Role of NPO in realizing national energy efficiency goal

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About EMCA-the national ESCO Association

Mission:

- Promote EPC
- Support ESCO
- Maintain sustainable development of ESCO industry
National ESCO Association---EMCA
Function of EMCA

- A platform: gathering all stakeholders
- A bridge: between government and industry
- A window: open for international cooperation
Platform

Technology providers

Design institutions

Products manufacturers

ESCO Industry

Energy users

Third parties

Financial institutions

Technology providers/ producers

Public buildings

Residential buildings

Public facilities

M&V

Commercial banks

Leasing companies

International foundations

Funds

Guarantee companies

Legal firms

Researchers

Volunteers
Bridge
EMCA function & activities

- Consulting
- Training
- Financing service
- Marketing
- Information dissemination
- Technical assistance
Drivers for ESCO Development

Government leading

Market demanding

Economy driving
Roles of government

- Incentive policies
- Key enterprises program
- National strategic industry
- Energy audit
- EE Standards
- Top runner program
- Leading market
- Create market
- Foster market
- Regulate market
- Encourage market
National supportive policies

1. Financial incentives
2. Tax incentives
3. Improved accounting system
4. Green financing policy
Detail polices

- EPC project is permitted to apply for national investment and energy conservation award
- At least RMB300/tce will be awarded to EPC project

- Operational tax free for ESCOs
- Income tax: free for first 3 years and half for the next 3 years
- VAT free for fixed assets transferred to users by EPC project

- Government agencies could use energy budget to pay ESCO for their service
- Other institutions can list the payment to ESCO to their cost.

- Banks are encouraged to provide innovative financial products to ESCOs
- Fixed assets invested by ESCOs could be taken as guarantee to banks applying for loan
- Expand the support to ESCOs by international co-operation project
Government roles to promote EE and ESCOs

• Create the market
  - Energy consumption target
  - Energy efficiency limit
  - 10 thousands enterprises program
  - 10 key national EE programs
  - Top-runner program

• Foster the market
  - Incentive tax
  - EE projects award
  - Encouraging EPC in government buildings
  - Green financing guidance
  - Energy efficiency investment guidance
Green financing to EE financing
ESCO Development in China

MSC

- M : Mayor to Market
- S : Simple to Solution
- C : Commercial banks to Comprehensive resources
数说20年

注: 数据来源于EMCA2018年度节能服务产业发展报告
EPC Application

- Iron & steel, metallurgical, electrical etc.
- Shops, supermarkets, hospitals, universities etc.
- Lamps, harbor etc.
Main barriers

- Awareness
- Policies
- Ecology
- Capacity

ESCO

EMCA
China Energy Conservation project

- Officially started in 1998;
- It is a key international cooperation project in the field of energy conservation by Chinese government and World Bank/GEF;
- The main purpose of the project is to promote Energy Performance Contracting (EPC) mechanism and develop ESCO industry in China
Project progress-1st phase

3 pilot ESCOs: Beijing Liaoning Shandong

EC information Dissemination Center(ECIDC)
Project progress - 2nd phase

Phase II

EMCA

Technical support

I& G

Financial support

New and Potential ESCOs
Project Progress- 2nd Phase

- EMCA---provide practical technical assistance and services to emerging ESCOs and potential ESCOs and to foster their rapid growth.
Project Progress- 2nd Phase

I&G---ESCOs Loan Guarantee Program, offer effective financing assistance to new ESCOs by using limited amount of guarantee fund to provide loan guarantee for ESCOs.
China ESCO development

- Introduce EPC & Pilot ESCOS
- Establishment of EMCA
- National support polices
- Build-up ESCO system
- Upgrade
- Develop
- promote
- Pilot
ESCO

- Technical solutions
- Financial investment
- Paid back by energy savings

BRI

- Increasing energy consumption
- Potential of energy efficiency improvement

China

- ESCO development experience
- Technical capacity
- Investment ability
Thank you

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