

Green Not Expensive – Expensive Not Green



Gregers Reimann, MD
IEN Consultants, Malaysia
gregers@ien.com.my
hp +60122755630
www.ien.com.my

International Monetary Fund (IMF)

WP/15/105

How Large Are Global Energy Subsidies?

IMF Working Paper

How Large Are Global Energy Subsidies?

by David Coady, Ian Parry, Louis Sears, and Baoping Shang

INTERNATIONAL MONETARY FUND

Published May 2015

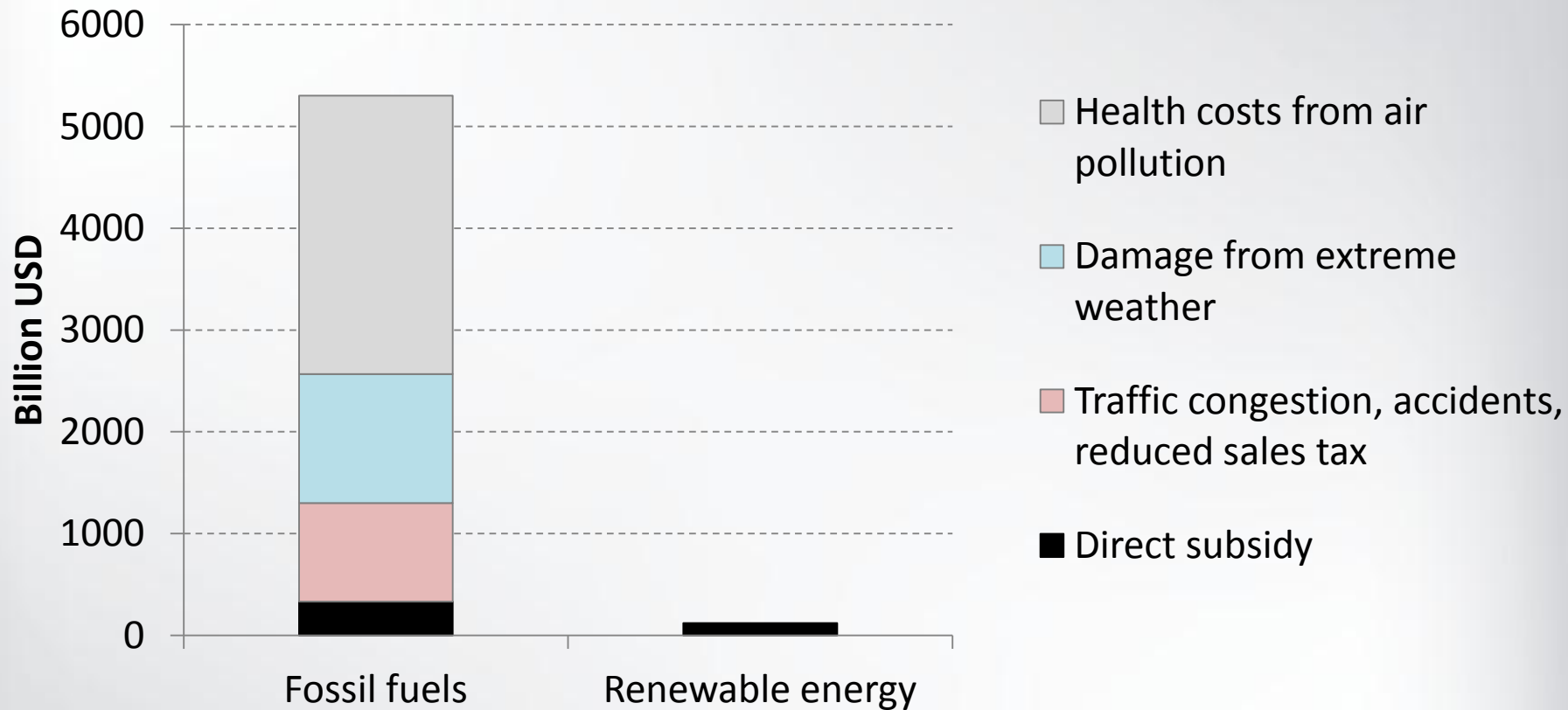
International Monetary Fund (IMF)

How Large Are Global Energy Subsidies?

