



Energy Efficiency 2.0: Best Practices in Designing & Implementing Energy Efficiency Obligations

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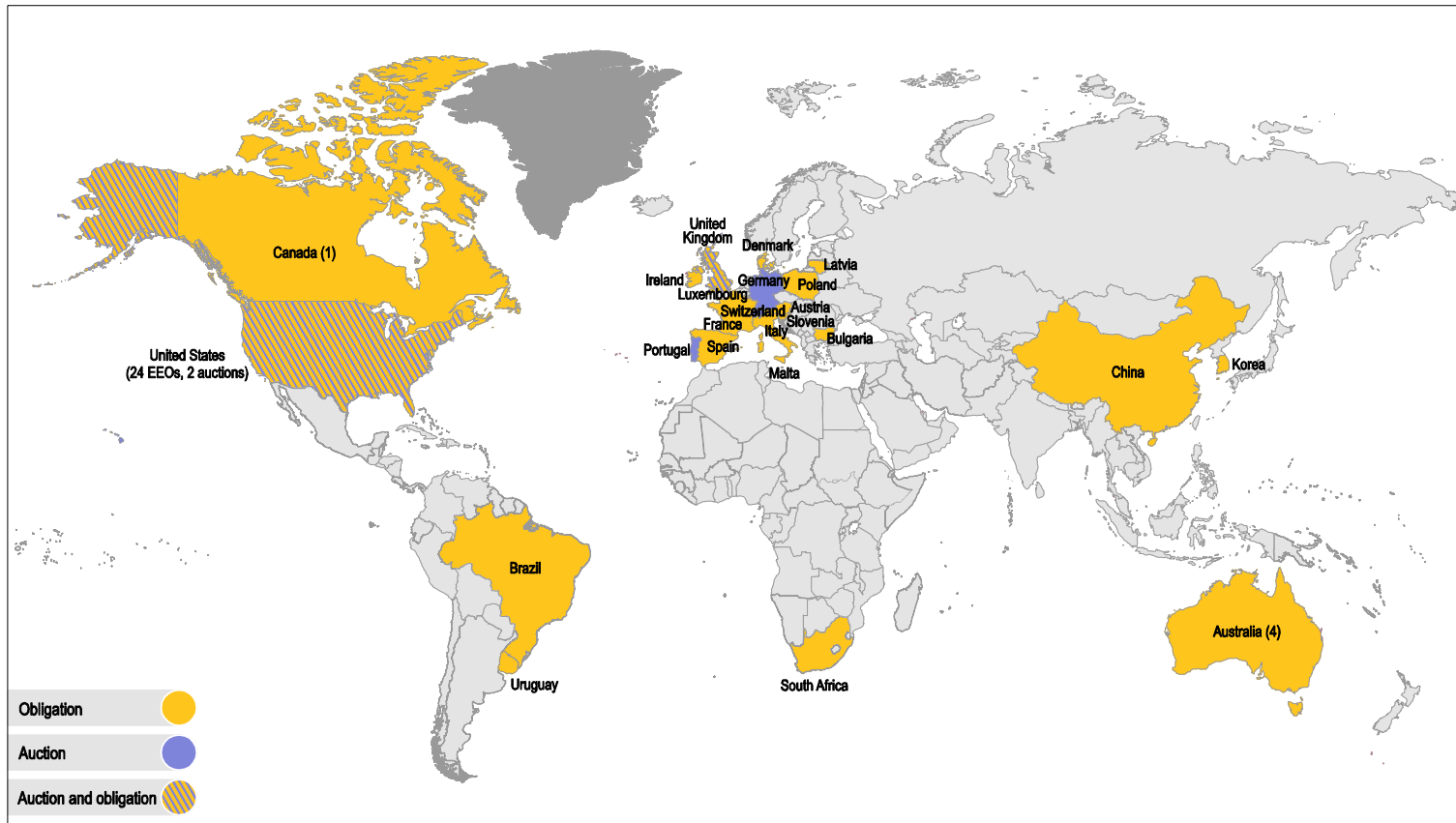




