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Türkiye Energy Efficiency project

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Adapted from a presentation prepared by Mr. Balaji Natarajan – MLF Secretariat

The material included in this presentation is for information only. Specific project details will be considered based on the data submitted



What you need to know

Why efficiency now?

What does the project cover?

What is the methodology?

What are the commitments?

What about exports?

What is the impact on policy?

What about sustainability?

What is the impact?

What is the timeline?



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Enhancing energy efficiency in the manufacturing and servicing sectors while phasing down HFCs

Decisions by the Executive Committee of the Montreal Protocol



Decisions on energy efficiency

Decision 91/65 – Pilot
projects on energy
efficiency

Decision 94/60 –
Operational framework for
energy efficiency while
phasing down HFCs

Decision 95/87 - Further
elaboration on the
operational framework on
energy efficiency while
phasing down HFCs

Decisions 96/31 and 96/51
– Operationalising
revolving fund and
preparatory funding for
revolving fund projects



Decision 91/65

An overview of the types of projects

01

Institutional
coordination and
training / capacity
building

02

Development and
strengthening MEPS
in different
applications

03

Demonstration
projects for energy
efficient low-GWP
refrigerant-based
equipment

04

Upgrade of existing
training
programmes,
materials and
testing centers

05

Investment project –
technical support
compressor
manufacturing
using R-290



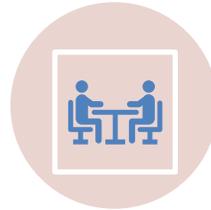
For all countries and projects in the context of HFC phase-down



Country commitments on certain aspects needed for project consideration

Decision 91/65:

Pilot projects on energy efficiency



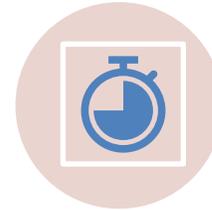
Coordination between Ozone and energy efficiency authorities



Time period for implementation – 36 months from approval



Funding window of US \$20 million, can be increased



Projects to be considered up 2027



Decision 94/60



INCLUDES
MANUFACTURING
ACTIVITIES FOR FIVE
PRODUCT CATEGORIES;



PROVIDES DETAILS OF
PROCEDURES IN PROJECT
ASSESSMENT



FUNDING WINDOW OF US
\$100 MILLION; THIS
FUNDING WINDOW
COULD BE INCREASED

Operational framework for energy efficiency



INCLUDES COUNTRY &
ENTERPRISE COMMITMENTS.
CHOICE OF TECHNOLOGY IS
DEFINED.



