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AvtoVAZ Counting on Energy Efficiency

By Roland Oliphant

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AvtoVAZ has launched three energy-saving projects focusing on heating, compressed air production and lighting at the company's factory in Togliatti. Above, an AvtoVAZ production facility. **Denis Abramov**

AvtoVAZ expects to save up to 300 million rubles ($9.4 million) through energy efficiency measures in 2012.

The savings come from three energy saving projects that the car maker has launched with EDF subsidiary Fenice Rus under energy service agreements.

The three 10-year projects focus on heating, compressed air production and lighting at the company's Togliatti factory, Maxim Grishin, an adviser to the president of the company said at a news conference Tuesday.

Grishin said the company had managed to slash electricity consumed in production of compressed air by 20 percent, and reduced heat loss by 17 percent, without needing to invest in new equipment.

Energy service contracts, which see a contractor offering energy saving services paid according to the savings made by a company over several years, are a well-established tool for funding energy saving in Europe, but are a relatively new concept to Russia.

Fenice Rus commercial director Dmitry Grigoryev said his company was currently trying to produce "propaganda" about such contracts in order to raise awareness.

"All kinds of factors affect the decision to implement such a contract. AvtoVAZ had obvious big savings to make," he said.

He added that such contracts should be especially attractive for state-sector enterprises that are bound by prior commitments to slash energy inefficiency, regardless of increases in staff or working hours.

Russia is one of the most inefficient energy consumers in the world, by some estimates annually wasting as much energy as France consumes in total.

The greatest savings are thought to be in industry, electricity generation, transmission and consumption, and the residential sectors, Dmitry Gorevoi, head of the Economic Development Ministry's section for development of electrical energy, said in a presentation Tuesday.

In 2008 then-President Dmitry Medvedev set a goal of slashing Russia's energy-consumption per unit of GDP by 40 percent by 2020.

Meanwhile, a youth delegation at the Asia-Pacific Economic Cooperation conference in Vladivostok discussed renewable energy projects Monday.

Renewables currently account for just one percent of Russian energy production. The Energy Ministry has set a target of raising that to 4 percent.

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