

# Session 1: Incentivize Energy Efficiency Investments in ASEAN

The determinants of energy efficiency and the role of policy:

Empirical Evidence from developing countries

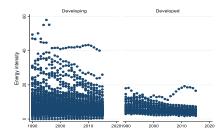
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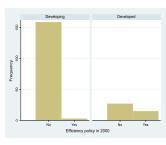
# Why governments need to incentivize energy efficiency investments? Benefits (positive externalities)

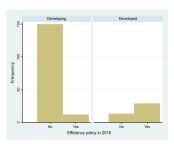
- Green energy is essential for <u>sustainable</u> economic <u>growth</u>.
- Energy efficiency can be considered as a green fuel.
- Energy efficiency is the one energy resource that every country possesses in abundance.
- Energy efficiency improvements allow countries to produce more GDP for each unit of energy consumed.
- Energy efficiency improvements can help to satisfy the growing energy demand (energy security). For example, energy improvements in China in 2000 saved 350 million tones of coal (IEA 2016).
- Energy efficiency is a <u>cost-effective</u> tool for <u>sustainable economic growth</u> and <u>reduction of greenhouse gas emissions</u>.

# Energy intensity in developing countries is higher than in developed countries



# Energy efficiency policy 2000 2016





#### Economic policy instruments for energy efficiency Market-based **Fiscal Financial** Direct instruments instruments investment measures Public **Energy efficiency** Tax relief Loans procurement obligations rules Auction **Public** Grants Taxes mechanisms infrastructure Public and RD&D User charges private investment participation

# Empirical results 184 countries, 27 years (1990-2016)

- Energy efficiency policies are effective in developed countries and not effective in developing countries
- Energy efficiency is lower in countries with higher corruption
- Energy efficiency is higher in countries with more effective government

### **Contribution to the literature:**

- Energy efficiency policy
- Developing countries
- Evidence-based policy recommendations

# **Readership:**

Policy-makers from developing countries

### **Issues:**

 Account for 'free riders', those who would have invested in energy efficiency technologies even without policies

# **Energy Efficiency Market in Vietnam**

- Important topic with implications for Vietnam
- Quantitative analysis
- Provides policy recommendations for Vietnam

### **Suggestions**

- Data as of 2009 or before. Any updates?
- Questionnaire can be included in Appendix
- Need to obtain consent form from those people mentioned in the paper if don't have it.

# Integration of Energy Efficiency and Renewables in ASEAN

- Provides a very good overview of energy efficiency in ASEAN
- Good literature overview
- Includes excellent country-cases demonstrating government policies
- Includes challenges and opportunities
- Provides policy recommendations for ASEAN

#### **Suggestions:**

- Sources for tables/figures are missing. If own, include 'Author's own elaboration'. If from other sources, need to obtain permission.
- Replace some tables with figures.

# **Energy Efficiency Market in Thailand**

- Reviews energy efficiency development plan, implementation programs and their outcomes
- Very good analysis of energy efficiency policies in Thailand
- Measuring Energy Efficiency Policy Effectiveness in Thailand

#### **Suggestions:**

- In **Title** include 'policy' since most of paper covers policies
- In Results make more links between energy intensity and policy
- In **Conclusions** expand policy recommendations and lessons for Thailand or developing countries.
- Is solar PV included in energy intensity? 'It is also possible that significant amount of self generation of solar PV has been produced and has a considerable effect on recent rapid energy intensity reduction.'
- If use not own figure must obtain permission from authors.

### References

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- IEA (2016) 'Energy Efficiency Market Report', Paris IEA.
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- IEA and IRENA (2017) Joint Policies and Measures database for Global Renewable Energy, https://www.iea.org/policiesandmeasures/renewableenergy.
- Metcalf, G. (2008) 'An Empirical Analysis of Energy Intensity and Its Determinants at the state Level', *The Energy Journal*, Vol. 29, No. 3, pp.1-26.

# THANK YOU