



**Delta-Eko**

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### **Companies hunt for energy savings**

*Turkey has the potential to save \$5 billion in energy costs, and the firms that offer consultancy for energy efficiency are now taking action to minimize energy costs for Turkish companies. Companies can save billions of liras in energy costs if they take the necessary measure.*

Expert firms in the field of energy say Turkey and Turkish companies can drastically minimize energy costs if the country takes simple measures and makes specific investments.

Turkey has a potential for energy savings of 30 percent in households, 20 percent in industry and 15 percent in transportation, according to the General Directorate of Electrical Power Resources Survey and Development Administration, or EİE. Turkey still has not taken steps to take advantage of this potential, worth approximately \$5 billion.

Five energy efficiency consultancy companies that were authorized to provide energy savings under a 2007 law are having difficulty tapping into the economy's potential. These companies have problems finding customers, company officials said.

At present, businesses are "ignorant and insensitive," and audits are inadequate, they said, warning that each passing day works against the businesses. They can enable 10 to 40 percent savings to the companies through surveys. Moreover, if a company reduces its energy density at least by 10 percent within three years, the government will cover a portion of its energy cost.

In order to produce \$1,000 in gross national product, Turkey spends the energy equivalent of approximately 400 liters of oil. This amount is 200 liters on average in Organization for Economic Cooperation and Development, or OECD, countries, and 100 liters in Japan and Denmark. Turkey's energy density, which is measured by dividing the country's annual primary energy consumption by its GNP, is two times that of OECD countries and four-fold Japan's.

According to data from the Chamber of Mechanical Engineers, Turkey's primary energy consumption has risen 35 percent and its electric energy consumption has increased 43 percent within the last five years. Over the period, the country's dependence on foreign markets in energy has reached 75 percent. In fact, if the energy is used efficiently, energy costs can drop by 8 to 50 percent in the manufacturing industry.

### **Various services offered**

Among the certified energy saving consultancy firms, four are located in Istanbul and Ankara while one is in the southern city of Antalya. According to sector representatives, Turkey can have 15 to 20 energy efficiency consultancy firms. There are 46 companies operating in this field in the United States. These companies conduct consultancy operations mainly in buildings and industrial enterprises. They offer energy manager trainings, studies and development on efficiency and prepare projects accordingly. They also provide support for application process.

An energy efficiency consultancy firm guarantees at least 10 percent of savings upon entering a building as the enterprises in the country are rather ignorant about energy efficiency, said Arif Künar, managing director of EDSM Enerji. If the company approves making the necessary investments following the surveys, the savings can reach 40 percent. Citing a ceramics factory as an example, Künar said: "This company consumes one per 1,000 of the country's electricity and 1 percent of its natural gas. Even a 1 percentage point saving at this factory can mean high value."



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Meanwhile, Özkan Helvacioğlu, managing director of VET Enerji, said hotels in the Antalya region, which has an electricity consumption volume of 700,000-800,000 Turkish Liras a month, may attain up to 300,000 liras worth of savings if they invest in the correct areas.

Around the world, energy efficiency consultancy firms receive a 10 to 15 percent share of the savings. But that is not the case in Turkey.

"The energy performance contract implementation may start after 2010," said Künar. If the companies did receive a share of the savings, they may reach revenues of up to \$500 million, he said, adding that they are now trying to be content with research and development and efficiency-boosting projects.

The firms also offer training for energy managers. The research and development activities may cost 30,000 euros, while energy mapping operations could cost as much as 40,000 euros. Accordingly, investments may range between 200,000 euros and 2 million euros. The reason for such high prices is that many buildings and enterprises in Turkey still use old technologies.

According to a report prepared by Sermin Onaylıgil, Ebru Acuner Meylani and Abdurrahman Satman from the Institute of Energy at Istanbul Technical University, there are many obstacles before energy efficiency consultancy applications. These include financing, market risks, raising awareness, management, reliability, credit facility, government policies and taxation.

### **French firm to join Nabucco rival project**

French electricity utility EDF is in talks to take part in Russia's planned South Stream gas pipeline to Europe, seen as a rival to the EU-led Nabucco project, the Kommersant daily reported on Monday.

It cited a Russian government source as saying Russian gas export monopoly Gazprom and EDF "would soon sign a memorandum of cooperation."

"A week ago, it was drafted in full," he was quoted as saying.

Under the deal, EDF would receive more than a 10 percent stake in the Russian-Italian South Stream project, Kommersant cited another government source close to the negotiations as saying.

"The document provides for cooperation on a wide range of issues, most importantly EDF will receive a 10 percent stake in South Stream in exchange for a long-term accord for gas supplies to its power plants via the pipeline," Agence France-Presse quoted the official as telling the newspaper.

The agreement may be signed by the end of the month when Gazprom chief executive Alexei Miller is due in France, he added.

South Stream, in which Italian energy group ENI is Gazprom's main partner, would run under the Black Sea from Russia to Bulgaria where it will branch north-west via Serbia to Austria and South to Italy and Greece.

It is seen as a rival project the EU-led Nabucco pipeline, which is intended to bring Caspian Sea gas to Europe via Turkey, Greece, Bulgaria, Romania, Hungary.

The report came as French Prime Minister Francois Fillon visited Russia this week, with France's participation in South Stream and another gas pipeline project Nord Stream topping his talks with Prime Minister Vladimir Putin on Monday, the paper reported.

The French energy group GDF Suez is currently eyeing participation in the Nord Stream pipeline, in which German groups BASF and EON have teamed up with Gazprom, to build a link under the Baltic Sea from Russia to Germany.

Meanwhile, the Moscow Times reported on Monday that the Kremlin sees in Turkey the potential to become a major energy partner.



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Russian Prime Minister Vladimir Putin told the members of a think tank on Friday that Turkey may become the “main transit country” in energy, taking the place of the Ukraine, according to the newspaper.

*Source: [www.hurriyetdailynews.com](http://www.hurriyetdailynews.com)*