



Summary of the workshop “Making Industrial Energy Efficiency the New Normal”

(13 November, 2018, Kyiv)

The workshop was organized by UNECE, UNIDO and Copenhagen Centre on Energy Efficiency. It was attended by more than 70 participants and focused on discussing the ways for achieving the energy efficiency potential and transforming the ground experience into the best practice policy. Today the abundant energy efficiency technical solutions, processes and awareness programs exist. Yet actual implementation of concrete and widespread energy efficiency measures remains often a task postponed until tomorrow. Even with many very good industrial energy efficiency initiatives underway globally, there is still a situation that something vital is missing from achieving the full energy efficiency potential. This workshop discussed the realistic perspectives to move forward to full implementation of the already identified cost-effective energy efficiency opportunities.

In the introductory remarks, Mr. Hannes Mac Nulty, Vice-Chair, Group of Experts on Energy Efficiency, and Mr. Stefan Buettner, Vice-Chair, Group of Experts on Energy Efficiency, indicated the state of affairs of industrial energy efficiency progress, referred to the existing perceptions on energy efficiency within companies, governments and supporting institutions and introduced a challenge on how best to focus the efforts on achieving vastly better implementation rates.

The first session of the Workshop was moderated by Mr. Jean-Luc Di Paola Galloni, Group Corporate Vice President Sustainable Development and External Affairs, Valeo, who indicated that policy makers and various organizations need a reality check on what has been done and what is needed in the industrial energy efficiency sector. The panel discussion focused on question why energy efficiency is not the solution, but just a means to an end, how to make energy efficiency an integral part of digital technologies and how best to connect industry development and industrial energy efficiency policies. The panellists responded to the questions and shared their experience. They also discussed the engagement of other stakeholders to finance energy efficiency projects.

Mr. Ming Yang, Senior Climate Change Specialist, the Global Environment Facility (GEF), indicated that over 65 percent of industrial energy use is not covered by mandatory energy efficiency standards and that strengthening of standards for industrial equipment is required. He provided examples of the GEF supported initiatives in China, including the industrial energy efficiency boilers project and utility-based energy efficiency finance program. He also referred to the project in Nigeria which focused on installing the off-grid solar PVs in the village, replacing diesel engines with e-motors, powering shops, enabling water pumps, and mitigating CO₂ emissions.

Mr. Erik Gudbjerg, UNIDO Energy Efficiency Expert and Director, YourEnergy, added that the root of the problem is not in absence of finance but in need for better communication. He also pointed out that there is a perception when the production rate of company goes up, the company looks more energy efficient. However, the wrong figures to measure can be a problem to identify the real energy efficiency.

Mr. Matti Lassila, Ambassador for Energy and Climate Change, Embassy of Finland in Ukraine, raised a point that energy can be used for political control and to certain extent politics should also be considered in the shift to modern energy technologies.

Mr. Sergiy Savchuk, Head of State Agency on Energy Efficiency and Energy Saving of Ukraine, shared example of Ukraine on industrial energy efficiency. He pointed out that energy intensity in Ukraine is 0,29 and the country needs to decrease energy consumption in industry.



The country adopted its National Energy Efficiency Action Plan. The State Agency on Energy Efficiency and Energy Saving elaborated mechanism where project developers need to get a certificate of obtaining a loan for energy efficiency in industry and Agency will compensate 10-15 percent of their loan. The funds for this mechanism come from taxes and will be reinvested in the energy efficiency projects. Enterprises will receive additional stimulus for reduction of costs and it will attract energy efficiency investments and investments into environment too.

The second session of the Workshop was moderated by Mr. Helge Schramm, Sustainability and LCA Expert, Danfoss. The session focused on cases how to make the existing policies more effective and integrated into existing business models. The panellists of this session responded to the questions why pilot projects should be the foundation of every energy efficiency policy, how the effective policy should address the suppliers and adapting energy efficiency to work on every level, and how companies can provide a valuable input to energy efficiency policy development.

Mr. Boris Melnichuk, Expert, Board on Energy Efficiency under the Government of the Russian Federation, provided examples of market transformation programme on energy efficiency in greenhouse gas-intensive industries in the Russian Federation. He shared the lessons learnt collected from implementation of other projects in the United States of America (where energy efficiency is seen as strict administrative scheme), Spain (where using energy efficient technologies doesn't lead to energy efficient system), and the Russian federation (where energy efficiency is not always considered a priority, projects require additional time and are in lack of funds for implementation of specific measures).

Ms. Alyona Nevidoma, Project Administrator, Department of Energy, UNIDO, shared examples of UNIDO supported projects. She stated that projects should be properly adjusted to the facilities in the countries, piloting in one industry should be introduced and then taking the uptake.

Ms. Aleksandra Mirowicz, RE100 Policy and Campaign Manager, the Climate Group, pointed out that some multinational businesses are committed to move business based on clean energy. She stated that if 100 companies will double their energy productivity, more than 100 mln. tones of CO2 emissions can be avoided.

Ms. Natalia Usenko, Technical Advisor, Project "Energy Efficiency in Companies", GIZ, indicated that big companies have capacities to implement energy efficiency projects, but SMEs have less opportunities and less capacities for this. She shared experience of GIZ in supporting business associations and specific associations in Ukraine that deal with service providers and create more opportunities for companies to be more energy efficient. Energy efficiency network can be a stimulating mechanism for companies who are committed to improve energy efficiency. Such network can help in sharing experiences to various problems for projects, ways to overcome the problems, exchanging cases and sharing best practices.

The session concluded that companies need more incentives to implement energy efficiency projects. A mixed approach of legal obligations and governmental support schemes, including tax reduction and/or tax return, can be used in many countries. The examples of projects mentioned by all panellists prove the effectiveness of this mechanism. Implementation and replication of pilot projects in the countries can also help in increasing a number of energy efficiency projects.