



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

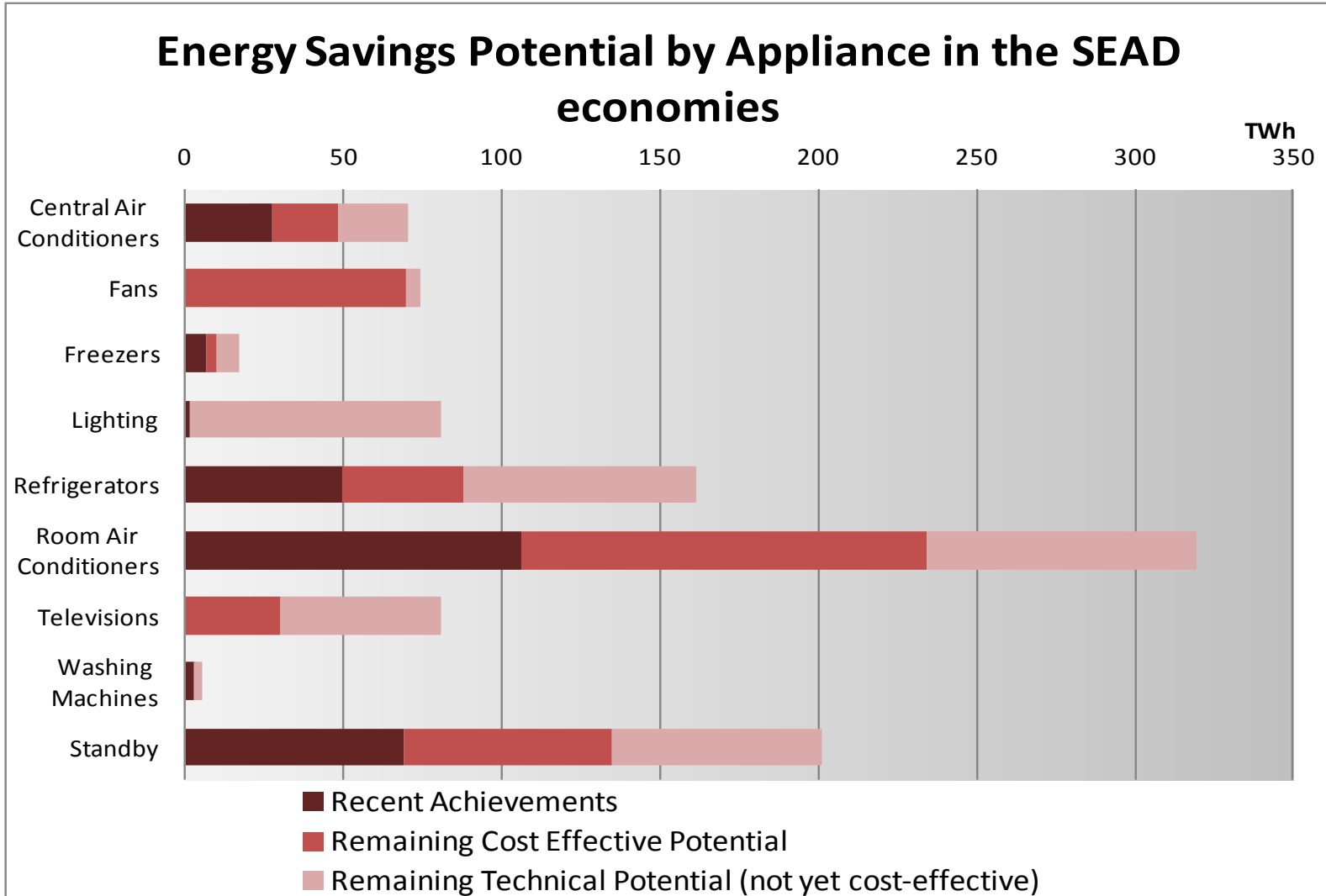


Incentive Program Benefits