POSITIVE IMPACT ON THE
INDUSTRY AND THE
ENVIRONMENT



INCLUDES AN INCENTIVES
FOR CAPITAL AND
COMPONENT COSTS



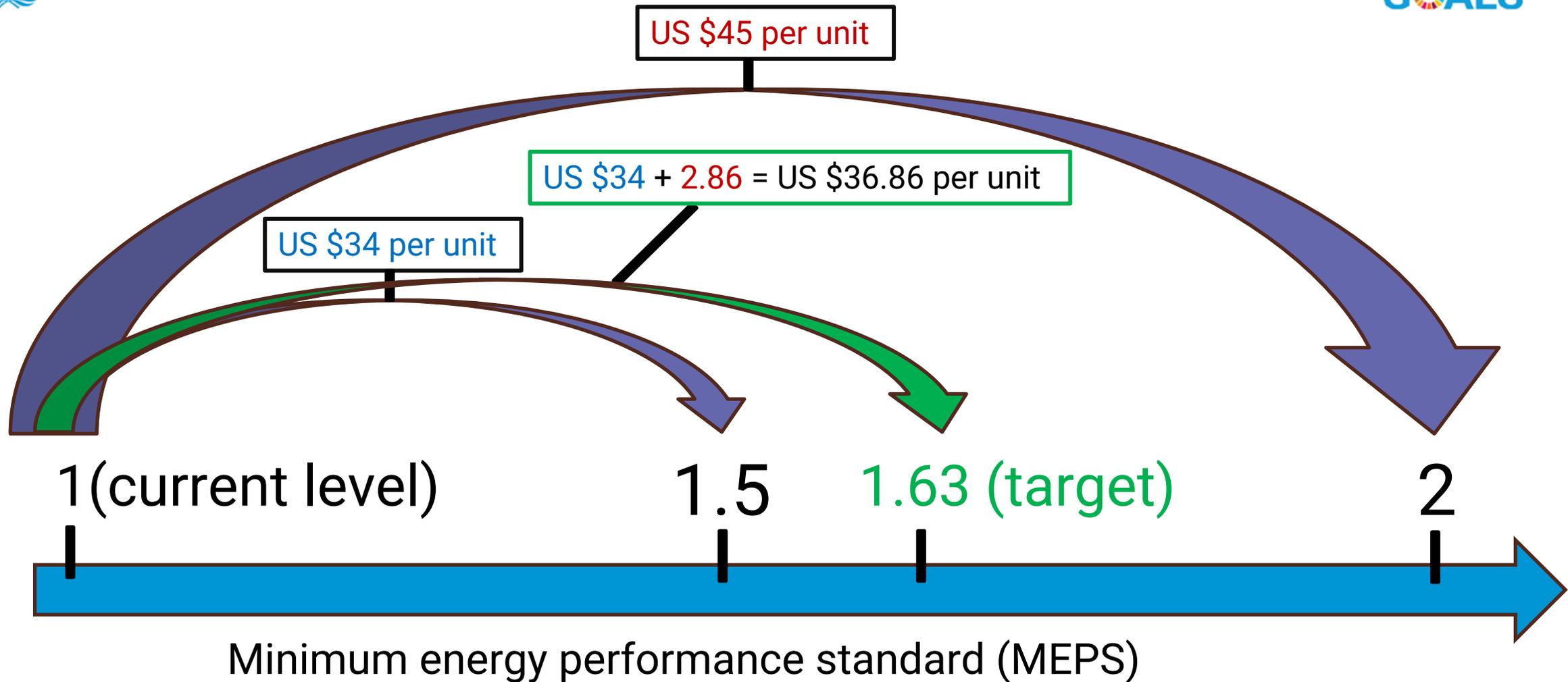
Methodology overview – key elements

- Considers baseline and target energy efficiency performance of the company
- Considers national energy standards
- Adjusts costs based on industry structure
- Adjusts incentive based on performance for enhancing energy efficiency and does not incentivise “business-as-usual” scenario
- Recognises importance of implementation timelines
- Notes the need for revision of incentive structure periodically



Four steps used in the incentive methodology

- **Step 1: Calculation of additional capital costs** – include costs for product design, modification in manufacturing plant, training, certification and product testing
- **Step 2: Calculation of additional component costs** – include costs for compressors, heat exchangers, controls and other components
- **Step 3: Adjustment of additional component costs based on industry structure in Türkiye**
- **Step 4: Application of incentive as a portion of the cost adjusted in step 3** – level of incentive to be decided by the Executive Committee





Fund flow

Additional capital costs – available upfront for the project to beneficiary

Additional component costs – to be paid in two parts as given below

- 50 per cent of the component cost incentive upon project completion with **confirmation on achievement of levels of energy efficiency improvement achieved.**
- Remaining 50 per cent of the component cost incentive **one year after completion of the project** after confirmation of total quantities manufactured at the target energy efficiency performance levels, at least equal to baseline quantities manufactured for those equipment.





Importance of Confidentiality

Protection of Sensitive Data

Sensitive enterprise data and proprietary technologies are not published.

Integrity in Project Evaluation

Maintaining confidentiality preserves fairness and integrity during the evaluation of investment projects.

Trust Among Stakeholders

Trust among enterprises, the implementing agency, the Government, and the MLF Secretariat for collaboration.

Alignment with Ethical Standards

Confidentiality aligns with international ethical practices at the UN agencies.

Other issues, limitations, and considerations

- Limited to five categories of equipment: domestic refrigerators, chest freezers, display cabinets, residential AC, and commercial AC;
- Participating enterprises should commit to have 50 per cent of their production converted to the target energy levels;
- This project is in the context of HFC phase down; enterprises not working with HFCs will be considered on a case-by-case basis;
- Turkish exports of higher EE products can positively affect the export markets, and hence encouraged;
- Türkiye will be asked to raise its MEPS to meet the target efficiency for the sustainability of the project and to facilitate the sales of those products;



Impact of approved activities



Expected impact – higher institutional coordination, MEPS upgrade and implementation and faster adoption of energy-efficient low-GWP refrigerant-based technologies



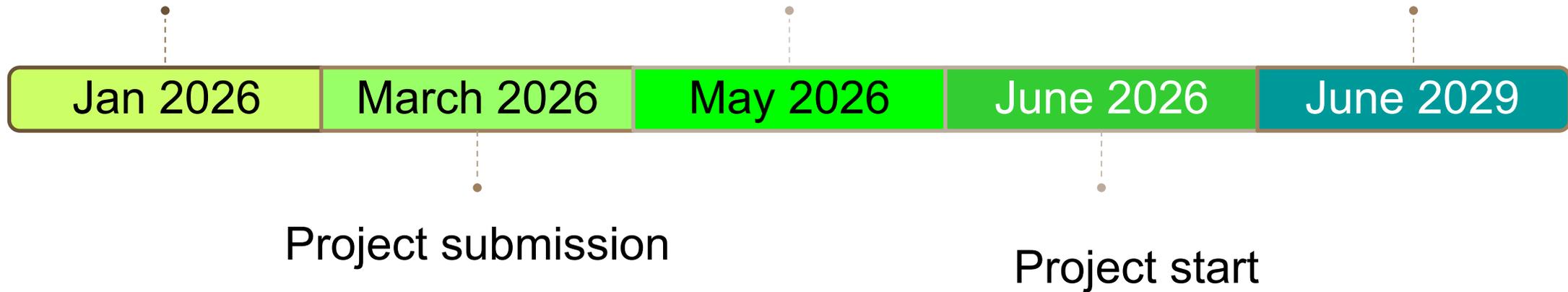
Market factors – energy efficiency improvement is progressing; the proposed activities along with other activities relating to sustainable cooling expected to have accelerated impact

Timeline

Information available

ExCom discussions

Project completion





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Thank you!

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