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IMPLEMENTINGENERGYEFFICIENCY–LESSONSFORSOUTHAFRICA

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Interview results

Responded: Name: Mr Andrew Etzinger

Organisation: ESKOM

Position: General Manager - Demand Side Management

	Category of Strategy	**Question**	
1	Role of Government	• What is the role of Government in implementing energy efficiency? o Political will to enact legislation o Single most important and critical legislative assistance o Prioritisation of budgets and development agenda (poverty) o Is energy efficiency not a luxury, considering we are yet to attain universal and equitable access?	-Responsible for policy on energy including energy efficiency -Specify institutional arrangements -But not to become involved in the actual funding of specific projects, but rather fund an institution carrying out the implementation.
2	Institutional infrastructures	• What is the single most important institutional infrastructure creation during the implementation of energy efficiency? o Why o Who funds it o Who runs it	-No government intervention is a perfect situation -Institutionally less bureaucracy and move towards moving programs into the private sector -Rather put import surcharge on inefficient light bulbs -Existing vehicles and regulatory mechanism -We do need a promotion agency and information and data custodianship
3	Energy pricing	• How does the current low electricity pricing affect implementation of energy efficiency? o Role of Eskom monopoly o How can it be corrected	-Price in an efficient market balance demand and supply and create a strong motivation ee. -Price is lower than it should be considering future capital expenditure (NER approved tariff increase of 2.5% for ESKOM, whilst it requires R1.5b capex -Different intervention to price is required in the market -Improve cost benefit of ee projects -Top-up what is lost due to pricing
4	Energy efficiency Programs	• Which energy efficiency programs should South Africa choose, to drive energy efficiency o What type o Blanket approach versus targeted interventions	-Look at ee in broader context beyond electricity -For residential sector – electrification and affluence - economically insensible appliance are used -It cost Eskom R700 to supply R200 worth space heater

		○ How to enforce ○ Who manages ○ Who funds ○ Who reviews	-Thermal energy solution as opposed to electricity as the only source -Lighting surcharge on inefficient light bulbs and improve efficient light bulbs – fiscal neutral basis -Have reduced cost of efficient light bulbs from R60 to between R10 – R15
5	Publicity and information dissemination	• How should awareness and information dissemination about energy efficiency be implemented: ○ What (medium chosen) ○ What (target messages to segmented consumers) ○ Who ○ Funding ○ How critical is it	-Appliance labelling to give information to give information -Apply the star rating system to energy efficient establishments just like they do it in hotels for service quality.
6	Public and private collaboration	• How should PPP be achieved in aid of energy efficiency ○ Who leads the effort ○ How to deal with huge legacy of disparity between level of affluence of society ○ Is it achievable	-Eskom model for DSM has succeeded in other parts of the world. Eskom is not in a position to implement DSM. Eskom DSM operates like a fund management. Eskom markets DSM and evaluates projects -Opportunity for EE – energy services and funding and administration of a huge loan book to be outsourced
7	Research, Development, Demonstration and testing	• Who should be responsible for R&D in respect of energy efficiency ○ Who to lead and manage ○ Who and how to fund ○ Independence	-Largely centred in 3 forms: Eskom R&D for end-use energy efficiency of appliance and processes -Technikons and University specialise in certain aspects of energy efficiency. -Industry has load management programs, especially those which are energy intensive -Need research for low income ee appliance for informal settlement dwellers -SA is a late starter – more work lies elsewhere.
8	Funding	• How should energy efficiency be financed? ○ Type of funding (Loans, DFI, Grants, Interest rate schemes, Environmental levies) ○ Incentives? ○ Tax breaks ○ Depreciation allowances ○ Import duties ○ Research grants	-EE be paid for by institutions benefiting from the EE -The first source of funding is the beneficiary. The top up should come from the broad customer base that benefits from improved EE. In proportion to the benefit. -Market transformation intervention can work -Funding best obtained centrally through NER -Maybe go higher the value chain to the manufacture
9	Donor support	• What role should donors play in the implementation of energy efficiency	-Funds come with string attached – be careful before you sign

		○ Capacity building ○ Sustainability ○ Funding ○ Influence on choice of programs ○ Comprehensive engagement with donors (manage their interventions carefully)	-Central point in country to co-ordinate - funnelling agent which will proactively make proposals for funding -Instead go out and look for the funds available -Environmental benefits will be the single biggest source of donor and NGO funding
10	nd post-implementation evaluation	• What role does post-implementation monitoring and evaluation of projects play? ○ How ○ Who ○ When	-EE awards are the beginning of a process but they do not demonstrate anything. -They will be important when they are integrated into other industry awards