- 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

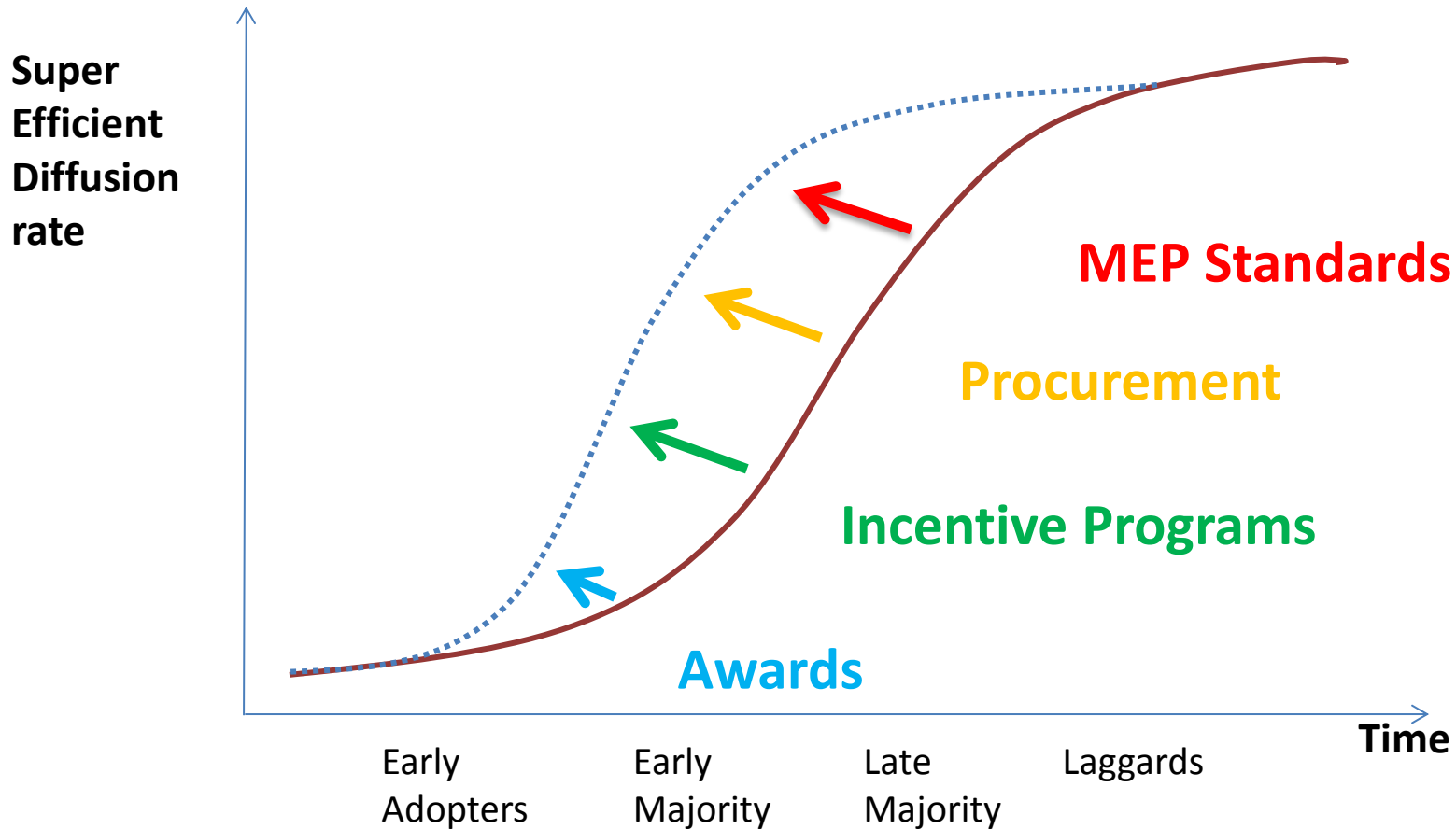


What Technical Analysis tells us



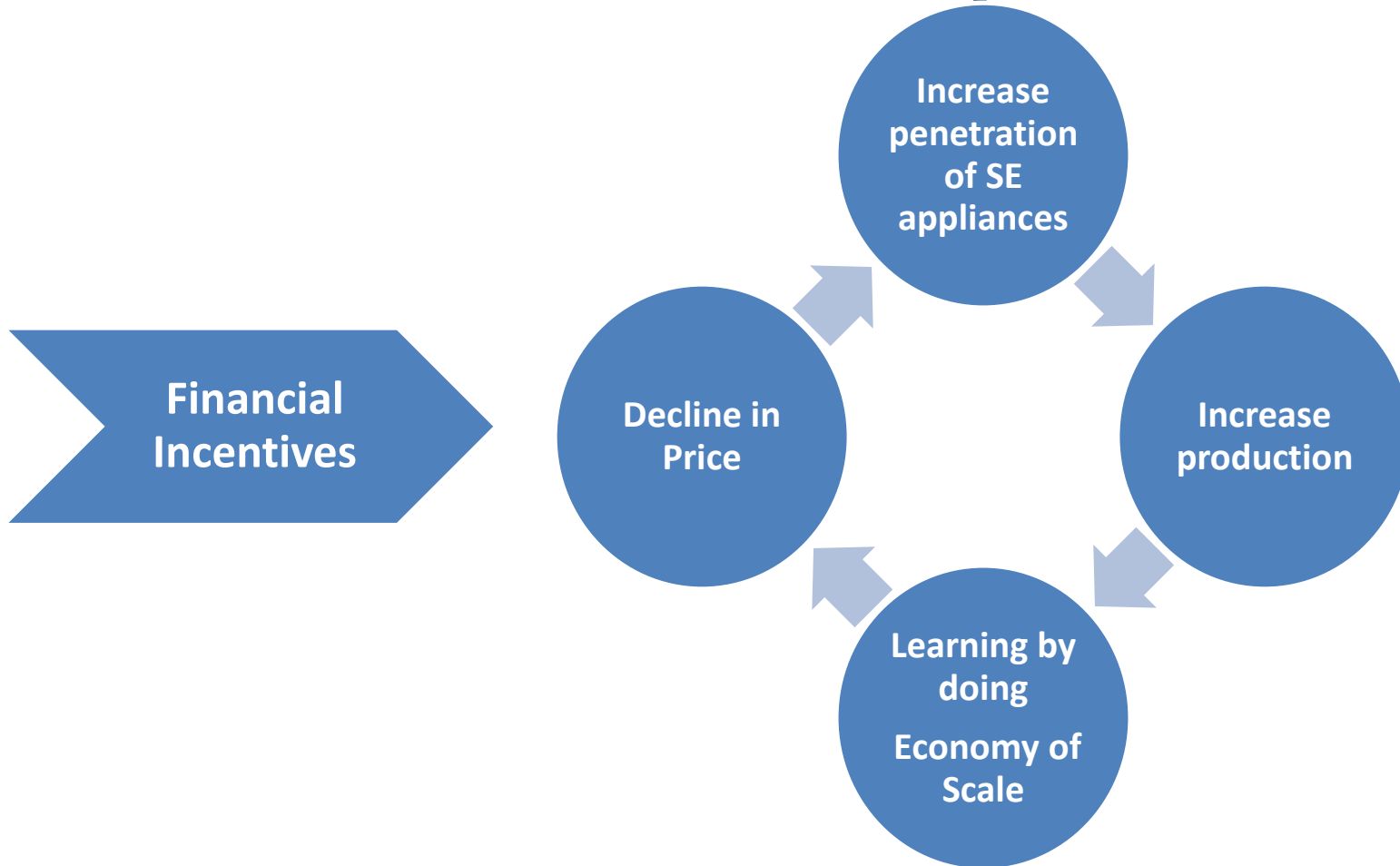


