

## Terms of Reference (TOR)

### **Energy efficiency and environment Market (EEEM) Expert for the Project: “Policy Reforms and Market Transformation of the Energy Efficient Buildings Sector of the I.R. Iran Project”**

Interested applicants should directly send their CV and Cover letter to email address: [eeeb.ceee@isti.ir](mailto:eeeb.ceee@isti.ir).

**Date of Advertisement:** 4 until 18 August 2019  
**Closing Date:** 18 August 2019

**Please make sure you will mention the applied position in the subject line of your email.**

Short-listed candidates will be invited for Interview.

**Position:** Energy efficiency and environment market (EEEM) expert  
**Location:** Project Office - Tehran  
**Post Level:** Expert  
**Type of Contract:** Individual Contract  
**Languages Required:** Farsi, English  
**Duration of Initial Contract:** 12 months (after a three-month Probation period) with possibility of extension

### **Background**

The objective of this project is to transform the energy efficiency in buildings in Iran, resulting in an invigorated sector in which skilled and well-trained engineers fit / retrofit efficient and low carbon heating systems in residences and other buildings, as required by demanding, well enforced building codes - thereby reducing energy bills for residents and national GHG emissions. It is envisaged that this will be achieved by (i) reviewing the legislative, policy and regulatory frameworks that impact building efficiency in Iran; revisiting the building code and products standards and labels and developing a supportive cross-sectoral energy efficiency strategy; enhancing professional infrastructure of energy service business through contributing to the development of a training system and smart maintenance of energy utility in buildings (ii) developing demonstration and pilot smart energy efficiency and environment building based on energy efficient and renewable energy measures in an existing demonstration building; implementing pilot project of hybrid energy efficiency system (hybrid of fossil and renewable energy sources) in specific and selected buildings, piloting of energy service business in the framework of market transformation,

and (iii) transforming the market by: introducing mechanisms of competitive energy efficiency and environment market, utilization of sectoral and temporal energy price differentials, facilitating trade of white certificates (energy efficiency and environment), developing policy framework for promoting energy service and energy efficiency business, identifying and formulating mechanisms for promoting development and diffusion of energy efficient technologies, preparing procedures for developing infrastructures for training energy service professionals and issuing professional certificates, developing a system of quality assurance of energy efficiency and environmental quality services in the building sector, developing a stakeholder awareness-raising campaign and developing proposals for financing mechanisms for households.

The project will operate through three main components:

- Component 1 Key laws, policies, strategies, regulatory documents, frameworks and studies are proposed and in place to provide overall national direction for the cost-effective CO<sub>2</sub> mitigation/building EEE measures and facilitation of cross-sectoral coordination and coherence for improved enforcement of building energy code.
- Component 2 Improved heating systems and integration of SWH systems in privately owned residential buildings and government-owned buildings demonstrated through implementation of 200 pilot projects
- Component 3 MEEE promoting ESCOs to nationwide transformation of construction techniques for a thermally insulated building shell and reduced heating loads as well as improved behavior and attitude of building owners and administrators towards energy use in buildings

The component 1 will provide conducive legal framework and set minimum technical requirements for energy performance of buildings. It will also develop and establish a compliance enforcement system for buildings energy code based on building 'energy passport' or 'energy performance certificates'<sup>1</sup>, and supported by reference laboratory for testing the materials and equipment efficiencies. It will also provide a legal and institutional framework for market for energy efficiency and environment market (MEEE) where 'white certificates'<sup>2</sup> will be traded. The key supportive tool for compliance enforcement and EEE market operation will be developed as well as a web-based IT platform referred to as 'Energy Management Information System' (EMIS).

The component 2 will develop and test operational procedures for implementing building improvements through application of appropriate technologies, production of white certificates, operationalization of EMIS, development and implementation of measurement and verification (M&V) procedures, and along

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<sup>1</sup> Building's Energy Passport (BEP) or buildings Energy Performance Certificate (EPC) are documents produced by accredited parties clearly declaring whether or not a building complies with building energy code requirements

<sup>2</sup> White certificates are tradeable documents which are based on confirmed and certified energy savings achieved at certain energy users and then sold on the Iran energy exchange to interested buyers

with building capacity of all involved stakeholders and created a training program for rolling out the capacity building required for MEEE operation and EE market transformation.

The component 3 will among the other outcomes develop and run a multi-year multi-channel public media promotion and awareness campaign aiming at changing attitude towards energy use and creating motivation for improving energy efficiency by the public at large at their homes and places of work.