ANSWER:

6.5%
of global GDP

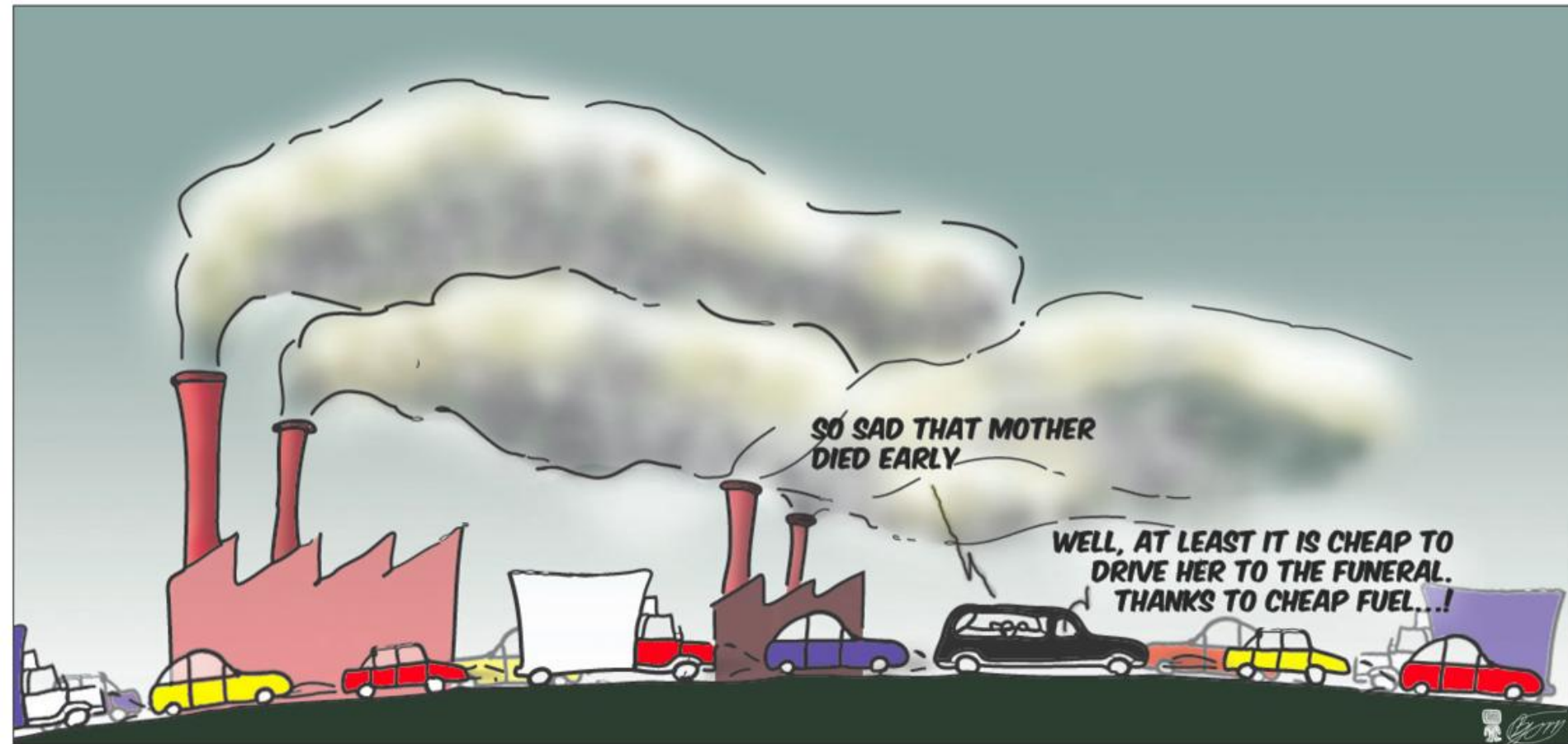
International Monetary Fund (IMF)



USD5.3 trillion per year - or 6.5% of the global GDP!

