Introduction to the project

Gregor Thenius
Austrian Energy Agency

1st EPATEE Webinar
“How energy efficiency policy evaluation can produce benefits and add value to policy makers”

20 March 2018
The specific objectives of the project are to create the favourable conditions for improving the number and effective use of ex-post impact evaluations of energy efficiency policies.

The main general concept of EPATEE is that improving key stakeholders’ evaluation practices help bridging the gap between their need for effective policy making and their lack of data and analysis about the impacts.

1. **Asses** needs and existing evaluation practices
2. **Improve** stakeholders’ capacity
3. **Enable** regular exchange

Enhanced evaluation practices → Increased effectiveness of policies → More energy savings and GHG reductions

| Short term impacts | Long term impacts |
Structuring stakeholders in EPATEE

Policymakers and policy implementers

EPATEE’s coverage

- National ministries responsible for energy or energy related issues
- Energy agencies, public funds or research institutions
- Professional bodies and interest organisations (representing industry, energy, SME, NGOs etc.)
- Universities and other scientific organisations
- Special interest media
- Other EU initiatives and projects as well as EU institutions
Means to achieve project targets

Building resources based on up-to-date knowledge and concrete experience feedback

Knowledge Base
(user-oriented database of references)

Guidance and support

Case studies
/about ex-post evaluations/

Creating the conditions for an effective use of these resources

Online toolbox
/making resources easy to use/

Experience sharing
/targeted workshops, webinars, etc./

Dissemination of results
EPATEE’s activities

**Events** on good policy evaluation practices
- European and national peer-learning workshops
- Webinars on good policy evaluation practices

**Resources** on good policy evaluation practices
- Case studies
- Overview on main issues and gaps of existing evaluations
- Guidance on integrating evaluations into policy practice
- Online-toolbox for evaluations

**Dissemination** of project’s activities and results
- Website, newsletters, press releases, twitter, presentations, reports and a scientific article
- EPATEE newsletter: [https://epatee.eu/subscribe-our-newsletter](https://epatee.eu/subscribe-our-newsletter)
- Twitter [https://twitter.com/epatee_eu](https://twitter.com/epatee_eu)
- First results available on the EPATEE website
  - [https://epatee.eu/main-results](https://epatee.eu/main-results)
  - [https://epatee.eu/case-studies](https://epatee.eu/case-studies)
EPATEE

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Stakeholders’ needs
What stakeholders told us, what we are going to do

Dario Di Santo, FIRE
1st EPATEE webinar, March 12, 2018
EPATEE is a project mostly based on a strong involvement of the stakeholders that deal with energy efficiency policy evaluation.

The first step has been the interview of 25 key stakeholders from all over EU, aimed at identifying their concept of policy evaluation, the barriers they face, and what kind of support EPATEE can offer them in their opinion.

Based on the interviews, a first survey (answered by 35 people) has been designed in order to go into more details on how policy evaluation is implemented in various countries, what issues need to be resolved, and which tools proposed by EPATEE are considered more interesting by the stakeholders.

Two more surveys will be carried on in the next months to complete the picture and provide valuable information to the EPATEE team.
The report is available in the EPATEE website www.epatee.eu/main-results
Main outcomes

All the interviewed stakeholders agree that evaluation can contribute to improve energy policies, even if evaluation, especially ex-ante, is not a base activity of the policy cycle yet.

The type of analysis and the extent of the monitored and studied effects vary a lot depending on the type and size of the policy, on the priorities of policy makers, and on other state related conditions.

The time, human, and money resources dedicated to evaluation are not always sufficient to cover all the evaluation needs and to ensure a complete and reliable analysis. At least a base level of evaluation should be made mandatory for all the major policies and resources should be allocated since the design phase.

**Standardization** is open to debate, since someone thinks there is the need of a common standard, whereas others think there are too many differences to reduce everything to a standardized approach.
Is evaluation useful?

While half of the sample states that evaluation produced improvements on policies, the other half thinks this seldom happens.
What does evaluation include?

Main options included in policy evaluation

Energy and cost impacts

Non-energy impacts

More attention should be placed on non-energy impacts.
Main barriers

About the barriers perceived by the stakeholders, the strongest three express different issues:

• insufficient financial resources (i.e. when policies are designed a higher amount of resources in terms of percentage of the available budget should be dedicated to evaluation purposes);

• **lack of interest from policy makers and public managers** (i.e. a cultural barrier that exposes Member States and local governments to an ineffective use of the available resources and reduces the possibility to learn by doing);

• lack of reliable data to evaluate non energy effects (i.e. important aspects and impacts of policies are not covered by the evaluation process).
What we expect from today

1. To better understand why and how evaluation is useful for policy makers.
2. To stimulate exchanges between peers on the arguments that can be used to convince decision makers about the importance of evaluation.
3. To know your views on evaluation, its importance, and its success stories.
4. To better understand your needs and how EPATEE can help.
To share experiences among the stakeholders and allow them to meet and provide insights on policy evaluation, workshops will be organised at EU and national level:

• **3 EU peer-learning workshop** aimed at allowing stakeholders to meet and share experiences on energy efficiency policy evaluation;

• **6 national peer-learning workshops** aimed at spreading EPATEE’s findings to those who benefit most of it: policymakers and implementers.

**Webinars** will also be organized to complement workshops, provide in-depth discussion on single evaluation topics, and give the opportunity to a large number of stakeholders to take advantage from the EPATEE’s information and sharing activities.

