

IEA DSM TASK XXII

Energy Efficiency Portfolio Standards



BACKGROUND

Energy Efficiency is globally recognized as a very cost-effective strategy to reduce energy requirement and the related environmental impacts by reduction in GHG emissions. The Fourth Assessment Report (2007) of the Intergovernmental Panel on Climate Change (IPCC), concludes that energy efficiency measures will play a key role in mitigating the human induced effects of climate change across many of its scenarios, for most regions and timescales. As a result, many countries have set policy targets for reducing emissions and have identified energy efficiency as one of the measures along with coordinated efforts to secure funding arrangement for these programmes. A recent example includes the European Union (EU) Energy Efficiency Action Plan, which sets a target reduction of at least 20% in greenhouse gas (GHG) emissions by 2020 with energy efficiency identified as a key component. Also, Economic Stimulus Package announced by the US President proposed an investment plan to pump funds for implementing energy efficiency measures, tax incentives to boost energy efficiency development and improvement of energy performance of public housing. Similarly, many other countries around the world have also set policy targets for reducing emissions with energy efficiency as one of the key measures to reach their goal.

Why Energy Efficiency Portfolio Standards ?

To achieve energy efficiency targets, most of the countries have introduced various policies and

programmes targeting different sectors such as appliances, buildings and industries, etc. These policies include wide range of instruments such as regulatory directives, voluntary agreements, incentives or subsidies, financing options, education and outreach. Many of these types of programmes have evolved over time to meet specific needs as they arise. As a result, each programme tends to have its own objectives and implementation mechanisms. While a number of these programmes have been successful in realising their objectives, in the absence of an unified approach, their full potential is often not realised. In addition, these programmes respond to their own incentive mechanisms and subsequently adhere to their own measurement and verification protocols; hence, it is difficult to quantify total energy efficiency savings, which is crucial from the Government's perspective. In order to overcome the existing barriers for energy efficiency programmes and realise its true potential, it is important that a coherent approach that encompasses all the efforts to implement these measures is undertaken.

Taking a lead from Renewable Portfolio Standards (RPS); which is a market-based instrument that promotes renewable energy generation from the most economical sources of generation; several States in the United States and a few European countries have adopted Energy Efficiency Portfolio Standards (EEPS) programmes as a part of their efforts to mobilise energy efficiency improvements. These programmes provide Utilities with a market-based instrument to achieve a defined target for energy savings.

While these programmes have gained momentum recently, wide differences exist in their design and implementation, and they have met with varying degrees of success. Nevertheless, there is tremendous potential for the successful implementation of these programmes, and therefore, it is necessary to study and analyse their implementation.

The Task’s Objective

The primary objective of IEA DSM Task XXII, Energy Efficiency Portfolio Standards, is to develop a best practice guide for the design, development, implementation and monitoring of Energy Efficiency Portfolio Standards (EEPS).

The Task XXII work is divided into three subtasks and will be completed over twelve months once initiated in 2010.

this Task will help countries review their programmes beyond any existing boundaries and consider a broader approach. Experts will also analyse inter-linkages between EEPS schemes and other schemes, such as energy efficiency, renewable energy and emissions trading.

Participating in Task XXII is a very effective way of gaining valuable information about international experience in promoting energy efficiency measures.

Operating Agent

To learn more about the work and how to participate contact the Operating Agent,

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Sub Task I: Analysis of various approaches to promote EE and their relative efficacy

- The objective of this task is to analyze various approaches including EEPS like approaches adopted to promote EE and assess their relative efficacy in achieving the desired objectives.



Sub Task II: Development of best practices in design of EEPS

- The objective is to analyse design parameters and to develop best practices in design of EEPS (see adjacent table)
- This Task will also identify and analyse inter-linkages of EEPS schemes with the other existing schemes such as energy efficiency schemes, renewable energy schemes and emission trading schemes for the development of best practice and to ensure effective operation of the proposed scheme

Approach Adopted for EEPS (Top Down or Bottom Up)	Participants
Enactment, regulation or voluntary basis	Coverage
Separate EEPS or part of existing programmes	Timing and Duration, Sunset date
Target Setting; Sector specific or general in scope	Enforcement mechanism
Trading and Buying	Funding
Implementation Mechanism	Monitoring and Verification



Sub Task III: Communication and Outreach

- The objective is to identify and engage various stakeholders to communicate and disseminate information on setting and development of EEPS.

Who Should Participate?

Experts are welcome from countries with EEPS programmes and countries planning to introduce EEPS programme. Participation in

Task XXII Website

<http://www.ieadsm.org/ViewTask.aspx?ID=16&Task=22&Sort=0>

