



ICC's Commission on Environment and Energy

Business: Part of the solution

Energy Efficiency

Introduction

At the 2008 summit in Hokkaido Toyako, Japan, and again in 2009 in L'Aquila, Italy, G-8 leaders called for a 50 percent reduction in greenhouse gas (GHG) emissions below 2050 to avoid the most serious consequences of climate change. Meeting this goal requires transforming the way energy is produced, delivered, and consumed across all sectors of the economy and regions of the world.

According to the International Energy Agency, (IEA) investments of \$26 trillion will be required on the supply-side for projects to promote greater energy efficiency, between now and 2030. If we are to see this “energy revolution” it is vital to address the question of secure and pertinent investment in energy supply as well as on the demand side in developing, emerging and developed economies.

This is especially important in light of the global economic crisis which has underscored the urgency of sustainable development, emphasizing a mutually reinforcing balance of economic, social and environmental progress. Moreover, the crisis highlights the need to work efficiently and cooperatively to develop the policy and financial drivers needed to delink environmental impacts from economic growth and provide energy access through cost-effective opportunities.

Energy efficiency is a fundamental element in the progression towards a more sustainable energy future and has been on the business agenda for years with significant strides already achieved. The International Chamber of Commerce (ICC) builds on past work on energy efficiency¹ to deliver international business' extensive experience and innovation in this area.

Key messages

- Energy efficiency is a fundamental element in the progression towards a future low-carbon economy. Actions to increase energy efficiency can make a significant impact in squaring the circle between an increased demand for energy and environmental protection.
- Improvements in energy efficiency have played a key role in limiting global increases in energy consumption of resources and greenhouse gas emissions over the past three decades, while maintaining the quality of the energy service. However, considering future trends in world energy use, increasing concerns

¹ Please see ICC Policy Statement “Energy efficiency, a World Business Perspective” May 2007 at www.iccwbo.org



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about access to energy and energy security, significant challenges need to be addressed, for which energy efficiency will be part of the solution.

- There is a strong business case for energy efficiency, it enables companies to save costs, improve their competitiveness and overall productivity. Moreover there are also opportunities to develop new businesses that enhance efficiency across countries and sectors. However, several barriers remain to energy efficiency improvements.
- In order to overcome these barriers, governments need to create a policy environment that rewards energy-efficient choices and encourages innovation. Economic and financial incentives and government support for professional training and consulting, research, development and deployment are a first step.
- Reinforcing the market for energy efficiency through innovative mechanisms, such as standards, labels, public-private partnerships and energy performance contracting, may lead to increased certainty and demand for energy efficiency which will foster private sector initiatives.
- The buildings and residential/commercial energy-using equipment sectors in particular has a high potential for large cost-effective energy savings.
- International cooperation on energy efficiency policies helps trigger synergies fostering technology improvements, through the removal of barriers to the deployment of better technologies in the market place. Coordinated policies and standards, the sharing of information on energy efficiency tools and best practices, are critical for enhancing global trade and diffusing energy efficiency improvements.
- Businesses should develop new management approaches at senior management levels in order to fully exploit opportunities for increased energy efficiency, especially by increasing awareness of their energy consumption and savings in the long term, as well as planning and implementing actions such as demand side management.

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