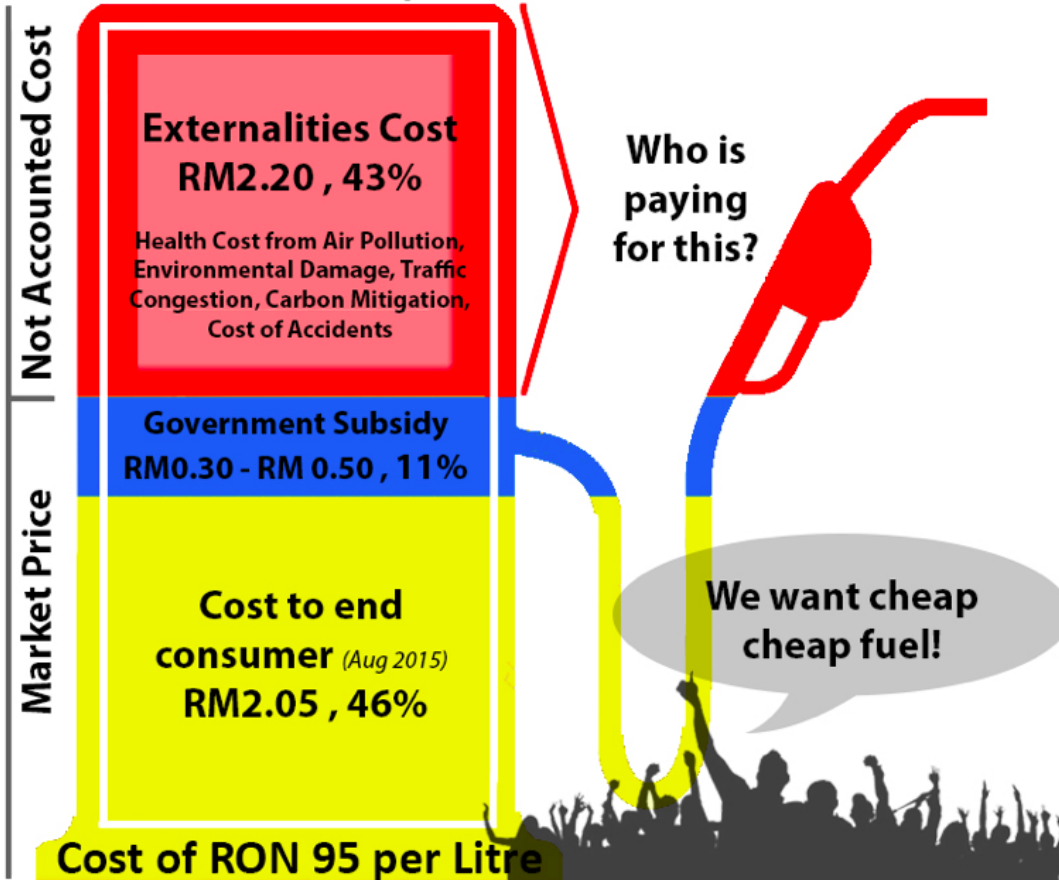
Cheap Energy – but at what price?

4400 PEOPLE DIE FROM AIR-POLLUTION EVERY DAY IN CHINA!



'Cheap' Energy in Malaysia

Actual Cost RM4.40/Litre 120% Increase



RM 4.40
the real petrol price

IMF "Getting Energy Prices Right" (2014)

Source: IMF "Getting Energy Prices Right", 2014

'Cheap' Energy in Malaysia

MALAYSIAN ENERGY COSTS

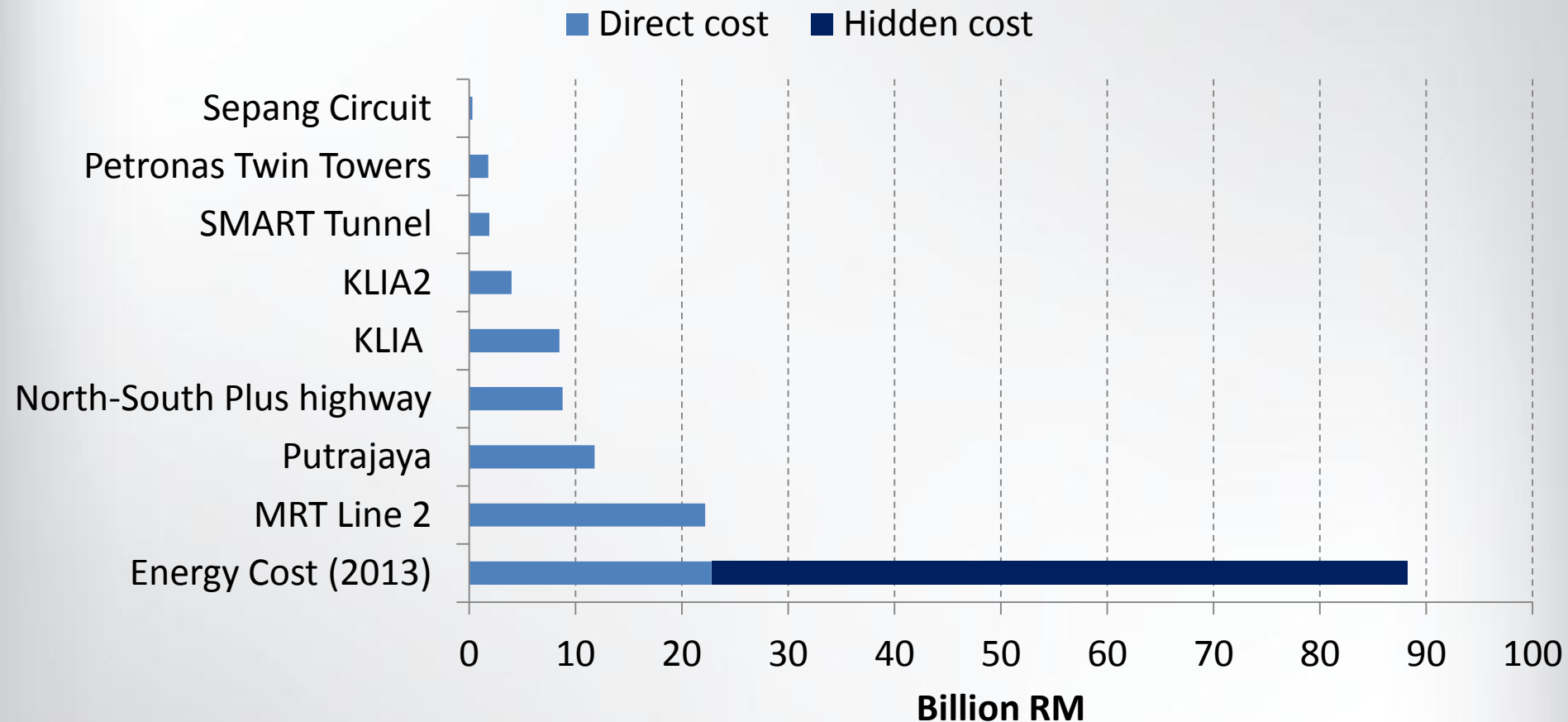
We see,
only the tip of the iceberg.



