



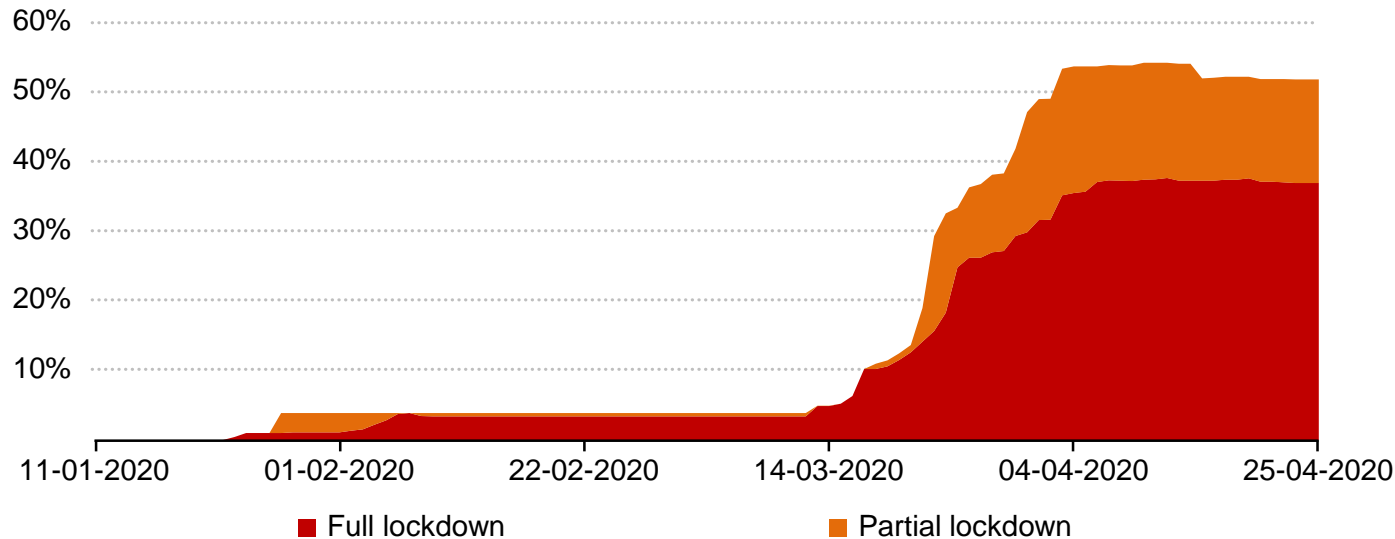
# The Impact of COVID-19 on the Energy Efficiency Market

