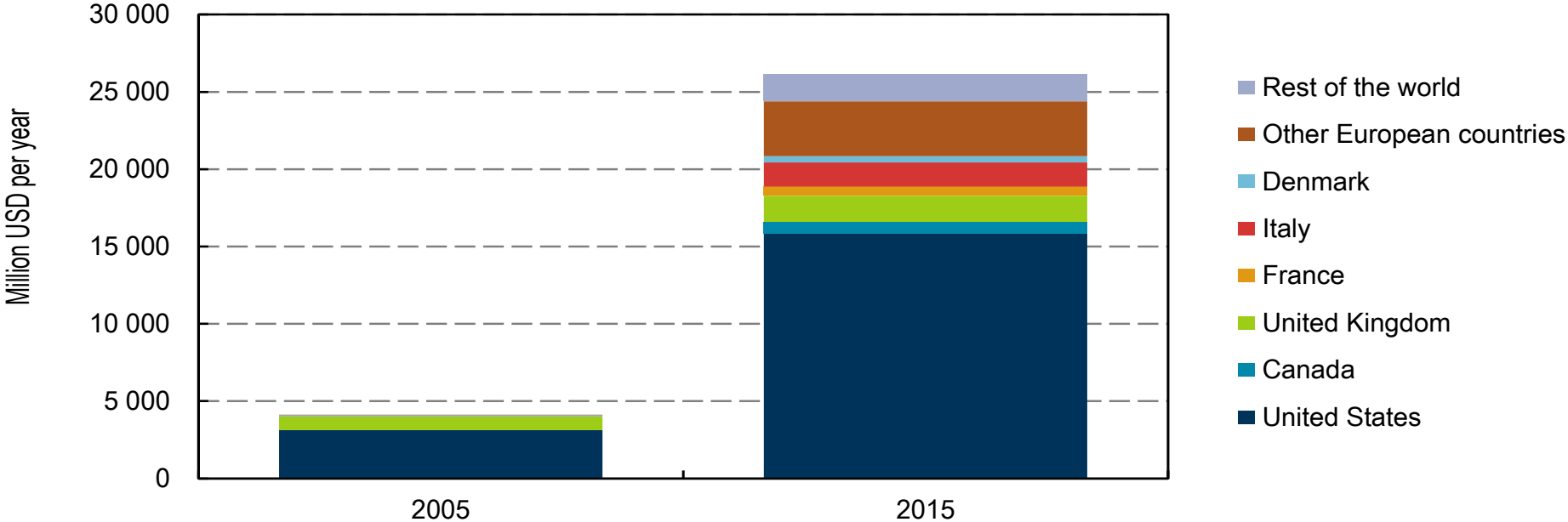
- Use market forces to minimise the cost of saving energy
- Set a policy framework specifying the outcome (e.g. energy savings, cost-effectiveness) to be delivered by market actors, without prescribing the delivery mechanisms and the measures to be used.