Direct energy subsidies are just the tip of the iceberg

IMF, Malaysian figures (2013)

'Cheap' Energy in Malaysia



Fossil Fuels are even more expensive.....!

“A more complete estimate of the costs due to climate change would show the implicit subsidies for fossil fuels are much bigger even than this report suggests.”



Lord Stern

Eminent climate economist at the
London School of Economics

Fossil fuels

Renewable energy

↑
USD5.3 trillion per year - or 6.5% of the global GDP!

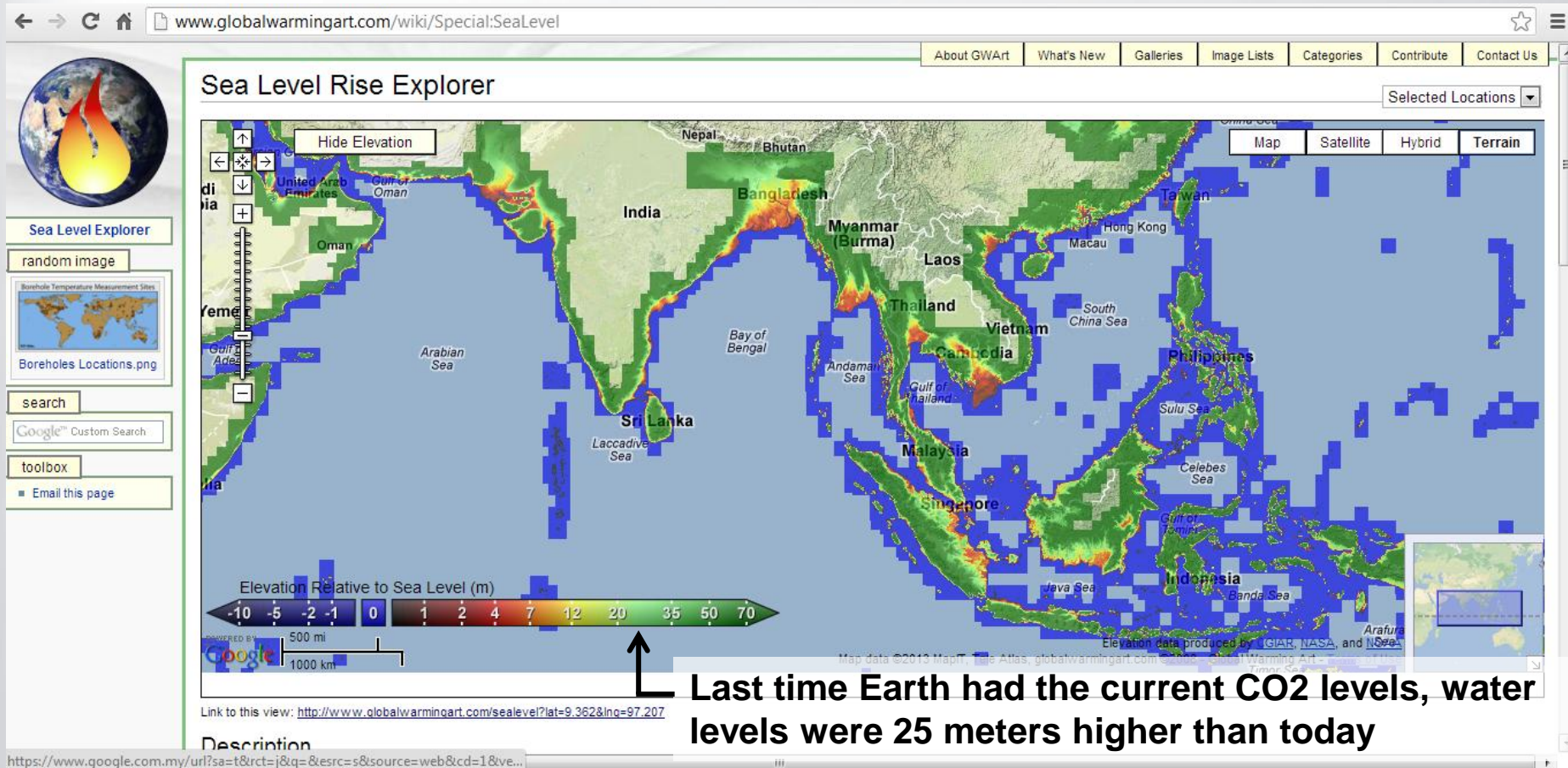
Fossil Fuels are even more expensive.....!

