

Introduction to Panel 2

Policy implementation: Learning from the past, improving the future

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Introduction

The first truly international evaluation of energy efficiency policy instruments was published by the IEA in 1987 ('Energy Conservation in IEA Countries'). Since then, not only has energy conservation as a term been superseded by energy efficiency, but there is over 20 years of experience and a lot better knowledge about what works, what doesn't work and why. But is this experience fully disseminated and understood? The purpose of this panel is to provide a better understanding of policy *implementation*, which is necessary if even greater results are to be achieved to meet more ever more ambitious energy efficiency and carbon reduction targets. In this introduction to panel 2 (Policy implementation: Learning from the past, improving the future) we will present the key messages that we have drawn from the papers presented in this panel. Inevitably the scope of the papers presented in this panel is broad: covering policies, programmes, and measures implemented at the EU level, national level, and regional and local levels, and covering Europe, the USA, and Asia. In order to present the papers in a structured way, we have categorised the papers into the following three (very) broad groups:

- Papers focussing on the implementing **actors**. This concerns both the level at which policies are implemented (at the EU level, at the level of single Member States and at the regional and local level) and who the actors are (e.g. governments or government agencies, or municipalities, or energy utilities).
- Papers focussing on the **measures** implemented, of which most deal with a specific type of measure and a few with barriers to policy implementation.

- Papers focussing on **target groups** (who the policy or measure is targeted at): e.g. (low-income) households, or the New Member States of the EU.

Learning from the actor view

Two papers deal with the EU as an actor in its own right on the energy efficiency field. Paper 2104 (EU – India Sustainable Energy Efficiency Initiative) provides an overview of an EU funded project that supported the marketing, implementation and enforcement of the Indian Energy Conservation Act. Perhaps surprisingly, the lessons learned regarding the success factors and challenges in India can be transferred almost one-to-one to the EU: availability of skills and knowledge, disciplined communication and governance, clear reporting of results towards central government is a challenge, and an exchange of experiences contributes to successful policy implementation. Paper 2162 (Changes in applied policy measures on energy savings in EU-countries) shows that although on the national level specific policies may change, EU level policy has and will continue to have a firm and important influence on national energy efficiency policies.

Two papers are focussed on single **Member States** as actors, and on the role that national governments can play as change agents. Paper 2281 (Government as a change agent towards a sustainable economy) show the lessons learnt in building networks which generate co-operation for climate protection analysing the Austrian climate protection program klima:aktiv, as an example. Single measures should not be the focus of (government) policy, but a well balanced, structured, integrated, robust and communicated package of measures where the government facilitates change. Also paper 2043 (Danish En-

ergy Efficiency Policy: Revisited and Future Improvements) acknowledges the active role of stakeholders, not merely being a “victim” of government measures.

A number of papers look at the lessons learned through policy implementation by actors on the **regional** or **local** level. Paper 2069 (Energy Efficiency in Vienna: Analysis, Evaluation and Recommendations for the Future) shows that an integrated approach is also advisable on the local level. In Sweden local authorities are the key actors towards a national sustainable energy system. However, the lesson learned from paper 2067 (Local energy policy implementation, the Swedish experience) is that these local authorities need support and supervision to fulfil this key role. Paper 2325 (Energy Labels and LED solutions change public lighting) reports the findings of an evaluation of LED pilot projects for public lighting, with findings which are relevant both for actors on the national level and at the municipal level, and how national level programmes can support local authorities, who are responsible for public lighting.

A number of papers deal with experience and lessons learnt from energy efficiency policies implemented by energy utilities: An instrument close to white certificates – energy companies’ obligations – is dealt with in paper 2164 (Energy Companies Obligations to Save Energy in Italy, the UK and France: What have we learnt?). The paper finds that although delivering cost-effective energy savings, the approach of obligating energy suppliers to deliver energy savings is less likely to be successful for measures that are innovative or not cost-effective, or to deliver change in customer attitudes or behaviour. Paper 2005 (Implementing energy efficiency innovations: The strategic role of local utilities) brings together both the factors of implementing actor at the local level and energy suppliers. The paper advocates the role of local utilities in a distributed electricity system as a means to achieve a more sustainable electricity system.

