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# ENERGY EFFICIENCY INDICATOR

*2011 Europe Results*





Johnson Controls

# THE ENERGY EFFICIENCY INDICATOR

**A global survey of decision makers responsible for energy use in buildings – examines trends in priorities and practices**

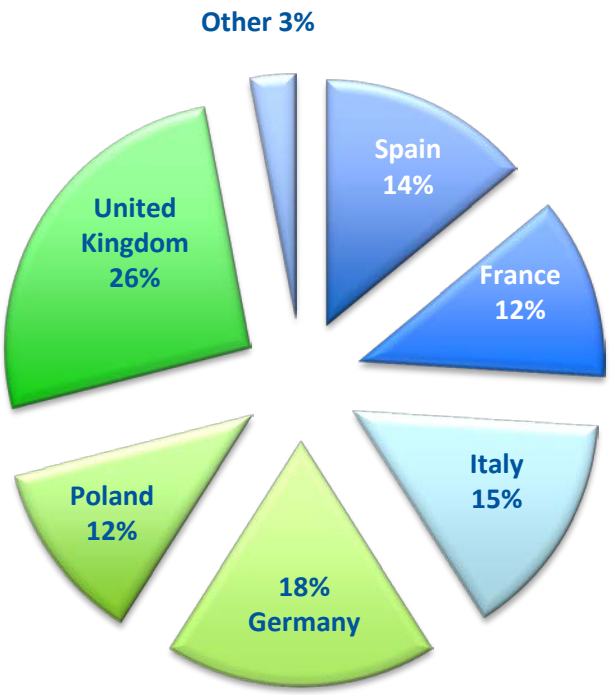
- 5th annual survey led by the Institute for Building Efficiency, with the International Facility Manager Association (IFMA) and the Urban Land Institute (ULI)

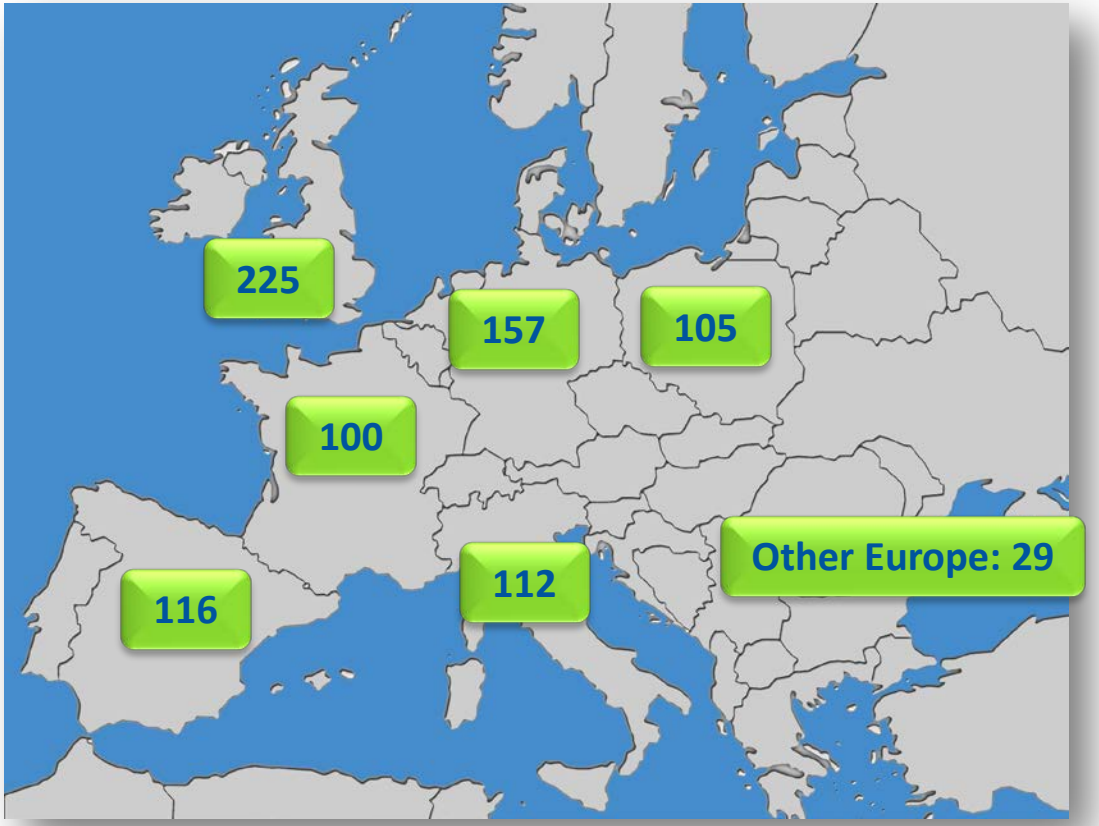
- Respondents reached through independent survey provider Survey.com and members of strategic partner organizations