1.5 meters above sea level

Time to start **planned retreat** from Bangkok?

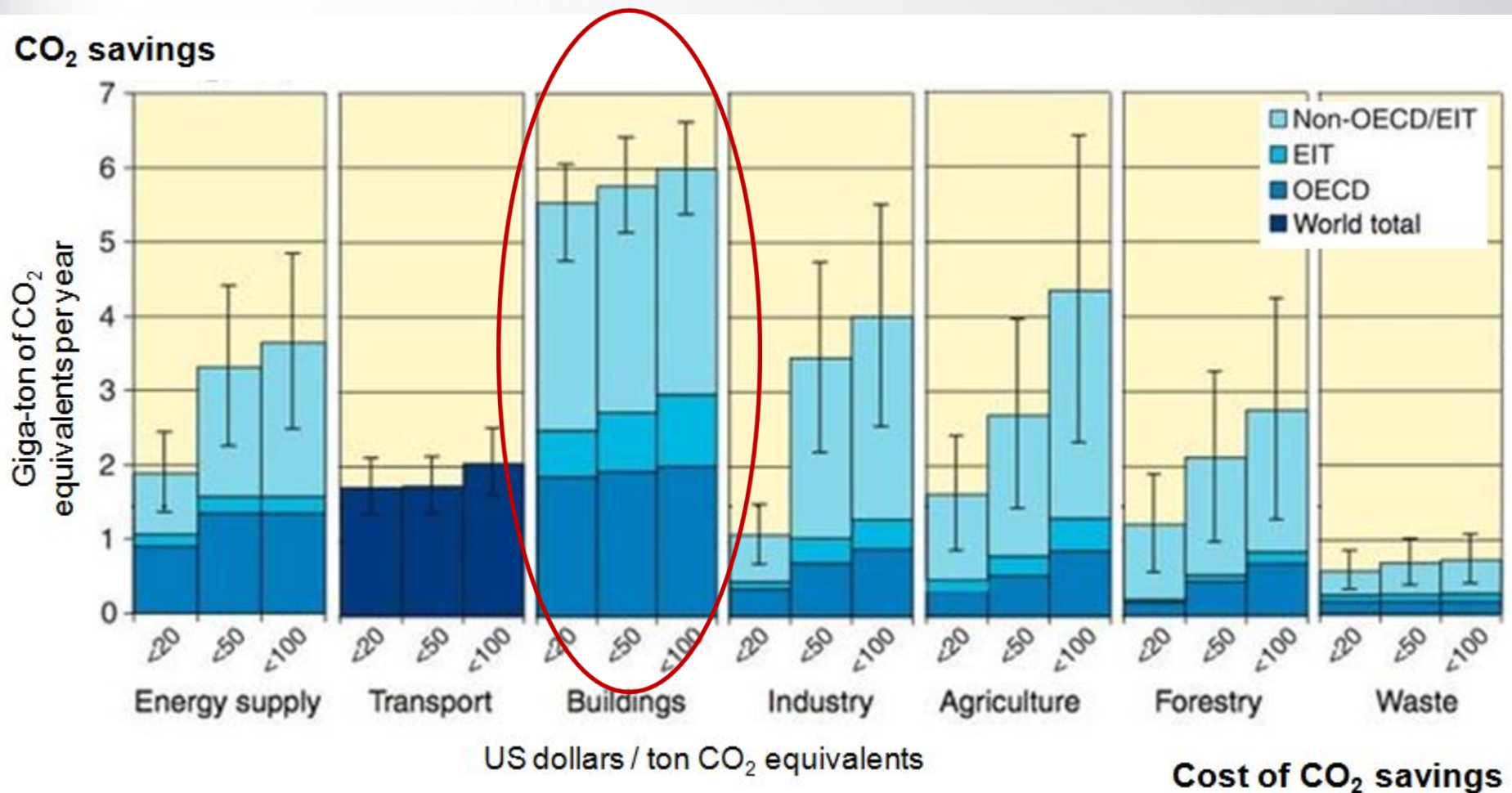


Test if your own hometown will be under water



<http://www.globalwarmingart.com/wiki/Special:SeaLevel>

Huge CO₂ Savings from Green Buildings



Good News!