Motivation



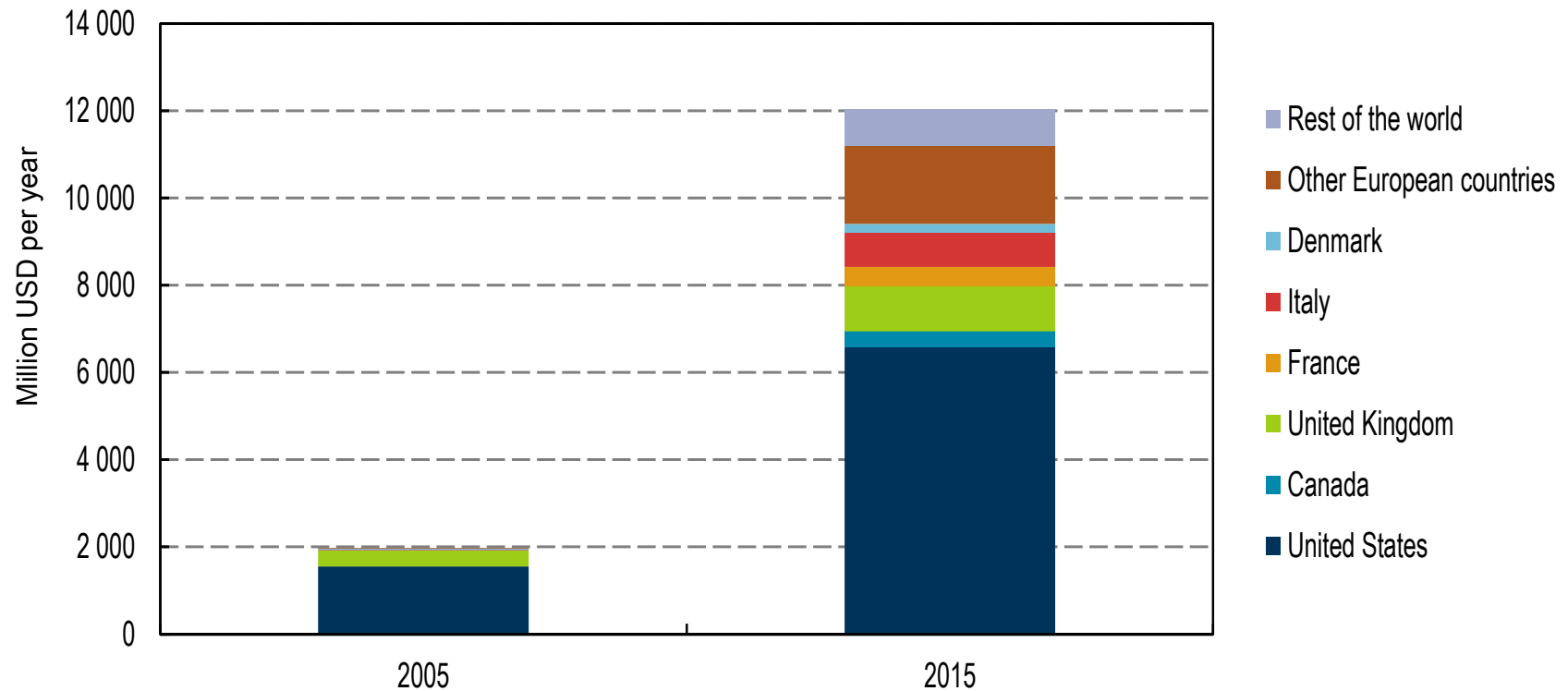
Number of EEOs has quadrupled over the last ten years



This map is without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries, and to the name of any territory, city or area.



Programme investment has risen six-fold





Objectives



Updating an influential report



Best Practices in Designing and Implementing Energy Efficiency Obligation Schemes

Research Report
Task XXII of the International Energy Agency
Demand Side Management Programme

Report prepared by:
The Regulatory Assistance Project



June 2012



Recent European Commission guidance

APPENDIX II

ENERGY EFFICIENCY OBLIGATION SCHEMES

Member States should consider at least the following aspects when designing and implementing an EEOS¹¹⁰:

1. Policy objectives

Member States should keep the policy objectives of the EEOS simple, clear and focused on achieving energy savings by taking into account which end-use sector has the most energy savings potential and where the scheme could best help overcome the barriers to energy-efficiency investment.

