

Promoting Energy Efficiency in Brazil

Location

Brazil

Problem

Demand for greater energy efficiency and lower operational costs due to increasing competition among industries and the recent energy crisis in Brazil.

People

Industrial sector in Brazil (48 associated members of ABESCO)

Solution

Support to an association of Brazilian energy service companies in an effort to develop the energy efficiency market in Brazil and promote conservation.

Timeframe

2000-2003

Results

Development of 55 energy efficiency projects, with a corresponding total investment of US\$7.24 million by the private sector; development of a Program for Reduction of Electricity Consumption in the Industry; development of a first of its kind model for ESCO accreditation.

Increasing competition among industries combined with the recent energy crisis in Brazil created a demand for greater energy efficiency and lower operational costs. In response, through the USAID-Brazil Mission's Brazil Clean and Efficient Energy Program (BCEEP), REPSO Brazil partnered with the Brazilian Association of Energy Services

Companies (ABESCO) to promote energy conservation and use efficiency. ABESCO was founded in 1997, facilitating the aggregation of energy efficiency service companies (ESCOs) to develop the energy efficiency market in Brazil. ABESCO has been achieving its goal by sponsoring and promoting the common objectives of its members, acting as a single voice for Brazilian ESCOs.



Edificio Plaza Iguatemi, with building climization provided by a natural gas cogeneration system, installed by ABESCO member Union Rhac

Over the last three years, with USAID support, Winrock's support has allowed ABESCO to experience strong growth in both number of associates and scope of work. ABESCO's relationship with industry has been strengthened through a cooperative agreement with the São Paulo Industry Federation (FIESP). Regional offices were implanted within the FIESP branches in 7 states, substantially strengthening ABESCO's presence. This aided in the development of 55 energy efficiency projects, with a corresponding total of investment of US\$7.24 million by the private sector. Today ABESCO is hosted by FIESP and supported by the National Industry Confederation (CNI).

At a public level, ABESCO played an important role by developing a Program for Reduction of Electricity Consumption in the Industry, which resulted in an invitation to participate in the Brazilian Ministry of Mines and Energy's program for Revitalization of the Electric Sector.

Under a cooperation agreement with the National Program for Energy Conservation (PROCEL), ABESCO developed a model for ESCO accreditation. The accreditation program, first of its kind in the world, will provide ESCOs credibility and thus expand the energy efficiency market. ABESCO has been working together with the

Brazilian Association of Technical Standards (ABNT) to officially approve the ESCO 9001 model. This initiative is expected to serve as a benchmark for energy efficiency markets in other countries.

With USAID support, REPSO Brazil assisted ABESCO in implementing a new statute for the association, a plan for training and accreditation of ESCOs, and an improved web site that includes information for consumers and other market agents. ABESCO has established partnerships with key stakeholders such as the American Chamber of Commerce, universities, related unions and other associations. Under the REPSO Brazil Energy Efficiency Financing Task Force, ABESCO has been working to remove the barriers to financing of ESCOs. ABESCO is also an important service provider for the sector in the areas of capacity building and information dissemination.