# Market-based Instruments for energy efficiency – where can they be found?

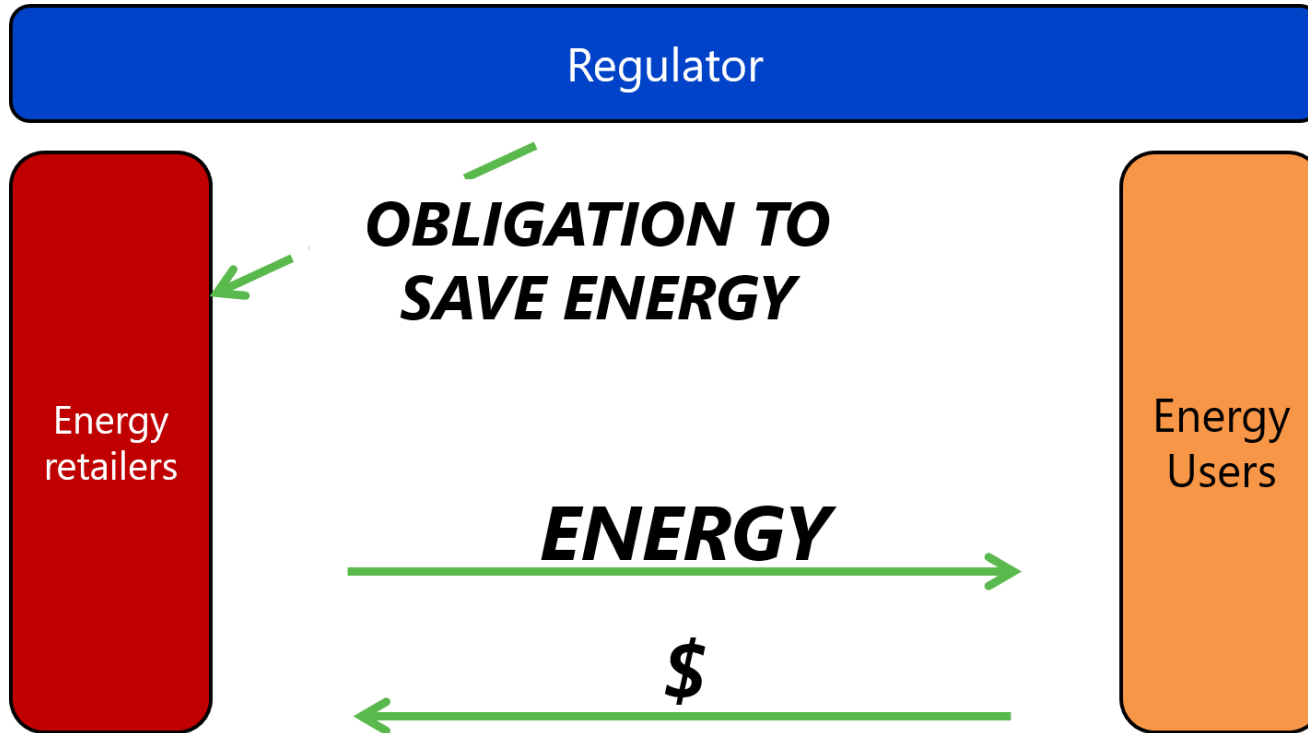


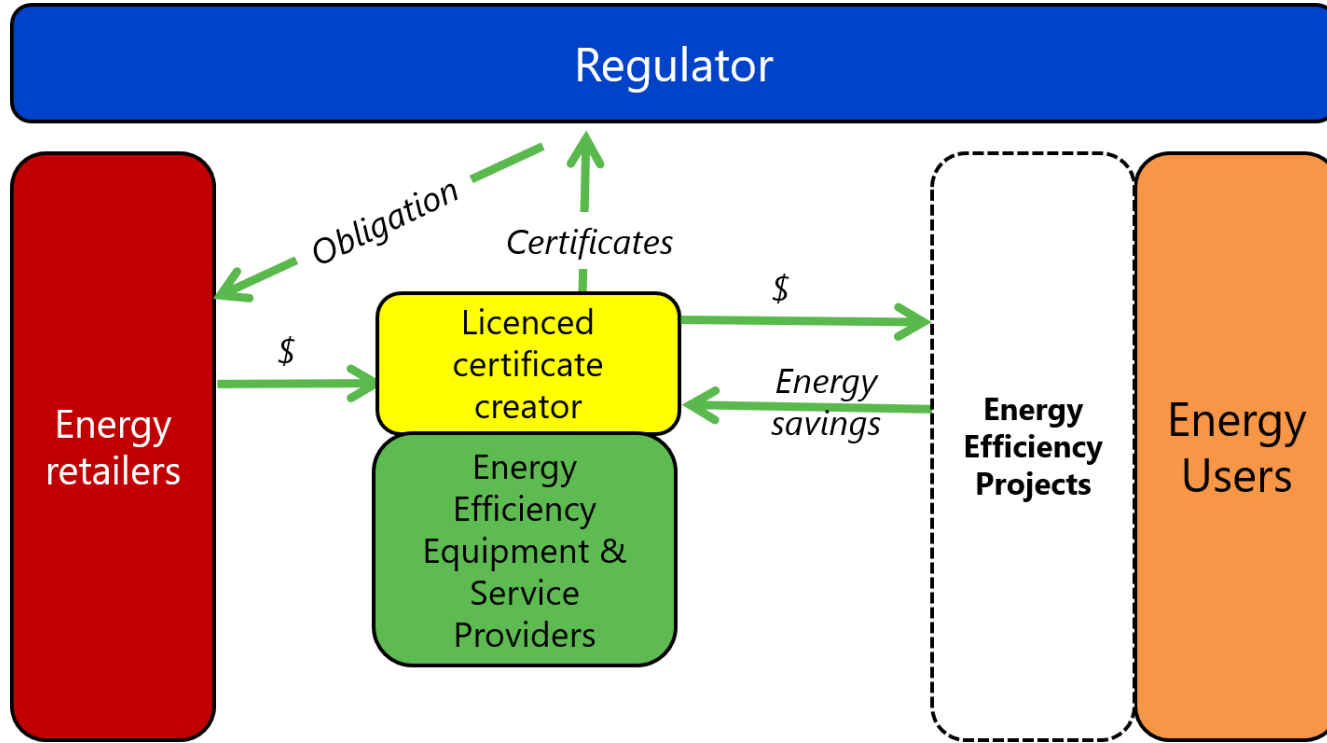
**The number of Market Based Instruments has quadrupled over the last ten years**