Brian Motherway

 @BrianRMotherway

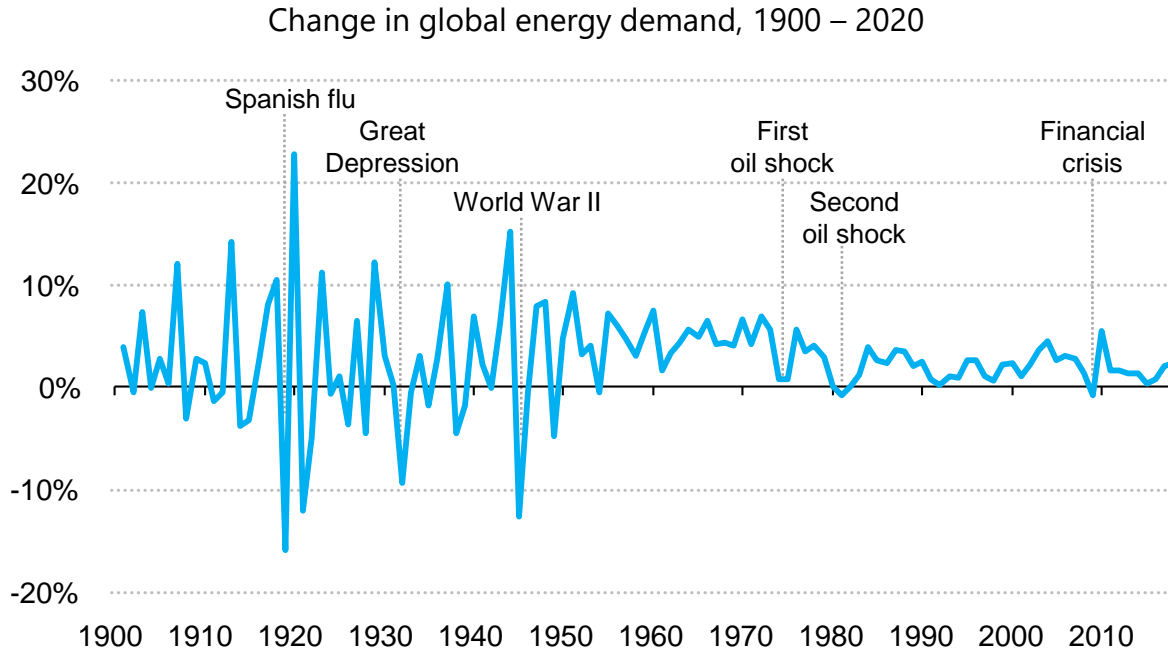
# A world in lockdown

Share of global energy use affected by virus containment measures



The coverage of COVID-19 lockdown measures jumped from 5% of global energy demand in mid-March to over 50% by early April. Measures are expected to ease in a handful of countries in early May.

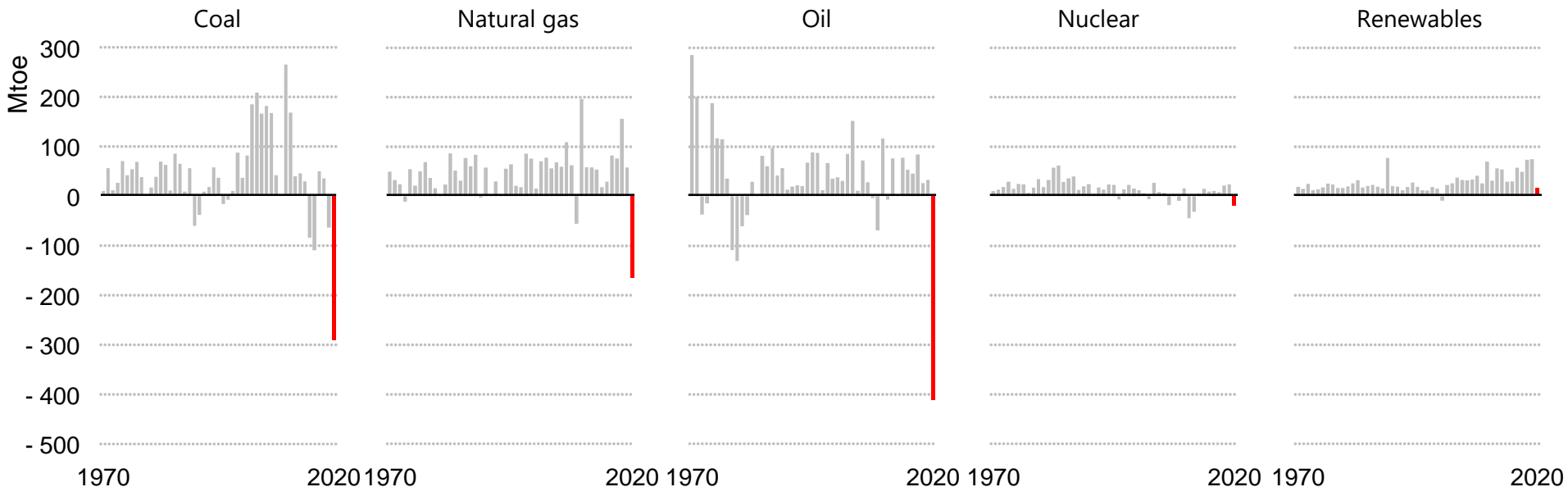
# Coronavirus: a once in century event for energy demand



The shock to energy demand in 2020 is set to be the largest in 70 years. In our estimate, global energy demand declines by 6%, a fall seven times greater than the 2009 financial crisis.

