

# Supporting Iran in implementation of an integrated energy efficiency market

## *Kick-off Meeting*

Tehran, 21 November 2018

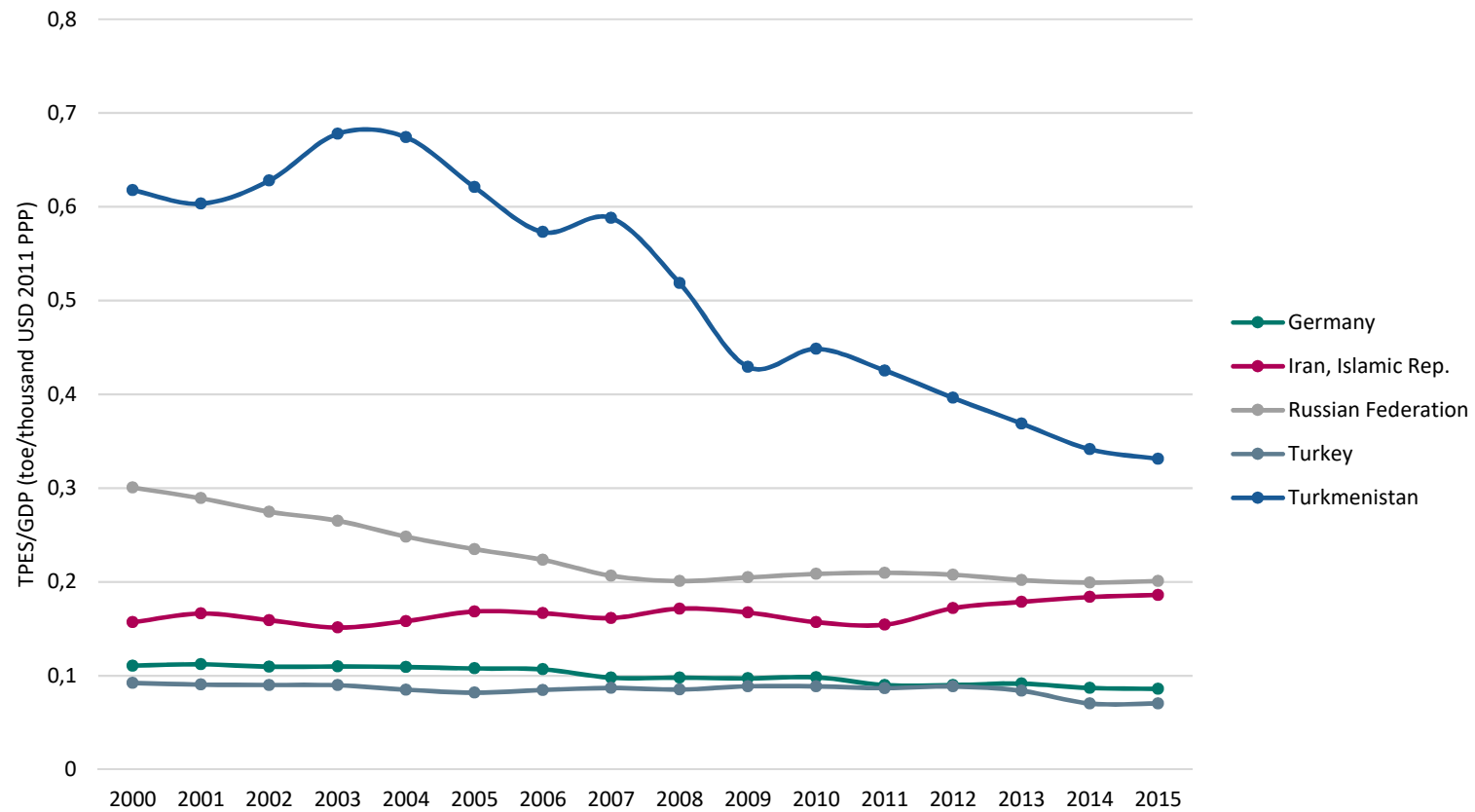
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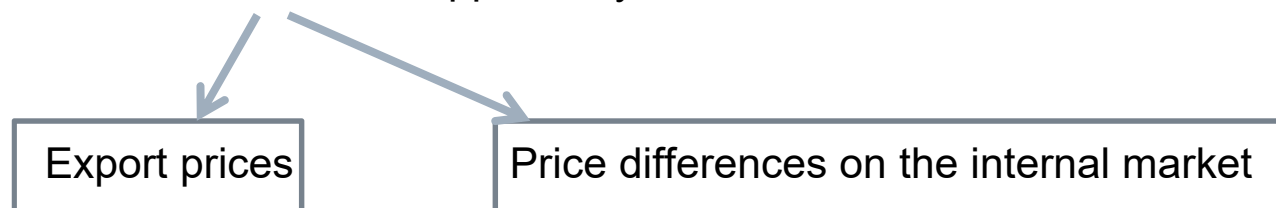
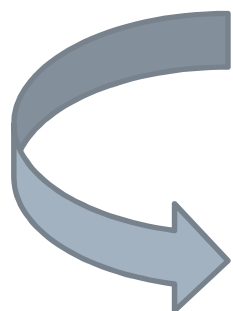
## Comparison of energy intensity level of GDP (Primary energy toe/thousand USD 2011 PPP GDP)