Green Buildings in Malaysia already proven to be inexpensive from energy savings alone



LEO Building



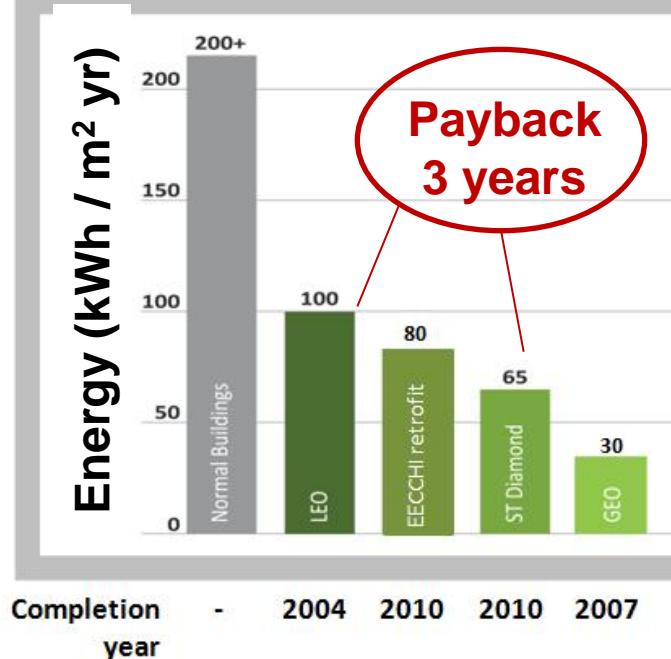
GEO Building



ST Diamond Building



EECCHI retrofit



Energy Consumption of Green Office Buildings

Measured data
for
New and Retrofitted Buildings
by IEN Consultants

Keeping Construction Costs Down

Avoiding the common problem of Over-Design

Building owners get **double-penalty** of:

- Higher CAPEX
(higher construction cost)
- Higher OPEX
(higher operating cost)

