“White and Green” EU-SAVE Project: A comparison of market-based policy instruments for energy efficiency

Contribution to the Task XIV Market Mechanisms for White Certificates Trading
7 – 8 June 2004, Milano, Italy

Luis Mundaca & Lena Neij
International Institute for Industrial Environmental Economics at Lund University
Project objective

To identify the best features of various market-based instruments aimed at increasing energy efficiency by evaluating their potential implications
Phase 1 (completed)

• Inventory of policies and measures (P&M) Examples:
  – Tradeable energy efficiency titles (White Certificates)
  – Renewable Portfolio Standard (RSP) based on Green Certificates
  – Green taxes, charges, benchmarking systems, etc.

• Leader:

Universiteit Utrecht
Phase 2 (almost done)

• Selection of innovative P&M for in-depth analysis
  – Development and selection of evaluation criteria
  – Qualitative selection approach

• Leader:

Universiteit Utrecht
Phase 3 (underway)

• Quantitative assessment of selected innovative P&M
  – Optimisation and simulation modelling
    • E.g. Markal: Compare economic, technological and environmental responses of different P&M

• Leader:

the international institute for industrial environmental economics
Lund University, Sweden
Preliminary results

Estimated average costs of saving a unit of energy in different EE scenarios

- Low target
- Medium target
- 1% Target (EU)
- High target

Euro cents per kWh

Phase 4

• Conclusions and recommendations
  – Compilation of qualitative and quantitative analyses for selected P&M → Preliminary results
  – Feedback from stakeholders

• Leader:

the international institute for industrial environmental economics
Lund University, Sweden

iiiiee
Phase 5

• Communication & Dissemination
  – Workshops with stakeholders
  – Seminar for EU officials, utilities and interested parties

• Leader:

  Associazione Italiana Economisti dell'Energia
Sydkraft’s role

• Horizontal role
• Assess the realism and feasibility of the policy recommendations
• Suggest possible impacts and reactions of policies
Expected results

To help identifying potential advantages of using such instruments in the promotion of a common EU energy efficiency policy
[thanks]