- Global surveys completed during March/April 2011, reaching nearly 4,000 respondents. Global results to be released June 16, 2011

# THE EEI SURVEY IN EUROPE

*6 countries, 6 languages, 857 respondents*




Up from 746 respondents in 2010

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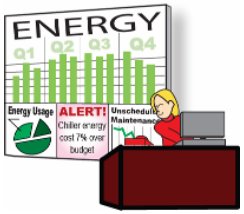
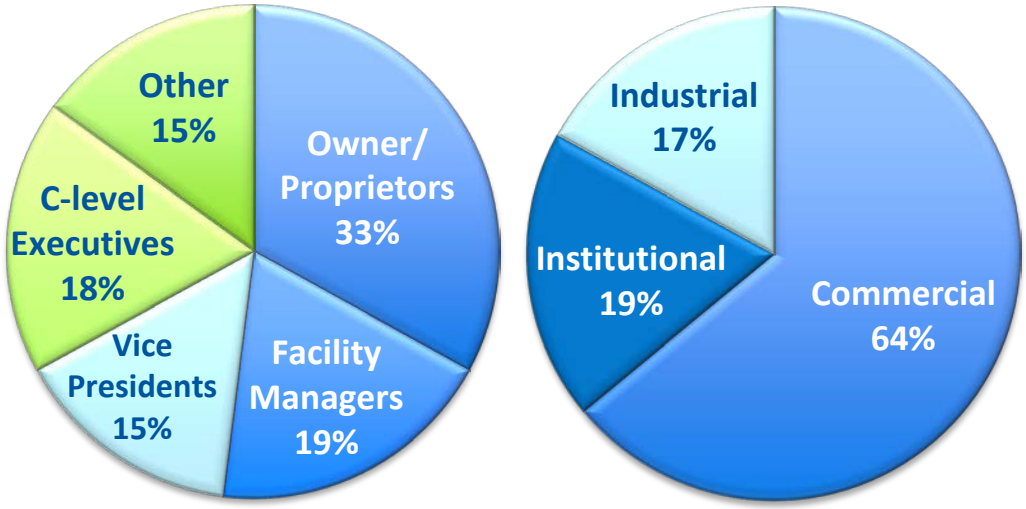
# WHO ARE THE EUROPEAN RESPONDENTS?

## Criteria:

1. Must have budget responsibility for their organization's facilities.

2. Job responsibilities must include reviewing or monitoring energy usage, and/or proposing or approving initiatives to make organization's facilities more efficient.




*Respondents by job title and sector*

**European respondents**

- 50% reported facilities are in high-density urban areas
- 69% are responsible for a single building or campus (as opposed to a nationwide portfolio)
- Evenly distributed across sectors, top industry construction/engineering (11%)

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# ENERGY EFFICIENCY MOVING FORWARD IN EUROPE

*Challenges and opportunities remain*

1. **Steady growth**

   The 2011 survey shows an increasing emphasis on managing energy, driven by market and policy conditions

2. **Energy efficiency in motion**

   Respondents are taking concrete actions to increase efficiency and government policy is making an impact on decisions.

3. **Challenges and opportunities**

   There continue to be significant barriers to pursuing energy efficiency in European buildings. Financial capital and human capital are limitations.