### **Market for Energy efficiency and environment (MEEE)**

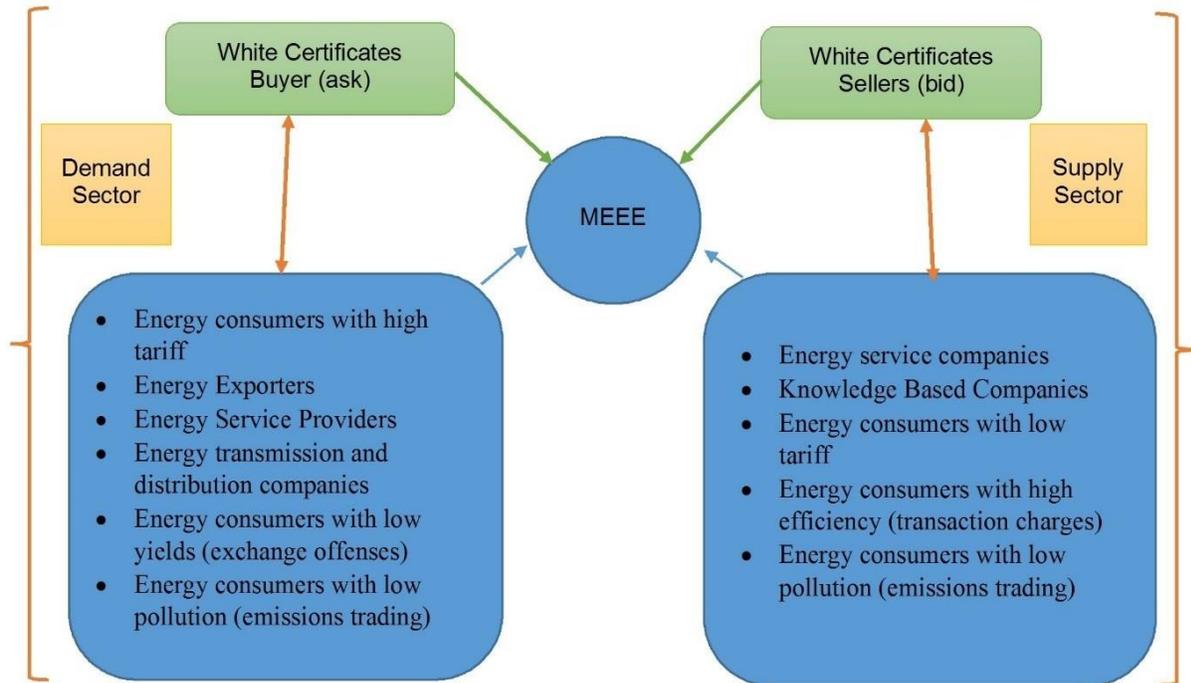
Based on the **Article 12 of the Law on Elimination of Barriers to Competitiveness and Promoting Financial System**, and on **The Law on Energy Consumption Pattern Reform**, the VPST has prepared a policy document for creation of a Market for Energy Efficiency and Environment (MEEE) as specific segment which is supposed to operate within the framework of Iran Energy Exchange Market (IRENEX) laws and regulations. This document was submitted to the Iran supreme energy council for approval which is expected to be granted shortly.

The key tradeable papers which would be traded on the market are white certificates. White certificates are securities that represent ownership of a certain amount of specific energy carrier saved over a specified period of time. These certificates will be prepared by energy service companies and when independently verified, these will be issued by MEEE Regulator body and could be tradable in MEEE (*Figure1*).

**MEEE Participants** are foreseen to be Energy consumers, ESCOs, knowledge-based companies, Energy service providers and distributors, Energy export companies and all private companies in energy sector. MEEE function and performance is based on difference between the price of energy carriers in for different categories of energy users, and on the difference between the domestic and export price of energy carriers.

**Regulatory Body** consists of IFCO, SATBA and DOE as a legal entity that has received a license from Tehran Security and Exchange Office (SEO) authorized to issue white certificate by:

- Regulating the relationship between the actors in MEEE
- Confirm the energy savings over a period of time
- Technical supervision of market actors



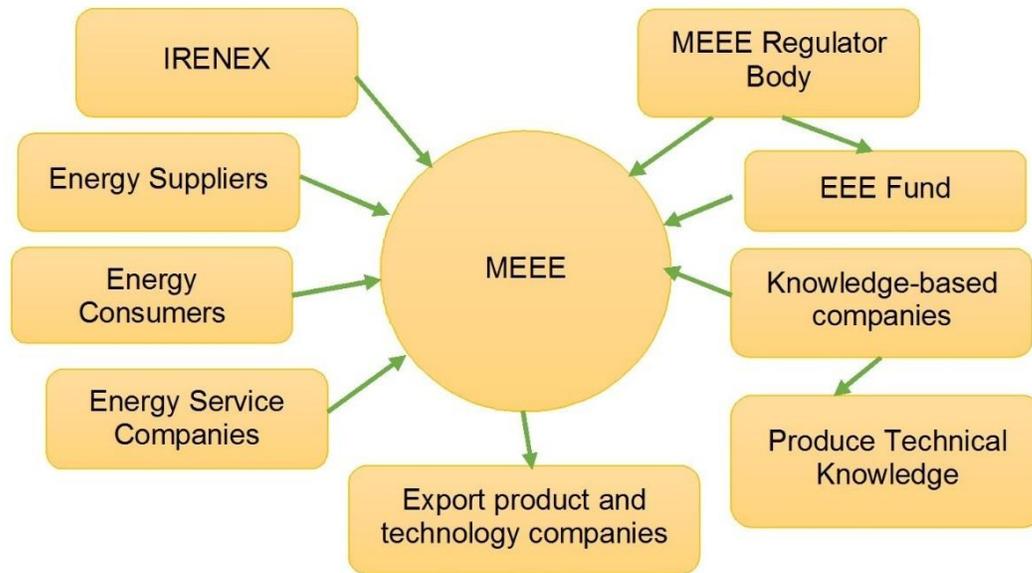
*Figure 1: MEEE supply and demand mechanism*