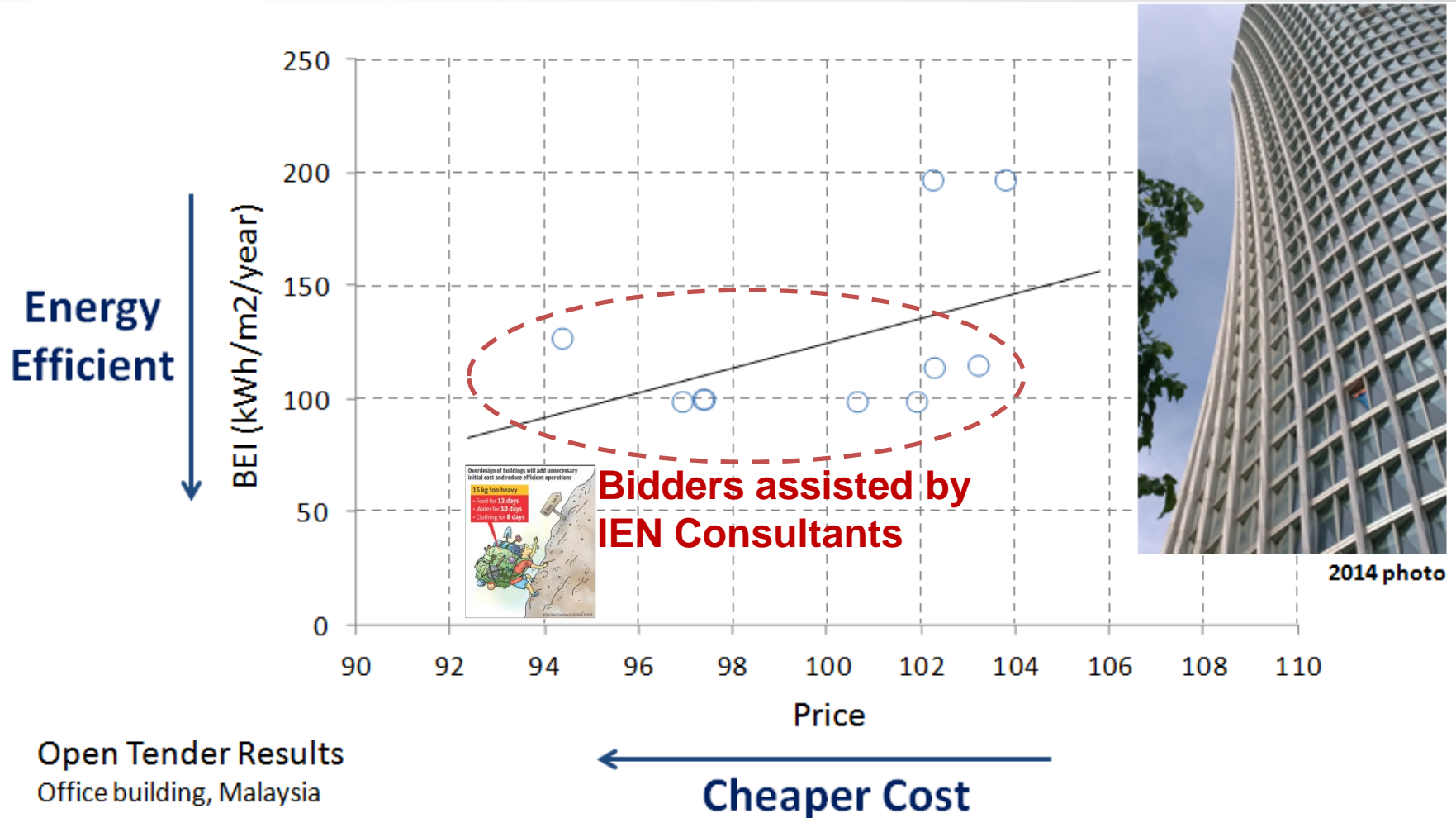


Building owner

Cartoon by IEN Consultants / The Star newspaper (2014)