# Fossil fuels are set for a dismal 2020

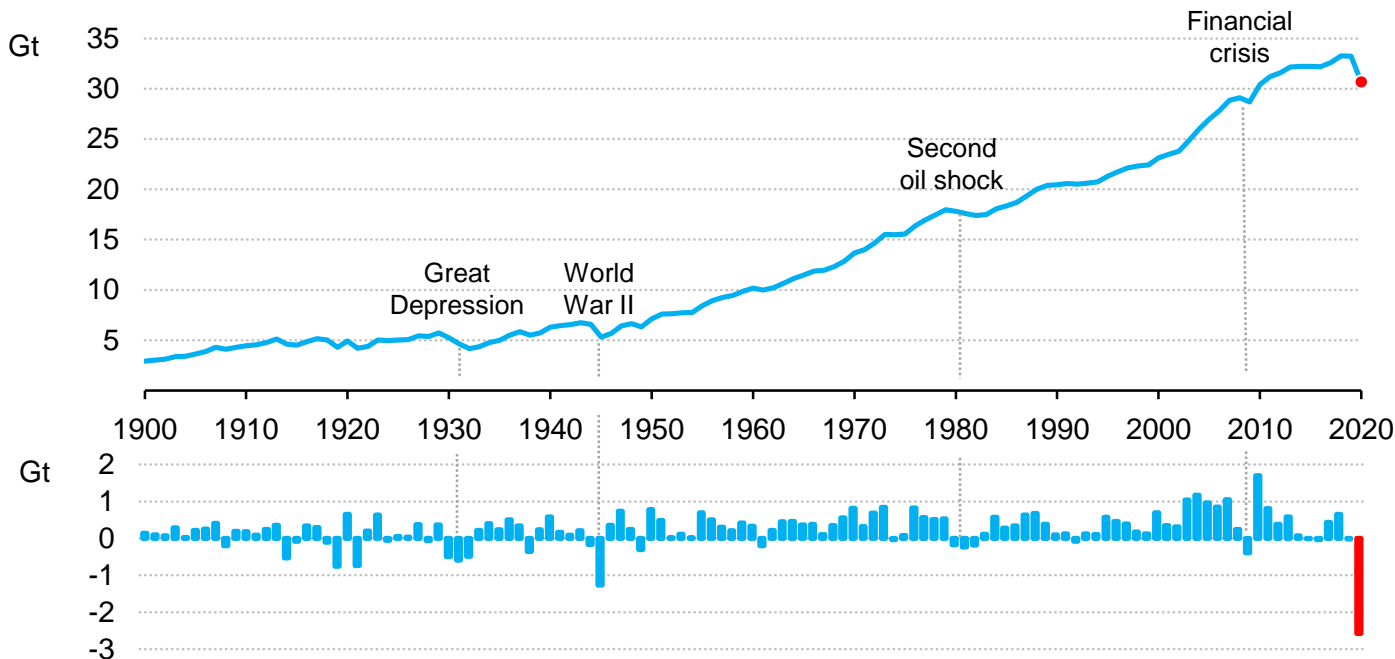
Change in global energy demand by fuel, 1970– 2020



Coal is set for the largest decline since World War II, alongside sharp reductions for gas and oil. Nuclear power is less affected by lockdown measures, while renewables are the only energy source on the rise in 2020.

# CO<sub>2</sub> emissions drop the most ever due to the COVID-19 crisis

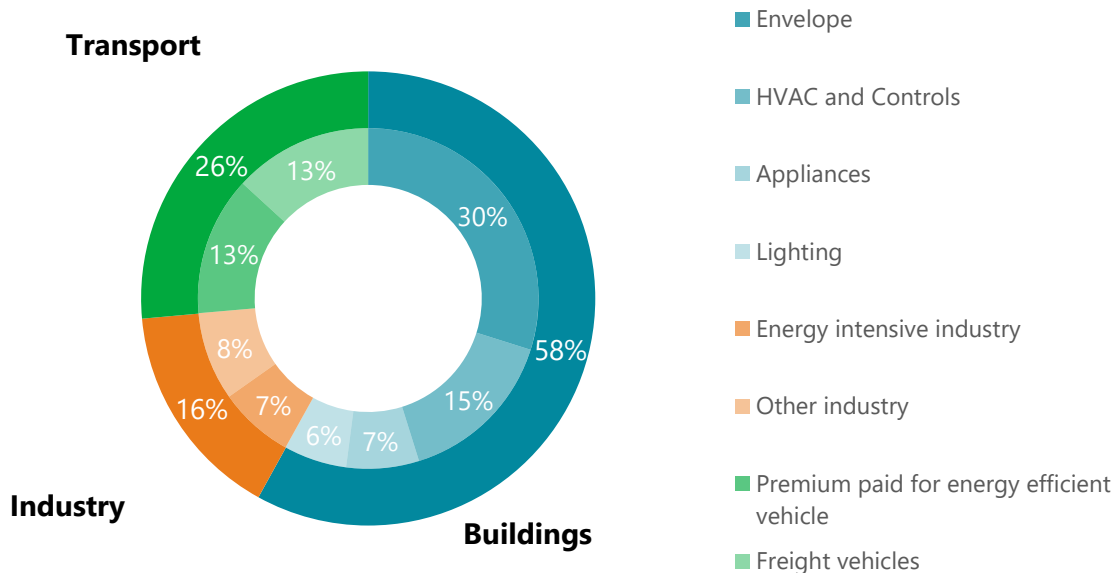
Global energy-related CO<sub>2</sub> emissions and annual change, 1900-2020



Global energy-related CO<sub>2</sub> emissions are set to fall nearly 8% in 2020 to their lowest level in a decade. Reduced coal use contributes the most. Experience suggests that a large rebound is likely post crisis.

