

# Market Barriers of Energy Efficiency in Iran

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Energy sector, for many years, has played the most important role in economy of Iran, so that all plans and economic activities have been affected by this sector. Despite of all attempts to decline energy role in the economy, oil revenue form %65 of whole government budget of Iran.

Nowadays, energy sector of Iran encounters with some vital problems.

- 1- Energy resources aren't infinite and finally will be finished.
- 2- The amount of oil production and its price are determined exogeneously. So, oil price shocks, can affect the economy as easy as possible.
- 3- Natural gas production and transmission need an extensive investment in this sector.
- 4- The consumption pattern of oil, natural gas and other energy products are irrational, wasteful and extravagant.
- 5- Irrational and wasteful consumption of energy have been caused environmental problems.

Considering these problems, improvement of energy efficiency is the most important way to decline the effects of these problems on economy of Iran.

Energy efficiency is ignored by the large number of actors that are shaping the energy consumption patterns in Iran. These actors are energy consumers, end-use manufacturers and providers, producers and distributors of energy carriers, actual and potential cogenerators, local/national financial institutions, government, funding/aid agencies of international and multilateral organizations of the industrialized countries. This paper tries to identify these actors and creates a typology for the various barriers that hinder to achieve better energy efficiencies at the very lowest level of the energy consumer to very highest level of the global financial agencies. Theoretically, energy efficiency could be achieved by market forces, but this would be occurred if market can operate competitively. Unfortunately market barriers do not allow the energy consumers to do efficiently. In this paper we do our best to recognize the barriers and determine how is it possible to remove them from the area of energy consumption in Iran.

**Keywords:** Energy efficiency, barriers of energy efficiency, Iran

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