

Can Energy supply companies play a role in local energy savings programs?

By Kasper Dirckinck-Holmfeld, AAU

Abstract

Danish municipalities is putting climate change high on the agenda with action plans and targets to cut Green House Gas (GHG) emissions covering the geographical area of the municipalities. In many municipalities, the local business sector often counts for a large part of the GHG-emissions. For example, in Ballerup, the local business sector counts for 59% of the GHG-emissions. Engagement of the local business sector in achieving reductions is therefore a central element of the municipalities' action plans to reduce GHG emissions. In order to find new routes on how to engage and motivate local businesses to achieve GHG reductions, seven municipalities: Copenhagen, Albertslund, Allerød, Ballerup, Herning, Kolding and Næstved have joint forces in an EU LIFE project called "Carbon 20" (<http://carbon20.t2w.dk/carbon20InEnglish/>).

Literature points out that there often exist a "gap" between potential cost-effective energy efficiency measures and measures actually implemented (the energy paradox), making energy savings an effective way to reduce GHG emissions (Thollander, Danestig & Rohdin 2007, Paton 2001, , Jaffe, Stavins 1994, Thollander, P. & Dotzauer, E. 2010).

One of the central elements in the Carbon 20 project is to offer an energy screening free of charge for the participating companies to highlight such savings. The seven municipalities have entered agreements with different energy consultants or energy supply companies to provide these screenings for little or no cost. The consultants and energy supply companies can offer this because of a national policy scheme that mandates energy supply companies to save energy among their customers. The national government provides pre-set targets for the energy supply companies, but provide flexibility in terms of how to achieve the targets. One option is to offer energy screenings themselves, or to buy identified savings achieved by other consultants.

The national policy scheme has been subject for some official preliminary assessment (Togeby et al. 2009).

This article will supplement these assessments by focussing on the appropriateness of using energy supply companies (or consultants working on their behalf) in a local political context of engaging the local business sector in achieving energy savings and GHG emission reductions.