Accelerating Super-Efficient (SE) rate of diffusion



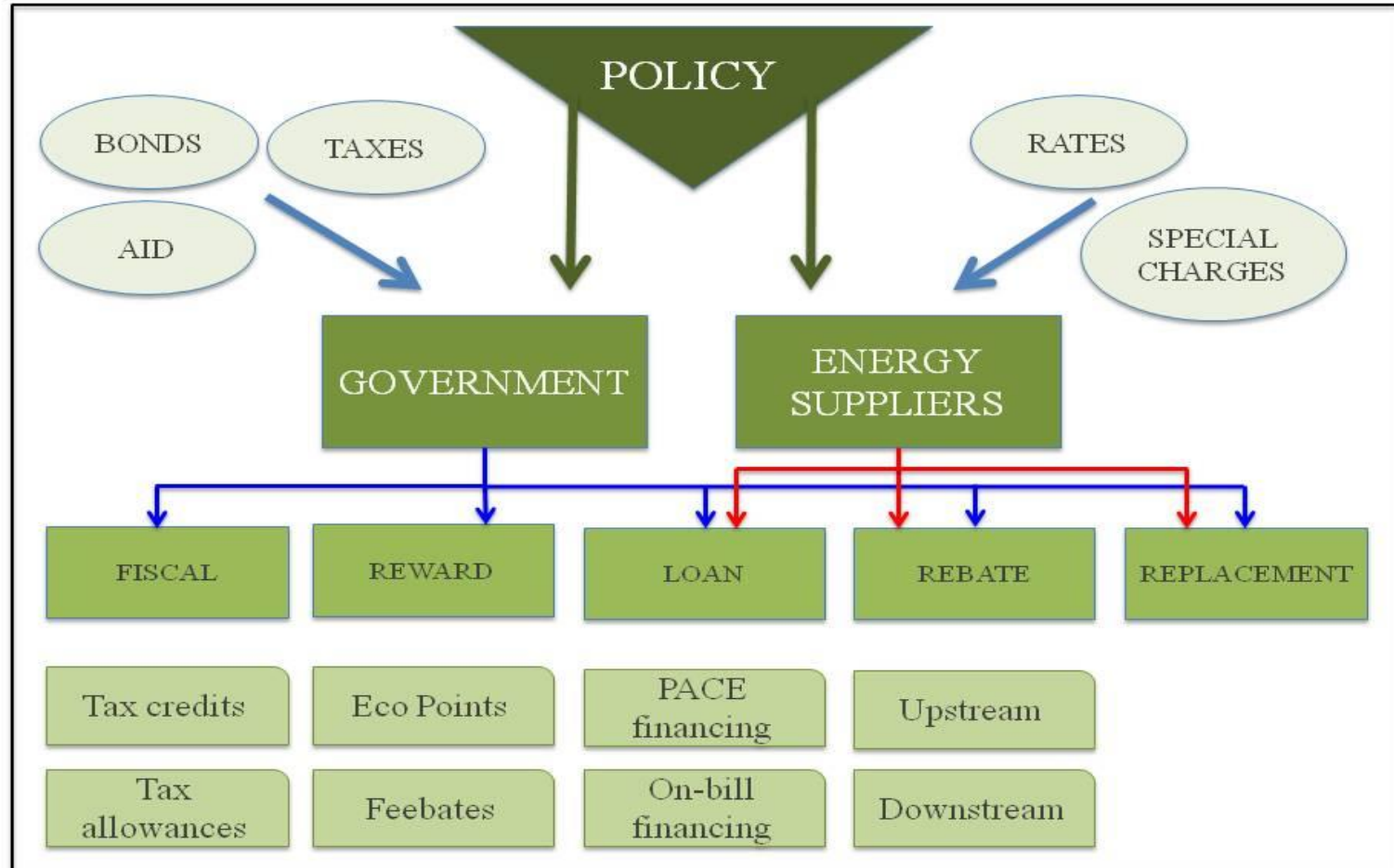


Virtuous Circle of SE penetration



