



Press release

Thai-German Programme on Energy Efficiency Development Plan (TGP-EEDP)

Energy Policy and Planning Office, Ministry of Energy

23 November 2015

Short introduction TGP-EEDP project

Bangkok, 23 November, the Energy Policy and Planning Office (EPPO) and the German International Cooperation Agency (GIZ) discussed the progress of the Thai-German Programme on Energy Efficiency Development Plan (TGP-EEDP) in a meeting at the Energy Policy and Planning Office, Ministry of Energy. In the TGP-EEDP programme, EPPO and GIZ cooperate in supporting the implementation of the Energy Efficiency Plan 2015-2036 (EEP 2015) of Thailand. A range of topics are covered under the TGP-EEDP, especially topics where new policies or additional efforts are mentioned in the EEP 2015 that can benefit from international expertise. The TGP-EEDP is funded by the Federal Ministry for Environment, Nature Conservation Building and Nuclear Safety (BMUB) in order to encourage energy efficiency in industry and building sectors and to reduce CO₂ emissions in Thailand. In the meeting on 23 November, which is chaired by EPPO's Director General Dr. Twarath Sutabutr, the progress and next steps of the TGP-EEDP was discussed with the key project team members from EPPO and GIZ.

Ex-ante evaluation

The TGP-EEDP project started off in 2012 by studying the impact that the Energy Efficiency Development Plan (EEDP, approved by the cabinet in 2011) would have for Thailand on the long term. The evaluation of the EEDP 2011 showed that the effective implementation of the EEDP would create a win-win situation for many actors. Firstly, the plan may lead to a reduction in energy expenditure of 1.5 trillion THB by 2030, which means that the revised EEP 2015 will lead to even more cost saving due to its longer time frame. Moreover, the EEDP 2012 energy savings will significantly reduce the greenhouse gas emissions as well as Thailand's energy import costs and generate private investment in energy efficiency of about 200 billion THB annually in 2030, which in turn may lead to about 300,000 new jobs.

Energy Efficiency Indicators (EEI)

One of the TGP-EEDP activities discussed was the progress in developing Energy Efficiency Indicator (EEI) - a database with information on development of energy efficiency in the industry sector, the commercial building sector, the housing sector and the transport sector. Energy Efficiency Indicators can help to monitor progress in energy efficiency and to prioritize energy efficiency policy effort for specific end use sectors. With information from the Energy Efficiency Indicators, we can see energy intensity in industry in Thailand is decreasing but we can also explain the reason behind: a change in the industry sector leading to less energy intensive industry. We can also find positive development of energy intensity in the transport sector as well as the commercial building sector but energy intensity in households is steadily increasing, which is a direct effect of higher incomes and more use of air conditioning.

Encouraging uptake of Building Energy Code

Improving energy efficiency of a country needs a combination of mandatory regulation as well as attractive incentives. One very important mandatory regulation is limiting the energy consumption of new buildings with a Building Energy Code. At the same time, the energy threshold of new buildings should become stricter over time. In order to create awareness and inform architects and building developers about their influence on energy efficiency of new buildings, the TGP-EEDP project is developing an architectural guidebook for high energy efficiency buildings; a draft of the guidebook was discussed in the meeting. The guidebook explains and shows how to realize very energy efficient buildings in order for architects and building developers to become prepared for the future.

Energy Service Companies (ESCOs) – Facilitation Approach

Energy Service Companies (ESCOs) are expected to play an important role in the Energy Efficiency Plan of Thailand since creating energy savings in industry or buildings is the core of their business model. A topic discussed in the meeting was the TGP-EEDP activities regarding Energy Service Companies (ESCOs), especially a new approach, the “Facilitation Approach” to solve certain constraints in the ESCO business. In order to address certain challenges in the conventional process of (industrial) companies working with Energy Service Companies, a middle man - or “Facilitator” - can help the industrial company to identify the right energy saving activities and to find the best and most cost-effective Energy Service Company for his project.

Energy Service Companies (ESCOs) – Nationally Appropriate Mitigation Action (NAMA)

Further encouragement of private sector solutions to realizing energy efficiency, in which Energy Service Companies are expected to play an important role, can benefit from international climate funding. Especially after the next “Conference of Parties” (COP) in Paris in December, it is expected that developed countries will pledge funds to be dedicated to CO₂ emission reduction. The TGP-EEDP project therefore developed a concrete idea – a Nationally Appropriate Mitigation Action or NAMA - to be proposed for international climate funding, in which commercial banks in Thailand should be facilitated to release their funds for energy efficiency investments by means of an additional Credit Guarantee Mechanism at the Thai Credit Guarantee facility under the Ministry of Finance (TCG).

The Thai-German Programme on Energy Efficiency Development Plan (TGP-EEDP) will continue working on the above topics until mid-2016 after which all outputs will be handed over to the responsible stakeholders for further continuation on improving energy efficiency in Thailand.

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