If the scheme has multiple objectives, ensure that the achievement of any non-energy-related objectives does not hinder pursuit of the energy-savings objective.

When designing the scheme, Member States are required (Article 7(11) EED) to take account of the need to alleviate energy poverty (unless it is decided that it will be addressed under the alternative policy measures). For example, the EEOS may include a specific target relating to energy poverty (e.g. minimum share or amount of energy savings to be achieved from actions for low-income households) or a bonus factor for actions implemented for low-income households. An alternative could be for obligated parties to contribute to a fund that will finance energy efficiency programmes for low-income households¹¹¹.

2. Legal authority

Use a carefully selected combination of legislation, regulation, and ministerial and administrative processes to establish and operate the EEOS. Setting up the broad design of an EEOS under enabling legislation provides stakeholders with certainty as to the legal status of the scheme. Developing detailed implementation procedures under regulation allows the details of the scheme to be amended in the light of experience.

¹¹⁰ Adapted from RAP (2014), *Best practices in designing and implementing energy efficiency obligation schemes* (<https://www.raponline.org/knowledge-center/best-practices-in-designing-and-implementing-energy-efficiency-obligation-schemes/>) with the inclusion of lessons learned from the ENSPOL project (<http://enspol.eu/>); RAP (Lees, E., Bayer, E.), *Toolkit for energy efficiency obligations* (2016) (<https://www.raponline.org/wp-content/uploads/2016/05/rap-leesbayer-eeotoolkit-2016-feb.pdf>)

¹¹¹ See Appendix 11 for further proposals on measures alleviating energy poverty.



Exploring new issues

- Pay-for-performance and “EM&V 2.0”
- How to adapt EEOs to changes in the value of efficiency by time and place
- How to adapt EEOs to electrification
- How to design and operate trading mechanisms
- Best practices related to using EEOs in the wider policy mix



Structure, Deliverables, Timetable, Collaboration





Structure

Task 1: Project Management

Task 2: Update of the existing report on EEOs and best practices

Task 2.1: Review of existing reports and selection of content to be updated

Task 2.2: Update of selected content

Task 3: Drafting of new chapters on key issues (potential topics)

Task 3.1: Draft chapter on pay-for-performance and EM&V 2.0

Task 3.2: Draft chapter on trading of energy efficiency certificates

Task 3.3: Draft chapter on EEOs in the policy mix

Task 3.4: Time and location energy efficiency

Task 4: Review of draft report and finalisation

Task 4.1: Extensive external review

Task 4.2: Finalisation based on comments



Deliverables

Updated guidance on the design and implementation of EEOs

Individual papers on each of the sub-task issues

Knowledge sharing with policy makers and other experts through a webinar and presentations at events



Time schedule

Q4 2019: Project kick-off with workshop co-hosted with IEA in Paris (Dec 10)

End Q4 2019: focus issues agreed

Q2 2020: workshop exploring key focus issues, informed by project papers

Q4: 2020: workshop exploring key focus issues, informed by project papers

Q2: 2021: event at ECEEE to present draft of final guidance document

Q4 2021: publication of guidance document following sign-off by ExCo



Collaboration

- IEA Secretariat co-hosting first workshop at the IEA in Paris; potential for further collaboration in the writing process)
- TCP countries supporting the Annex: Australia, Ireland, Italy, UK
- Would hope that other countries with EEOs would be prepared to put their names to the Annex – we will be engaging with their national experts in any case. Main role is to be interviewed, read and comment on papers and attend workshops, in person or virtually, held alongside other events.
- Austria, Belgium, India, Italy, Korea, United States all have obligations
- Switzerland has an auction mechanism (may be covered if asked for); Sweden is actively considering an obligation programme,
- And for those countries that do not have EEOs, there may well be interest in engaging with the work.

Any Questions?