Source: World Development Indicators 2018

## Creating a market mechanism for energy efficiency

- Based on two main documents
  - Article 12 of the „Law on Elimination of barriers to competitiveness and improving the country’s financial system” (2015)
  - Bylaws for creating the optimized market of energy and environment, approved by the Supreme Energy Council in February 2018
- **Goal:** Set economic incentives for implementation of energy efficiency measures in order to reduce energy intensity and GHG emissions
- **Incentive for investors:** Granting to opportunity to sell saved energy on the market based on opportunity costs



**The project aims at supporting implementation of Article 12 and the new instrument**

## The project in a nut shell

### 3 Main Work Packages (WP) with respective results



Tarasht Energy Science & Technology -  
(Audits, measurement, translations etc.)

## The approach of project implementation

- Closely interlinking all tree Work Packages – development of implementation mechanism taking into account requirements of investors for EE projects
- Close cooperation and agreement on activities with Iranian partners
  - Setting-up a **Project Steering Committee (PSC)**, meeting at least twice per year
 

**Tasks:** Making important decisions on focus and on results of project activities (proposals on rules of the M3E, eligibility of developed EE projects, etc.)

**Participants:** VPST, PBO, Ministry of Petroleum, Ministry of Energy, Department of Environment, Federal Ministry for the Environment, Nature Conservation and Nuclear Safety, DIW Econ (nomination of representatives)
  - Regular **Stakeholder Meetings**
  - **Tasks:** Discussion of interim project results and problems, dissemination of information about the M3E and the project
  - **Participants**
    - Core-participants: representatives of the members of the Steering Committee
    - Extended participants: IFCO, SATBA, Tavanir, companies from Assaluyeh, other companies, ESCO Association, representatives of regions, potential investors etc.

## Capacity building and information on the opportunities and benefits of the M3E

- Organisation of at least 7 training workshops concerning the M3E in Tehran, Assaluyeh and selected rural regions

**Goal:** Information of potential players (project developers, investors big energy consumers) about


- The opportunities of the M3E,
  - The requirements for application as well as
  - Its potential benefits
- Setting up a website of the project for the interested professional public disseminating information about the project's activities and their results

[www.ireema.com](http://www.ireema.com)

# Iranian Energy Efficiency Market

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## Project Description

Iran belongs to the top ten CO2 emitters in the world and the Iranian economy is the most energy intensive of all oil and gas producing nations. Domestic energy tariffs are set by administrative decree below export market

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## Scalability of the EE projects to be developed as precondition for market development

- Pilot projects being developed in Assaluyeh and the rural areas should demonstrate that energy efficiency investment can achieve fair payback through the implementation mechanism of Article 12 and the M3E



That would incentivise other Iranian regions and companies as well as foreign investors to develop Iran's energy efficiency potential.



## Project partners

DIW Econ GmbH



kmw outrage management Partnerschaft



Fichtner GmbH & Co KG

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Thank you for your attention!

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