**STAY TUNED!**
Thank you for your attention!

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Introduction

I distinguish between:

• Monitoring and verification
  • At a daily basis
  • Made by the obligated companies and the public authorities

• Evaluation
  • By the end of a program or as the basis for revision of a program
  • Made by independent consultants
The Danish EEO System

• Rules have been set for 3 to 5 year
• Independent evaluation for each period
• The recommendations have been used to update the rules for the next period

First period: 2006-2009
• Evaluation published in Dec. 2008

Second period: 2010-2012
• Evaluation published in May 2012

Third period: 2013-2015
• Evaluation published in March 2015

Fourth period: 2016-2020
• Evaluation ?
## 2008-evaluation

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>More focus on energy efficiency in industry</td>
<td>Partly implemented</td>
</tr>
<tr>
<td>Introduce a simple priority factor to reflect lifetime of savings, non-ETS</td>
<td>Implemented from 2010</td>
</tr>
<tr>
<td>effects and primary energy effect</td>
<td></td>
</tr>
<tr>
<td>Not allow savings from changing behavior and market transformation</td>
<td>Partly implemented</td>
</tr>
</tbody>
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### 2012-evaluation

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Effect</th>
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<tbody>
<tr>
<td>New approach to households</td>
<td>Not implemented</td>
</tr>
<tr>
<td>No subsidies for project with a pay-back period less the one year</td>
<td>Implemented</td>
</tr>
<tr>
<td>Small obligated companies should work together</td>
<td>Partly implemented</td>
</tr>
<tr>
<td>Not allow saving in grids (district heating)</td>
<td>Not implemented</td>
</tr>
<tr>
<td>More clear rules</td>
<td>Partly implemented</td>
</tr>
<tr>
<td>More control of obligated companies with high cost</td>
<td>Implemented</td>
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## 2015- evaluation

<table>
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<tr>
<th>Recommendation</th>
<th>Effect</th>
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<tbody>
<tr>
<td>Allow more savings in transport</td>
<td>Implemented</td>
</tr>
<tr>
<td>More information about the scheme</td>
<td>Implemented</td>
</tr>
<tr>
<td>Priority factors shall only reflect lifetime</td>
<td>Implemented</td>
</tr>
<tr>
<td>More variation in priority factors</td>
<td>Not implemented</td>
</tr>
<tr>
<td>Consider a central database with all project</td>
<td>Not implemented</td>
</tr>
<tr>
<td>Consider to move the obligation to the retail sail company</td>
<td>Not implemented</td>
</tr>
<tr>
<td>Special support to savings which is based on consulting to the consumer</td>
<td>Not direct implemented, but reflected in the new rules</td>
</tr>
<tr>
<td>Consider common rules for tendering</td>
<td>Not implemented</td>
</tr>
</tbody>
</table>
Lessons learn

• Secure that the evaluation questions are relevant for the revision of the program
• Involve the obligated companies in the process
• The results of the evaluation have to be available one year before next phase start
  • Time to revise the rules
  • A 3 year cycle is to short

• Thank you for your attention
Experience feedback from Finland
Evaluations – broadly speaking...

• Continuous (ex-post) evaluation processes
  – Analysing continuously the data provided by a comprehensive monitoring and verification system

• Evaluation projects
  – Ex-ante, periodical during the operation of the scheme, or ex-post
  – Normally separate contracts, really lot of resources/input from us needed

• Both have pros and cons
  – Neither is free of charge, small schemes can’t carry high evaluation costs
  – In-house or contracted consultant, independency can be questioned
  – Critical is the criteria against which the evaluation is done?
What we have, what we do

- Continuous evaluation
  - More or less all major schemes have continuous evaluation
  - Subsidy Scheme for EE and RES since 1992
  - Energy Audit Programme since 1994

- Ex-ante/ex-post evaluations
  - Some schemes have been evaluated ex-post by independent evaluators several times, for various reasons
  - In all legislative processes an ex-ante evaluation is mandatory in Finland
  - Ex-ante/ex-post evaluations do not need to be heavy projects
  - Continuous M&V provide good data for quick ex-ante and ex-post evaluations
Why we do it?

• MTI financed the first EAP 1982-1983 and similar activities in 1986-87
  – A typical government’s programme was ”2-3 years intervention and then something else”.
  – Very bad for any business, no time to establish anything permanent.
• Another subsidy scheme for energy audits was launched in 1992

• National Energy Agency Motiva was established in May 1993
  – One main task was to develop the subsidy scheme into a comprehensive Energy Audit Programme, 3½ years time given
  – The Conclusion - show results, prove benefits, ensure good use of public money, or the EAP will run 3½ years and then we do something else.
  – Another conclusion was that the quality of EAs done so far varied too much
Some cases we have had

• Case Bad: Energy Audit Programme evaluation around 2004-2005
  – The evaluation had only one aim – to give evidence on poor performance

• Case Good: Ex-post evaluation on the VA Scheme 1997-2007
  – We wanted a good independent look from outside (one year, 80 000 €)

• Case NI: Ex-post evaluation on the VA Scheme 2008-2016
  – Comprehensive data on the good results and no need for major changes

• Case Q&D: Kill the idea of terminating the subsidies for EAs ~1995
  – Economy recovering after bad recession and normally then start the cuts
Continuous annual ex-post evaluation

• The aim of evaluation is to provide us data for better understanding on the existing situation and reasoning for any decision making
  – Some data on EAs is nearly on-line (Case EAs spring 1995 and spring 2014)
  – Preliminary information on Voluntary Agreements from the previous year we get before summer, comprehensive reporting is complete in October
  – Important is to know what is going on, what can be done is another question

• We do it by ourselves (Motiva)
  – We are doing evaluations mainly for ourselves, same data goes to Brussels
  – We have the best expertise on EAs and VAs and on the M&V&E processes
  – This is a choice between a smaller effort every year vs. a bigger effort eg. every 5 years
Continuous process or project – both are needed