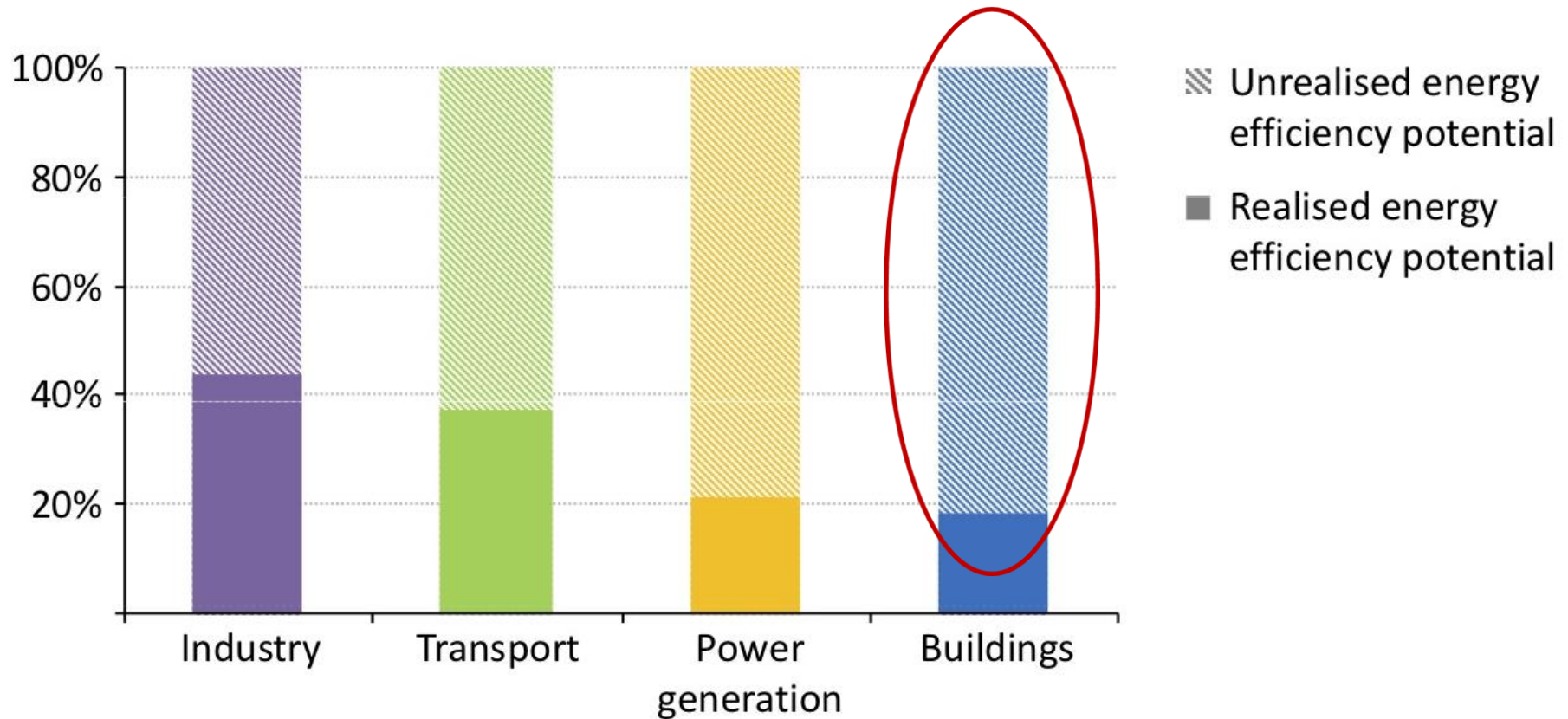
Keeping Construction Costs Down

Case Study: Cheapest bidders were also most energy efficient by avoiding over-design



Huge Energy Savings Potential from Green Buildings

Energy efficiency potential used by sector in the WEO 2012
New Policies Scenario



Energy Label for Buildings?

Making Operating Costs one of the sales parameters when buying & renting buildings



Already working
on this for
Malaysia through
the EUMCCI

Mandatory Energy Labeling for Buildings

Denmark requires 3rd party energy labeling of buildings upon sale or rental

www.nybolig.dk/soegeresultat-boliger?locationFreetext=københavn&postalDistrict=&roadName=&minPrice=-2147483648&maxPrice=2147483647&m

Property Size:

0 m2 - 300+ m2

Lot Size:

0 m2 - 2000+ m2

Number of rooms:

1 - 6+

Year:

Before 1900 - 2016

Level:

0 level - 5 plan

Floor:

Basement - 8+ floor

Energy:

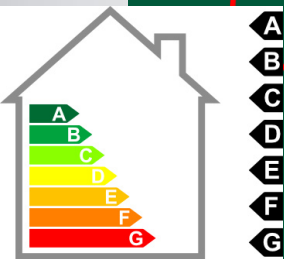
A - G

length of stay:

0 - 1000+

Show homes: 2,081 homes

Danish real estate website.
Search criterion



Mandatory Energy Labeling for Buildings

Denmark requires 3rd party energy labeling of buildings upon sale or rental

www.nybolig.dk/soegeresultat-boliger?locationFreetext=københavn&postalDistrict=&roadName=&minPrice=-2147483648&maxPrice=2147483647&m

Nybolig

We have found 412 properties that might be something for you.

Customize search



Sort by:

Select sort



Kålagervej 24,
2300 Copenhagen S



177 m²



6



139 days



Save

Type: Villa

Cash price: 6,500,000

Nybolig



Strandlodsvej 18 C2
2300 Copenhagen S



127 m²



6



309 days



Save

Type: Townhouse

Cash: 4795000

Nybolig



Weidekampsgade 57 5 2
2300 Copenhagen S



79 m²



2



75 days



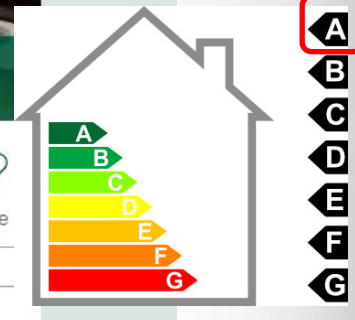
Save

Type: Condo

Cash: 3149000

Nybolig


Select
most
energy
efficient



Mandatory Energy Labeling for Buildings

Denmark requires 3rd party energy labeling of buildings upon sale or rental

www.nybolig.dk/ejerlejlighed/2300/weidekampsgade/260369/08tm0109



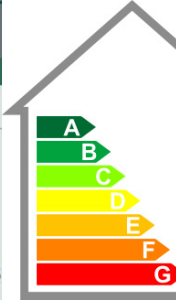
Weidekampsgade 57, 5. 2.
2300 Copenhagen S

type	Apartment
Size	79
cash price	3149000
Owner Per capita spending. md.	2,213

- > Come out and see the property
- > Make an offer
- ↓ Get the documents
- ♥ Save

Monthly energy bill:
RM1410
(DKK2213)

79 m² 2 5th floor 2006 **A** -3% 75 days



A B C D E F G

Buildings are like a Leaky Bucket



with lots of unnecessary wastages

Plug the holes, and you are well on the way to a green inexpensive buildings
that people appreciate to use

Thank You



Gregers Reimann, MD
IEN Consultants, Malaysia
gregers@ien.com.my
hp +60122755630
www.ien.com.my