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Language: English
Document status: Prepared for the ECEEE Summary Study 6-11 June
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Abstract

Counting beans or moving mountains

- The predicament of energy efficiency policy

Many studies identify energy efficiency as the most important and least costly option for reducing CO_2-emissions while at the same time contributing to other policy objectives. The main challenge seems to be how to design, implement and evaluate policy to ensure that these opportunities are captured and policy perceived as legitimate. There is often a gap between rhetoric or broadly stated objectives in policy development and the narrow focus on verifying additional savings in evaluation. Ancillary benefits and costs are often overlooked and the primary criteria for impact evaluations are whether policies deliver additional and cost-effective savings. In practice, however, such impact evaluations are fraught with fundamental methodological difficulties and uncertainty. Double counting, spill-over, free rider and rebound effects are real and recognised factors that complicate evaluation. This has been experienced in the development of a harmonised calculation model as stipulated by the Energy Services Directive where a fair amount of attention has been given to such factors. In the mean time the more challenging, yet non-binding, 20 percent target of the EU Energy Efficiency Action Plan is stressing a need for new policy implementation. The question then becomes: how can the legitimate demands for policy to deliver additional savings be realistically addressed in practice and balanced against broad and long-term objectives? To answer this question, we provide an overview and assessment of the issues, opportunities, and correction factors for energy efficiency policy design and evaluation. We challenge the preoccupation with verifying countable savings and argue that it can be counterproductive. What counts are policy frameworks that can unleash and accelerate energy efficiency across all sectors in order to reach levels that are commensurate with broader energy and climate policy goals.

Date: 04-04-2011