



COMBAT CLIMATE CHANGE

*A Business Leaders' Initiative*

**3C (Combat Climate Change) – A Business Leaders' Initiative**

**Efficiency & Climate: Headline messages for policy makers**

*Workstream chaired by PG&E*





## Efficiency & Climate: Summary recommendations

1. Drive consumer awareness, interest and demand for energy efficient products.
2. Use financial tools to put energy efficient product/project costs on par with faster payback options and other revenue opportunities.
3. Use policy tools and commercial programmes to build markets for energy efficiency products and business models.



## Key challenge: Supporting energy-efficient consumer choices

Regulatory and voluntary frameworks should ...

1. Standardize product labeling → 

- Focus label information on cost savings to consumer

2. Create identifiable and credible energy efficiency 'brands' → 

- E.g. the 'Energy Star' label in the U.S.

3. Build consumer awareness campaigns → 

- Success stories: simple choices, significant savings

and ...

4. Target simple financial incentives to consumers → 






- Use electricity/heat companies and major retailers to maximize reach

... in order to drive consumer awareness and demand for energy efficient products.



## Key challenge: Financing lifecycle costs and savings

Regulatory frameworks should build financing incentives via ...

1. Tax incentives and depreciation rules 
    - Stimulate phase out of old equipment, adoption of best available technologies
  2. Green funds and government loans 
    - Particularly targeting efficiency in smaller-scale investments, businesses
  3. National or International clean energy banks 
    - Particularly supporting efficiency in large scale and infrastructural projects
  4. Incentives and funding for "leap frog" technology 
    - Accelerate transfer of best available technology at acceptable upfront cost
- and ...
5. Market-based instruments 
    - E.g. 'White certificates' or other tradable instrument based on efficiency improvements

... to put energy efficient options on par with lower initial cost choices and other revenue opportunities.



## Key challenge: Building markets for energy efficiency

Policy tools and best practice initiatives should ...

1. Support standards development for energy efficient products and processes



- Policy: National efficiency targets and codes
- Practice: Benchmarking of manufacturing processes, building types for efficiency
- Practice: Procurement codes in industry, government purchasing

2. Align incentives to prioritise energy efficiency



- Policy: Where investments in heat and power are regulated, make the return on demand reduction competitive with new production
- Policy: Tax incentives for efficiency investments
- Practice: Build energy performance into internal controlling systems

and ..

3. Collaborate across sectors to improve the state-of-the-art



- Practice: Educate financial institutions on energy efficiency as a risk management tool.
- Practice: Develop industry and cross-sectoral collaborations to model future energy demand and develop the next generation of efficient products

... to build markets for energy efficiency products, businesses and business models.