# Energy efficiency investments

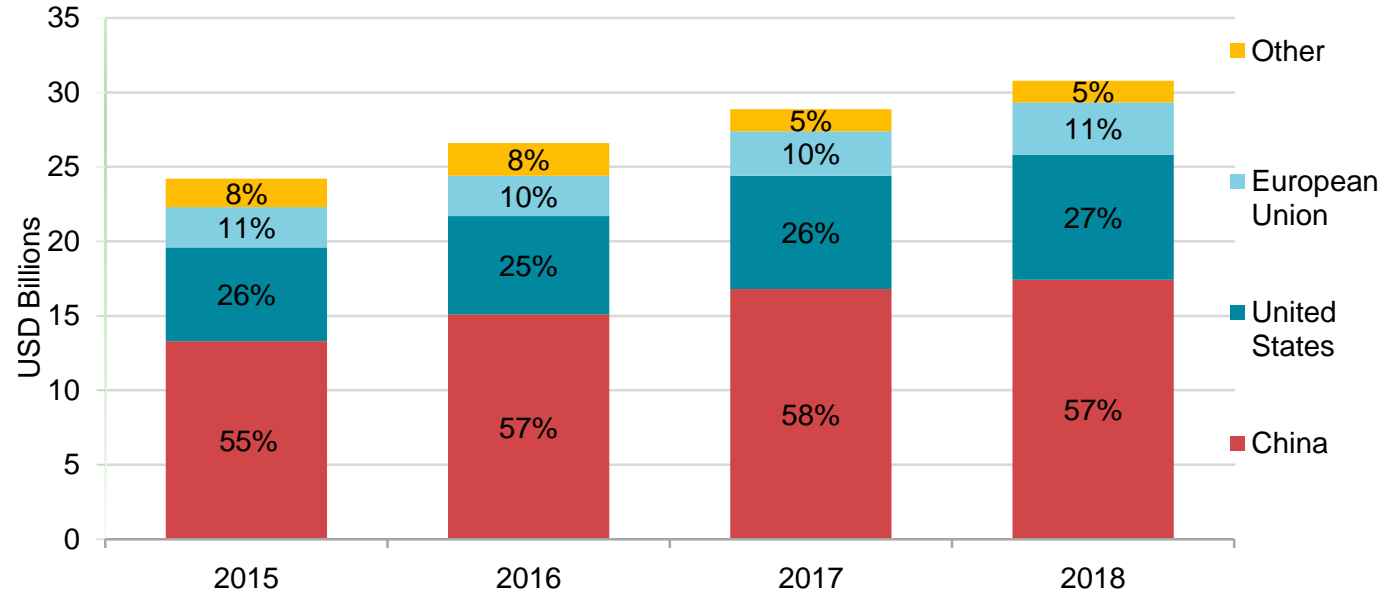
Energy efficiency investment by sector (2018)



Investments in efficiency stayed flat. Returning to a 3% annual improvement in intensity requires annual investments to double on average, between now and 2025.

# The global ESCO market

Global ESCO market growth 2015-18



China continues to be the largest share of the global ESCO market. The rate of ESCO market growth has declined in recent years, from 10% in 2016 to 7% in 2018.

# Issues for energy efficiency

---

- Financial health of both service providers and customers
  - Willingness to invest
  - Practicalities of efficiency actions
  - Risks of policy pause
- 
- Opportunities in the positive impacts of efficiency
  - Stimulus, jobs and growth
  - New business and finance models
  - New focus on resilience, quality of life, lower costs



# IEA is Focused on Stimulus & Clean Energy

---

IEA is working with governments around the world on this priority issue:

- IEA's COVID-19 Hub: <https://www.iea.org/topics/covid-19>
- WEO Special Report on Sustainable Recovery – June 19<sup>th</sup>
- Global Commission for Urgent Action on Energy Efficiency – June 22<sup>nd</sup>
- IEA Global Conference on Energy Efficiency – June 23<sup>rd</sup>

led