

Mobilizing Energy Providers to help SMEs Adopt Climate Solutions

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International
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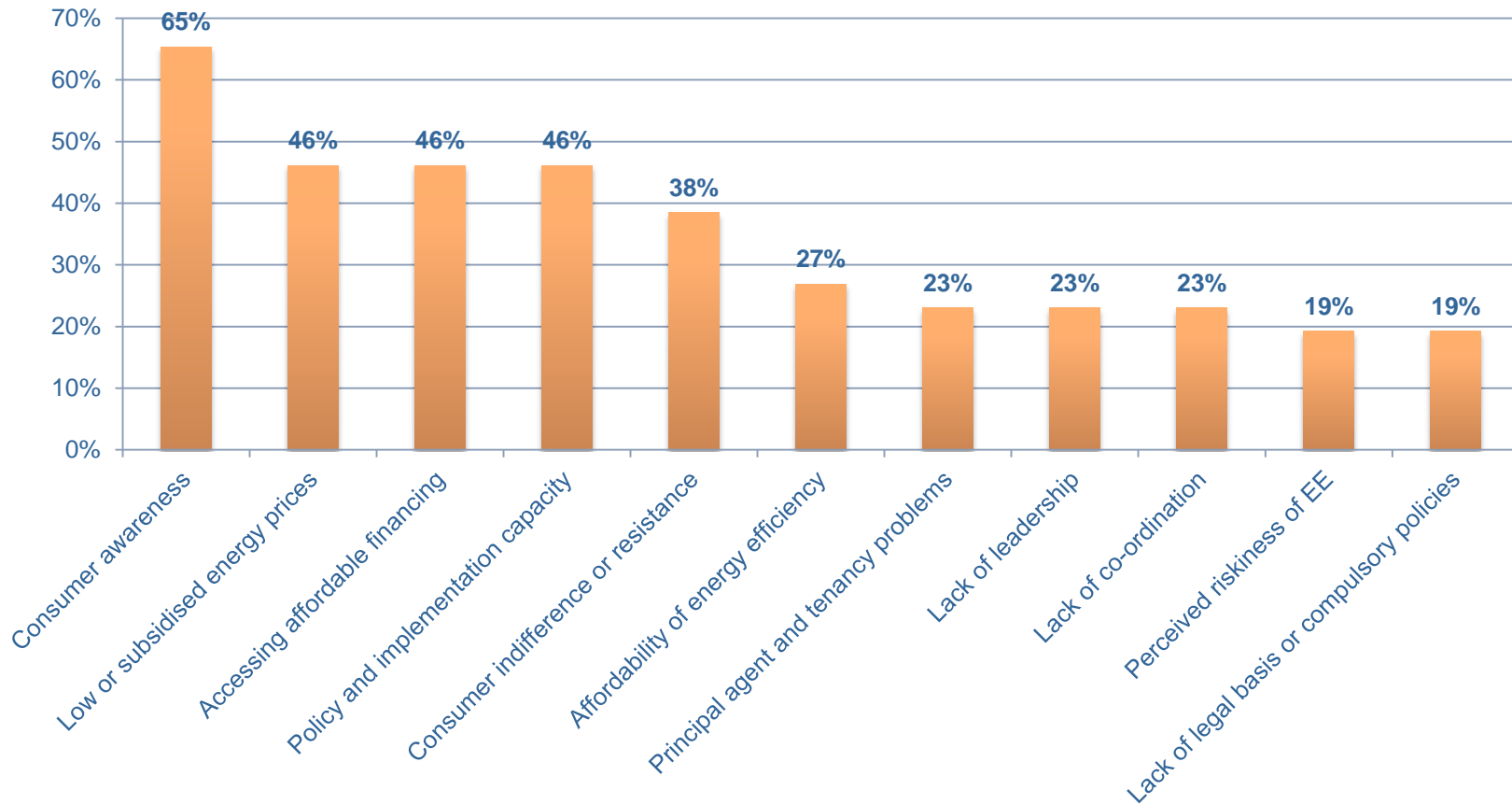
Topics

- **Why are energy providers a good interlocutor for climate solutions?**
- **Regulatory mechanisms and programme designs**
- **Examples of climate solutions assistance to SMEs**
- **Conclusions**

Why are energy providers a good interlocutor for climate solutions?

- ❑ 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 the main barriers to climate solutions

Climate solutions market failures and institutional barriers



End-user awareness, low energy prices, access to financing, and implementation capacity are the most common barriers

Energy providers delivering climate solutions

■ Europe

- UK Carbon Emission Reduction Targets (CERT)
- UK, Italian, French, and Belgian obligations schemes
- The proposed Energy Efficiency Directive

■ North America

- Rapid growth in energy provider clean energy spending
- Diversity of regulatory mechanisms

■ Asia-Pacific

- China's new DSM Rule
- India's investor-owned utilities
- Australia's retailer obligation programmes

■ Africa

- CFL roll-outs across the continent
- Eskom's Standard Offer and DSM programmes

Energy provider-delivered energy efficiency

Region	Sales (TWh)	Revenues (USD Billions)	EE Spending (USD Billions)	Spending metric (%)
North America	4,200	400	6.1	1.5
EU 27	3,350	650	3.0	0.5
China's new DSM rule	4,700 ¹	410	1.2 (imputed)	0.3
Brazil	425	50	0.5 billion	1.0 ²

¹2011 data

²System benefit charge level

Sources: Nevius, Eldridge and Krouk, 2009; Barbose, Goldman and Schlegel, 2009

Enabling and regulatory mechanisms

- **Obligations**
- **Decoupling sales from profits**
- **Shareholder incentives**
- **Resource portfolio requirements**
 - **Renewable energy**
 - **Energy efficiency**
- **Integrated resource planning**
- **Funding climate solutions through energy bills**

Programme designs

- Capacity building and advice
- Financial services
- Incentives and standard offers
- Equipment replacement
- Off-grid solutions
- Virtual power plants
- Others?

PEPDEE Work programme responsibilities

Task	Description	Responsibility
1	Inventory of energy efficiency programme designs	IEA
2	Inventory of regulatory frameworks and mechanisms	RAP
3	Analysis of market structure, regulatory frameworks, programme designs	IEA and RAP
4	Regional workshops	IEA, RAP and regional partners
5	Develop policy recommendations	IEA, RAP, participating governments
6	Reporting	IEA and RAP

Discussion and questions

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