Creation of MEEE is a cornerstone of government policy for transforming the market on energy efficiency for improving performance of energy use in buildings. The markets will involve variety of stakeholders (Figure 2), and within the component 1 the market rules and regulation will be established, and operational procedures defined.

The key concept is that energy service companies (ESCOs) will carry out energy efficiency improvement projects at interested end users on a turnkey approach – providing full technical and financial services at no cost to an end user.

In return, ESCO will receive the rights to sell the savings achieved on the open market – MEEE. That will be accomplished via the white certificates approach. White certificates will be issued by an authorized organization against independently verified savings achieved by a particular project implemented by an ESCO.

The whole process of achieving and verifying savings and issuing white certificates will be supported by EMIS. Once white certificates are issued, they will be traded within IRANEX where trading mechanisms and platforms are already developed.



*Figure 1: MEEE actors and stakeholders*

The mandated national competent body should be responsible party for the energy certification process, market making and oversight. Certificates are issued against verified energy savings, and then traded or cancelled in accounts residing in central registries. The most important part of certificates trading system is the central registry, where the certificates are issued, traded and cancelled. The central registry is also used to track the ownership of certificates. The registry provides central banking services under the supervision of a competent body or issuing body responsible for the functioning of the market. Market participants are required to open an account in the central registry in order to register savings, own certificates and perform transactions.

The Project management unit (PMU) has been established with overall project management and implementation responsibilities under the leadership of National Project Manager (NPM).

Within this framework, the UNDP - PMU seeks services of an expert who will provide technical and professional inputs and expertise related to establishment of a functional MEEE.

The EEEM expert will need to study legal and institutional framework for establishment and operation of a trading system with White certificates, tailor made to Iran conditions.

## **Main Purpose**

Under overall supervision of the National Project Director (NPD) the EEEM Expert will report to the National Project Manager (NPM) and be responsible for establishment of an operational market place where White Certificates resulting from implementation of demonstration projects in selected buildings will be traded. The EEEM expert will help to ensure the implementation of MEEE mechanisms as well as establishment of sustainable financial schemes in accordance with annual work plans.

The work will be supervised and supported by the National Project Manager (NPM) and Deputy of National Project Manager (DNPM).

## **Detailed responsibilities:**

- Develop Stakeholder Map and carry out discussions with Policy Makers about their responsibilities in EEEB and MEEE
- Develop the institutional and market mechanism considering EEEB scheme to develop MEEE
- Define a regulatory body for implementing in MEEE
  - Defining roles and responsibilities of the regulatory body for MEEE oversight
  - Proposing operational procedures for the regulator's body
  - Defining data, information and IT support needed by the regulator in order to carry out its intended responsibilities
  - Facilitating establishment of a regulatory body
- Introduce financial incentives and possible supplementary financial scheme for signing MOU with other financial institution
- Develop practical procedures for MEEE regulators market supervision
- Conduct of a detailed study on the monitoring system for operation of white certificate trading in MEEE inclusive of database
- Monitoring and Evaluation of MEEE:
  - Monthly report of MEEE market registration based on EMIS and M&E toolkit develop by MEEE specialist;
  - Creating linkages with results frameworks of other energy/impact investment initiatives;
  - Updating the monitoring and evaluation strategy and toolkit contributing to MEEE evaluations;
  - Providing timely technical advice to users of the MEEE;
- Prepare Monthly Status Report, Quarterly Progress Reports and deliver relevant presentations and documents (minutes of meetings), problems and challenges, best practices, lessons learned and success stories (In Persian and English);
- Support any other activities requested by NPM.

## **Qualifications**

- Master's degree in energy economics, finance or other relevant fields;
- At least 3 years of experience in banking sector, stock, marketing and financial markets operation;
- At least 3 years of experience in investment projects appraisal, financing and monitoring;
- Familiar with energy exchange, energy efficiency policies and programs for buildings;
- Proficient computer-based skills, including Microsoft Office and databases;
- Excellent inter-personal, communication, networking and negotiating skills;
- International experience is an advantage;
- Fluent English-language speaking and writing skills;

Note: All interested applicants should send their CV along with a Cover Letter to the following email address: [eeeb.ceee@isti.ir](mailto:eeeb.ceee@isti.ir) , Please mention the job title in the subject of your email.