

# **Report Back WG 3 A: The Potential of CDM and JI: Projects to Improve Energy Efficiency**

- **Huge potential for CDM/JI Projects in the field of energy efficiency in the world**
- **Still there are a few important challenges.**

# WG 3 A: The Potential of CDM and JI: Projects to Improve Energy Efficiency

## Challenges

- **economic interest:** so far „industrial gas“ projects (e.g. methane) have been of much interest, energy efficiency projects have been of lesser interest
- **administrative effort:** companies (especially SME) are at times reluctant to do CDM/JI-projects because of the complicated procedures, risks and upfront investment needed (transaction costs)
- **methodologies:** energy efficiency project methodologies are often not worked out
- **individual problems** in different states: no eligibility for CDM/JI, no institutions to run the approval procedure

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## Suggestions to help overcome some challenges

- **administrative effort:** development of **project portfolios** by the state outlining possible CDM/JI projects or other help tools like check lists to define what can be considered CDM/JI
- **bilateral contacts** clarifying on the basic conditions for approving project could help (Memorandum of understanding)

## **WG 3 B: The Way Forward: Initiating Concrete Energy Efficiency Projects**

- **No silver bullet for initiating / fostering Energy Efficiency Projects**
- **A mix of instruments should be applied to initiate and foster Energy Efficiency Projects**

# **WG 3 B: The Way Forward: Initiating Concrete Energy Efficiency Projects**

- **Emissions Trading plays a prominent role in the instrument mix**
- **Other political instruments:**
  - **command and control**
  - **education and information**
  - **financial incentives (Renewable Energy Act, etc.)**
  - **Supporting measures (loans, etc.)**
  - **voluntary agreements (with monitoring mechanism)**
  - **public procurement with awareness of energy efficiency**
- **Further motivation: high energy prices (industry and households)**

## **WG 3 B: The Way Forward: Initiating Concrete Energy Efficiency Projects**

- Roles of BREFs as basis to create benchmarks describing BAT in energy efficiency and use this benchmark to attribute certificates for incumbents (discussed).