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Energy Efficiency Obligations - an introduction

eceee workshop on EEOs, Paris

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Market-based Instruments for Energy Efficiency

Policy Choice and Design
Five questions on EEOs

1) What are EEOs and what makes them different?
2) Where can they be found?
3) How much investment is triggered by EEOs?
4) How (cost)effective are EEOs?
5) How to design an EEO?
What are EEOs and what makes them different?
Where can they be found?
Number of EEOs has quadrupled over the last ten years

How much investment is triggered by EEOs?
Rise of public investment through EEOs

Million USD per year

2005

2015

Source: RAP
Different EEOs reveal different leverage ratios

Source: RAP
4 How (cost) effective are EEOs?
EEOs can deliver significant savings – example UK

Gas use

-27%

Electricity use

-13%

Source: ECUK (2017)

Regulatory Assistance Project (RAP)®
Available data indicates that EEOs are cost-effective

Expenditure by obligated parties and payments to auction winners per unit of energy saved

Source: RAP
How to design an EEO?
Design choices for EEOs

Plentiful option menu to choose from for designing market-based instruments needs to be tailored to (policy and cultural) context

Source: RAP
6 Outlook
About RAP

The Regulatory Assistance Project (RAP)® is an independent, non-partisan, non-governmental organization dedicated to accelerating the transition to a clean, reliable, and efficient energy future.

Learn more about our work at raponline.org

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