



UNIVERSITY of STRATHCLYDE  
INTERNATIONAL PUBLIC  
POLICY INSTITUTE

CENTRE FOR ENERGY POLICY

# Centre for Energy Policy: How policy shapes markets in energy goods and services -LESSONS LEARNED-

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(DRAWING ON LESSONS LEARNED -EPSRCGRANT REF: EP/M00760X/1)

## Three main lessons

**1**

**Multiple benefits energy efficiency**

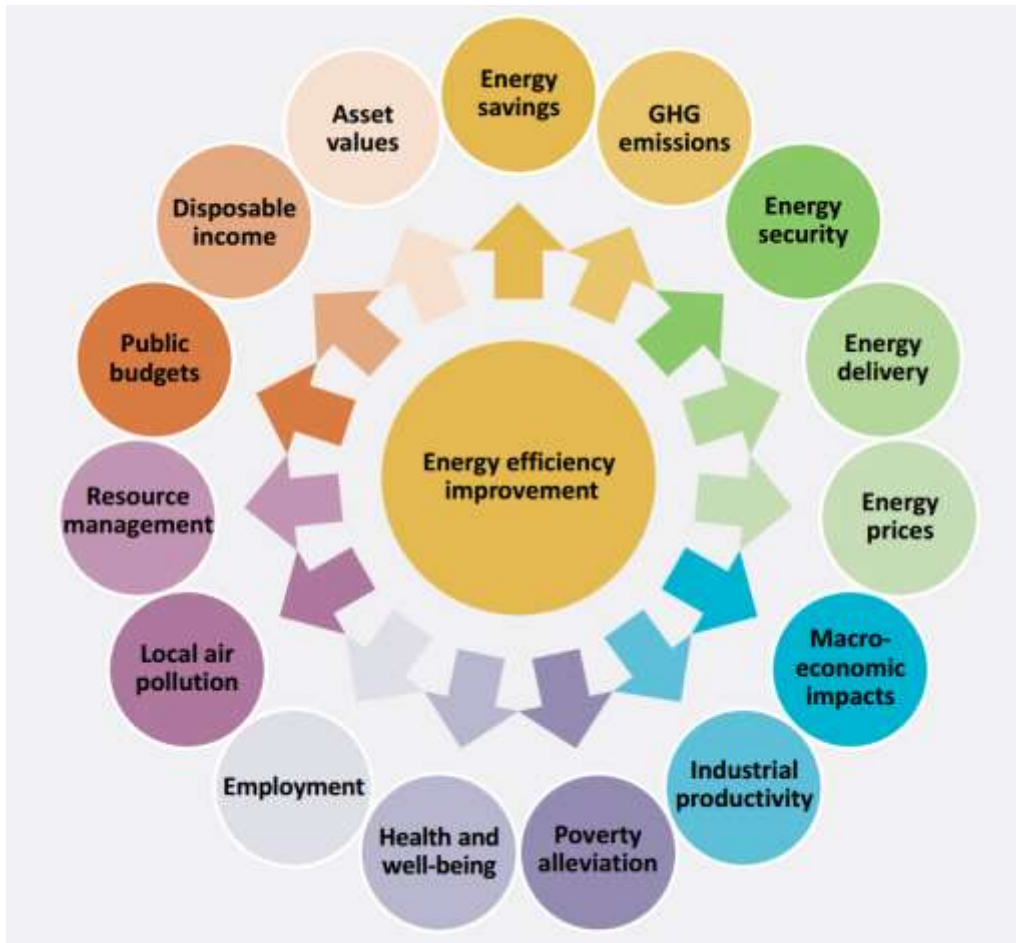
**2**

**Energy efficiency is a selling point**

**3**

**Not only benefits but also some costs**

## The benefits of energy efficiency



Studies conducted by our team show potential benefits for Scotland and UK especially for:

- Energy Saving
- Disposable income
- Public budget
- Employment
- Poverty alleviation
- Industrial productivity

## Energy efficiency is a selling point

- Governments face trade off between policy goals and political approval, and operate in a **time constrained** framework and often **tight public budget**.
- People have **different priorities** and concerns over air pollution or climate change may be secondary to those who fear welfare losses.
- Recent switch in the **political language** shows that it is easier to 'sell' an energy and environmental strategy that delivers also in terms of economic development.

## Not only benefits but also some costs

- Improving energy efficiency both in residential and industrial use delivers benefits but all that glitter is not gold!
- Changes in consumer's preferences and structural changes in production are likely to create **losers and winners** in the economy, even if the net impact of positive.
- Government funded projects may require increase in **taxes** or reallocation of other **public spending**.
- Different benefits will come at different **times**, and costs of efficiency improving interventions may delay the direct return on efficiency investment.



# Thank you for listening

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