







A Global Review of Incentive Programs to Accelerate Energy-Efficient Appliances and Equipment







Definition of Incentive Program:

A financial stimulus (subsidized loan, cash rebate, etc.) or awareness programs, where the goal is to motivate private investment in energy-efficient equipment







Incentive Program Benefits

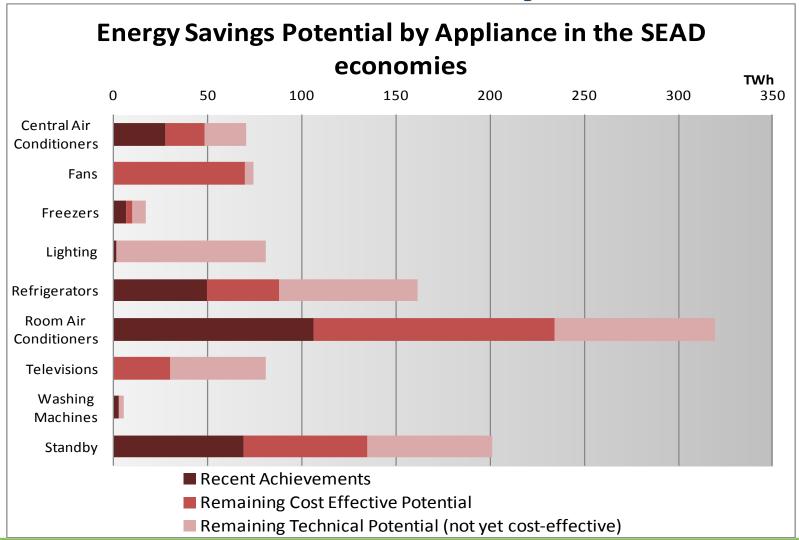
- Provide a source of cost-recovery on electricity subsidies by reducing electricity consumption
- Increase penetration of "super-efficient" appliances
- Go beyond S&L policies accelerating pace of technology to "super-efficient" products
- Prepare market for more stringent S&L program
- Support local industries







