# TOP-DOWN & BOTTOM-UP APPROACH: LESSONS LEARNED FROM SLOVAKIA

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## Aim

- based on the experience from preparation of the NEEAPs in Slovakia,
- to show methodological pros and cons of using BU and TD approach and
- draw lessons learned and recommendations.



Note: NEEAP – National Energy Efficiency Action Plan

#### Energy efficiency targets of SK: EU Energy Services Directive (ESD, 2006)

Target	Adjusted	
ESD targets	% FEC <sub>2001-2005</sub>	[PJ]
Annual target	1%	3.1
3-year target (2008-2010)	3%	9.4
9-year target (2008-2016)	9%	28.1

#### • EC requirement:

min. 30% of target through BU approach

# Methodology

#### • BOTTOM-UP

- Provides a lot of details at the project level
- Requires intensive data collection
- Time & labour intensive

#### • TOP-DOWN

- Relies on publically available statistics (minimum indicators)
- Easy data collection
- Detail of impact of EE measures may be lost

Methodology is based on the handbook of "Harmonized methods" by EC (2010).

### **RESULTS: BU**



• Total ES 2008-2011: 3.7 PJ  $\rightarrow$  EC: 30% of the 3-year target

### **RESULTS: TD**



Based on MoE SR (2011)

### BU vs. TD



- BU: >30% of the target
- TD: ES for 2 years = almost 3x higher than 3-years target

#### **Discrepancies:** Transport

- Problem: Indicator M5 road transport
- It applies the average EE improvement to the whole fleet, including new vehicles
- 2007-2009: FEC stable, stock of cars rose significantly



- Dilemma: account these as energy savings or not?
- Note, that only few MSs reported energy savings from transport due to problematic evaluation (Labanca and Bertoldi 2016).

## Discrepancies: Transport (2)

• A possible solution:

a) to develop an activity-based indicator (instead of vehicle-based) – e.g. energy use per personkm, per tonne-km (M6, M7)

 However, even this would not ensure that the indicators will not be influenced by stochastic changes (i.e. economic crisis)

b) to create a database by vehicle type and energy intensity (and thus apply the appropriate energy intensity to the respective vehicle group)

#### Lessons learned & Conclusions

- TD indicators resulted in unrealistic results
- Due to the problems with TD indicators, SK used solely BU approach further on
- With the methodology of EC (2010), TD is not recommended to be used for evaluation of EE measures at national level (exception: energy & CO2 taxes, fiscal incentives, payment to a fund & behavioral change)

• e.g. Sweden: energy & CO<sub>2</sub> tax – dynamic simulation model

- TD indicators can be used for evaluation of EE trends in a specific area/subsector
  - e.g. SK used TD indicators for evaluation of energy intensity in industry – used for preparation of ESIF (2014-2020)