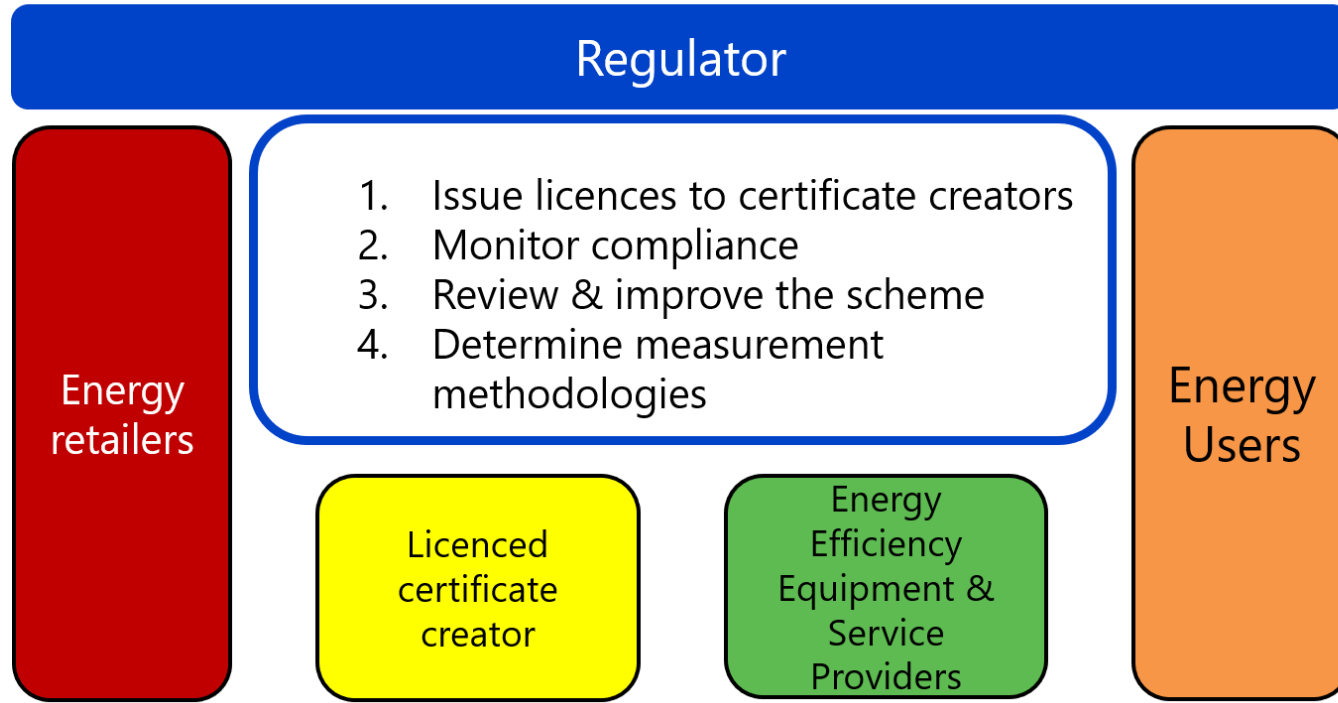
# Investment through Market-based Instruments



**The amount of investment generated by Market Based Instruments has increased six-fold over the last decade**







- Italy's white certificate scheme
  - Commenced in 2005
  - Over 24 million tonnes of oil equivalent saved to date
  - Companies with energy managers can create certificates



- India's Perform Achieve and Trade Scheme
  - Government sets energy consumption targets for individual firms
  - Enterprise achieves energy targets through energy savings or purchase energy savings certificates generated by companies that have gone beyond their target





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