What Technical Analysis tells us



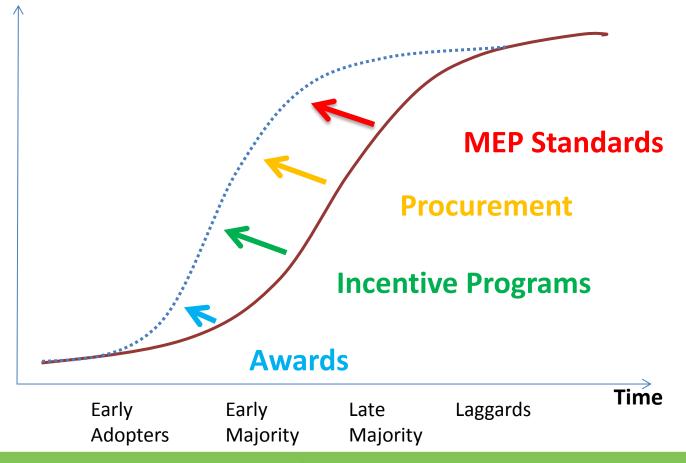






Accelerating Super-Efficient (SE) rate of diffusion

Super **Efficient** Diffusion rate

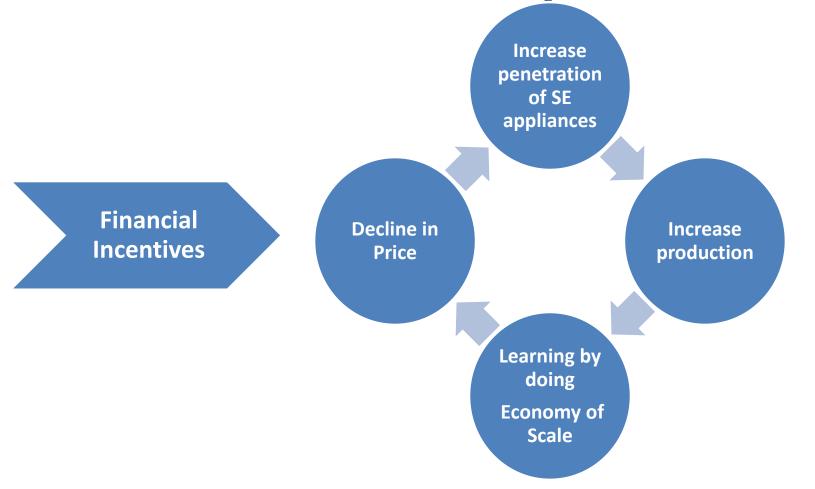








Virtuous Circle of SE penetration

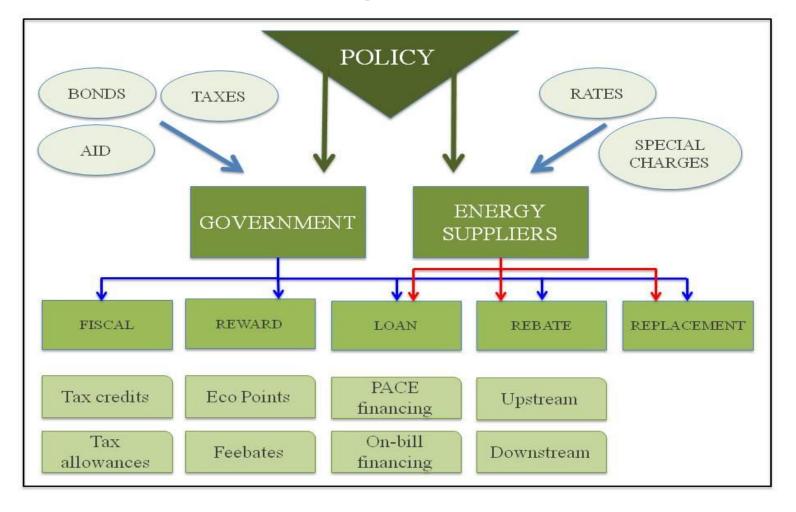








What Policy Framework?









Who is incentivized?

Manufacturing Upstream Programs



Distribution & Retail Midstream Programs



Consumers

Downstream Programs

Barriers Addressed:

- Uncompetive price
- Lack of available product

Main Advantages:

- Lower transaction costs
- Multiplier effect on retail price

Barriers Addressed:

- Lack of available product
- Lack of information

Main Advantages:

- Increases retailers knowledge of energyefficient products
- Meets customers at point of decision

Barriers Addressed:

- Uncertainty of savings
- Lack of information
- Limited access to capital

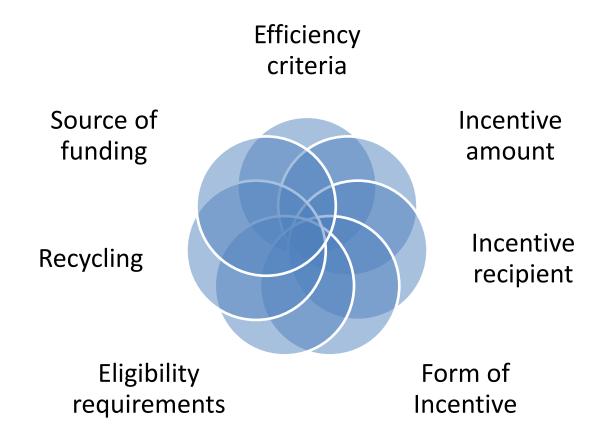
Main Advantages:

- Allows incentive to be directed to specific groups e.g., the low income
- Announcement effect*











SEAD | Super-efficient Equipment and Appliance Deployment





Programme	What is it?	Advantage
TAX CREDIT	Income tax credits or tax deductions - reduces expense of purchasing energy efficiency systems	Easy implementation
REBATES	Price reduction to consumers to purchase new energy efficient appliances	Spillover effects to other customers
UPSTREAM	Subsidies for manufacturers or retailers to bring down wholesale price of energy efficient appliances	Leverage investment, limit admin costs, increase product availability at point of retail
REPLACEMENT	Replacing inefficient residential appliances before end of their useful lives with significantly more efficient ones	Low-income households, recycle materials; comply with Montreal Protocol to remove CFCs
ECO POINTS	Awards system offering consumers carbon points, redeemable for discounts in price or cash, for high-efficiency electronic and electrical appliance purchases	Promoting low-carbon lifestyles by raising consumer responsibility and awareness







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