



Main Messages

**Global Best Practice in Renewable Energy
Policy Making**

**Experts Meeting
June 29 2007**



'Plus Five' & Russia Observations



- Varying degrees of deployment, policy initiatives
- With few exceptions, great potential but comparatively little development.
- In some cases, this is due to lack of institutional capacity. How can the international community help to develop institutional frameworks?
- Environment may not be the primary driver: employment and energy access are very urgent
- Market development and technology development must go hand in hand to attract investment
- Access to energy. In off-grid applications (in particular), renewables may already be the cheapest option, yet development is small ... so, cost is not the only barrier
- Absence of national policy may be compensated for to some degree by provincial / local approaches
- Subsidies to conventional fuels (gas in Russia) distort price signals

Policy Experiences

- Effective policy can be seen in just a handful of countries: some OECD and emerging economies
- In some cases, effective policies have been restricted to a small number of specific RETs
- Both deployment effectiveness and cost efficiency are crucial
- Effective systems have, in practice, frequently been the most cost efficient
- Potential risk, more so than profit, is the key to policy effectiveness
- Price support can not be adequately addressed in isolation; non-economic barriers (grid, administrative, acceptance, etc.) must be addressed concurrently
- Five types of barriers should be addressed by policy:
 - Political / legal / regulatory; economic / financial; institutional; Informational; cultural / psychological
- The 'FITs versus TGC debate' is misleading. Each type of support mechanism has met with successes and failures. Precise design criteria and fine-tuning are key
- Heat markets need development, e.g. DHC
- Energy efficiency policy and renewables policy are complementary



Policy Toolbox



1. Stable and consistent policy is prerequisite
2. Remove barriers
3. Policy must pursue technology RD&D concurrently with market development
4. Mechanisms should be designed to be transitional
5. Cost should be assessed in the context of socio-economic value of the resulting development (employment, growth, externalities, etc.)

Database and analysis

- Final study will present verified view of national conditions
 - Publication peer review?
- Policies and Measures database will be renewed by September
- Contacts network is the key to success