Learning from measures implemented

The papers in panel 2 deal with a broad range of measures. Paper 2089 (Is public R&D in energy efficiency really effective? – A case in Japan and its implications) provides an interesting conclusion: while for privately funded R&D the programme would be considered more successful when the probability of commercialisation of technologies developed is higher, a publicly funded R&D programme will inherently result in a lower rate of commercialisation and should publicise the (often few) successes. To increase the success in terms of commercialisation as an outcome of publicly funded R&D projects, more attention needs to be given to marketing. Paper 2095 (What can we learn from tradable green certificate markets for trading white certificates?) shows that lessons learned in one market (tradable green certificates) can be applied to another market (tradable white certificates). Often renewable energy (RE) policies and energy efficiency (EE) policies have to compete: missing energy efficiency measures can be compensated for by renewable energy. Paper 2119 (Intertwining Renewable Energy and Energy Efficiency: From Distinctive Policies to Combined Strategies) shows that this is not enough and is sub-optimal: an interlocked RE/EE approach is needed.

Paper 2273 (Evaluation of the economic and ecological effects of the French ‘bonus malus’) reports on a scheme to offer incentives for higher efficiency/lower emission cars, funded

strictly from penalties on lower efficiency models, shows that this policy measure was a success for cars in France.

Perhaps the largest policy implementation learning process in the EU in the last year has occurred in delivering the National Energy Efficiency Action Plans (NEEAPs) by the Member States in the framework of the EU Energy Service Directive. According to paper 2295 (Policy Learning and Innovation in National Energy Efficiency Plans) a major factor is the aggregation of measures from single and isolated measures addressing one target group or sector towards inherently coherent packages in which different types of measures are complementarily clustered. “Smart meters” are one of the measures specifically addressed in the Energy Service Directive. Paper 2262 (Implementing Article 13 of the Energy Services Directive and defining the purpose of new metering infrastructures) shows that when implementing new metering infrastructures not only are billing and feedback important but also broader trends in the energy distribution system, e.g. a shift towards more distributed electricity generation, must be considered.

Paper 2299 (Worldwide Status of Energy Standards for Buildings: A 2009 update) describes the worldwide status of energy standards for buildings in 81 countries in terms of the legal status (i.e. mandatory, voluntary, proposed) and building sector coverage of such standards in different countries.

A number of papers explicitly deal with **barriers** that need to be overcome to make (the implementation of) measures successful. Paper 2146 (Enabling Investments in Energy Efficiency: A study of residential energy efficiency financing programs in North America) systematically describes how financing can be used to overcome barriers to implementing improvements in energy efficiency. Paper 2057 (ESCO activities in Asia: ESCO industry development programs and future tasks in Asian countries) describes the experiences with market development measures to promote the wider use of ESCOs as a means of delivering energy efficiency investments in Asia (including a comparison of measures adopted in Japan, China, India, and Thailand).

When designing measures, compliance is often assumed. However paper 2072 (Barriers to Maximizing Compliance with Energy Efficiency Policy) suggests that compliance is a real problem. A better understanding of the extent of non-compliance, and the identification of a key set of activities which can improve compliance rates is required for policy makers to effectively plan, resource and implement energy efficiency policy

Learning from the target group view

Two papers focus on the EU’s New Member States as a target group, both dealing with financial instruments. Paper 2103 (EU Structural Funds: The key to realise the EE potential in New Member States?) examines the role of Structural and Cohesion Funds to bridge the gap between the very considerable energy efficiency potential in the New Member States and actual energy efficiency investments. Although the percentage of these funds that can be devoted to sustainable energy is relatively limited, their potential impact could be very considerable given the absolute size of the funds available.

Paper 2368 (Green Investment Schemes: Financing energy-efficiency in CEE and a model for post-2012 climate mitigation finance?) examines the use of Green Investment Schemes and

concludes that these could provide a new and significant source of GHG mitigation financing (including for energy efficiency investments) in Central and Eastern Europe.

The other three papers in this group explicitly deal with households.

Paper 2130 (Improving energy efficiency for low-income families) reports the successful results of a targeted pilot programme focussing on measures to improve energy efficiency for low-income families (a target segment of the population that has long been difficult to address) and examines the cost effectiveness of individual measures implemented through the pilot programme.

Paper 2041 (Public interest in the private sphere: how far into the home can local policy making reach?) focuses on households as end-users and on one means to achieving the end of better efficiency, municipal energy counselling in Sweden.

The paper reports on the tensions between public and private concerns, and the implications of this tension for the implementation of energy advisory counselling (in this case at the municipal level).

Paper 2205 (A Policy Model for Diffusion of Electricity Saving Technologies) discusses an integrated model for information and marketing tools combined with various subsidy elements developed for achieving electricity savings and improved energy efficiency in the Norwegian residential sector. The paper stresses not only the importance of the entry strategy, but also (and often less considered) the importance of the exit strategy. Not only should the exit be smooth (to avoid damaging companies who have built up capacity to meet the market demand by a sudden drop in demand) but it is important that all participants and stakeholders understand from the inception of the programme that there is a clearly planned exit.