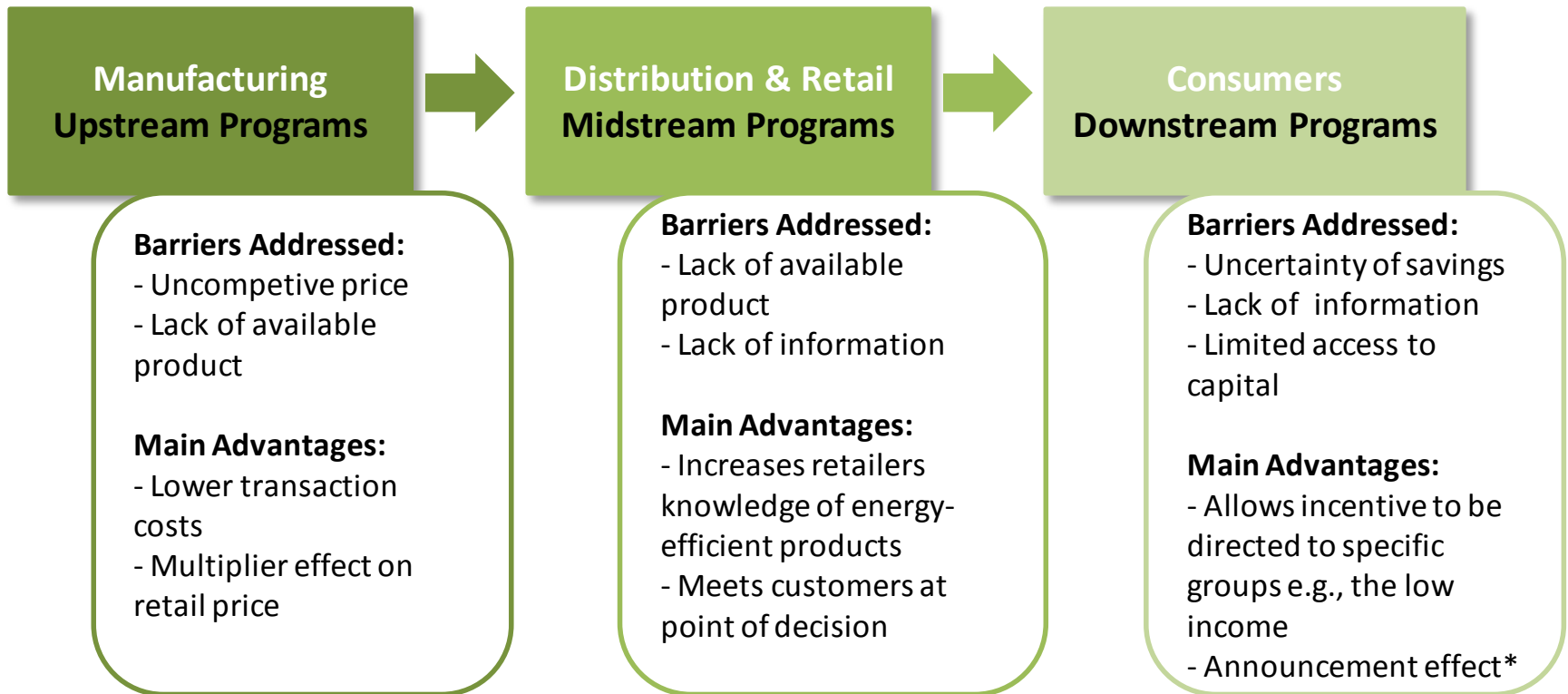


What Policy Framework?



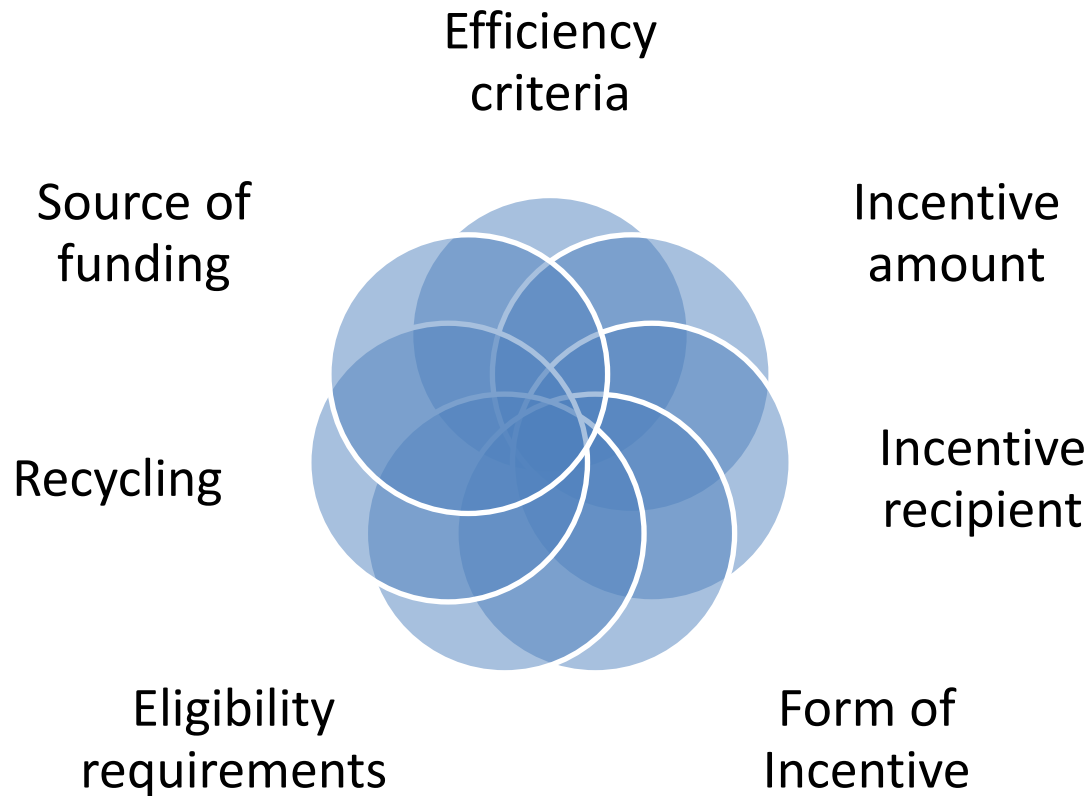


Who is incentivized?





Incentive Program Designs





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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