# ENERGY EFFICIENCY INDICATOR 2011 EUROPE RESULTS

*Steady Growth for Clean Energy*



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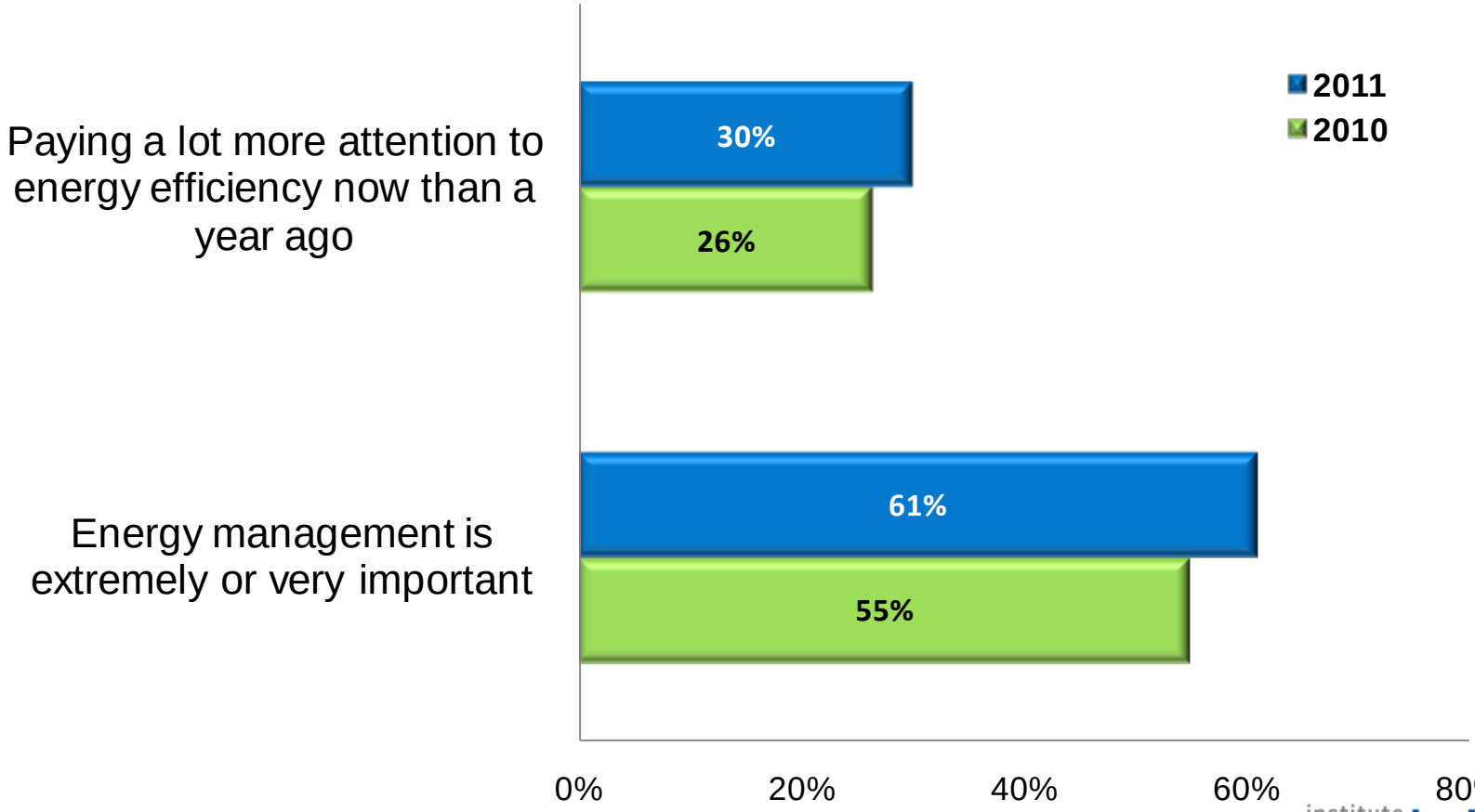
# ENERGY STEADILY GROWING IN IMPORTANCE

*Gradual increase in emphasis since 2010*

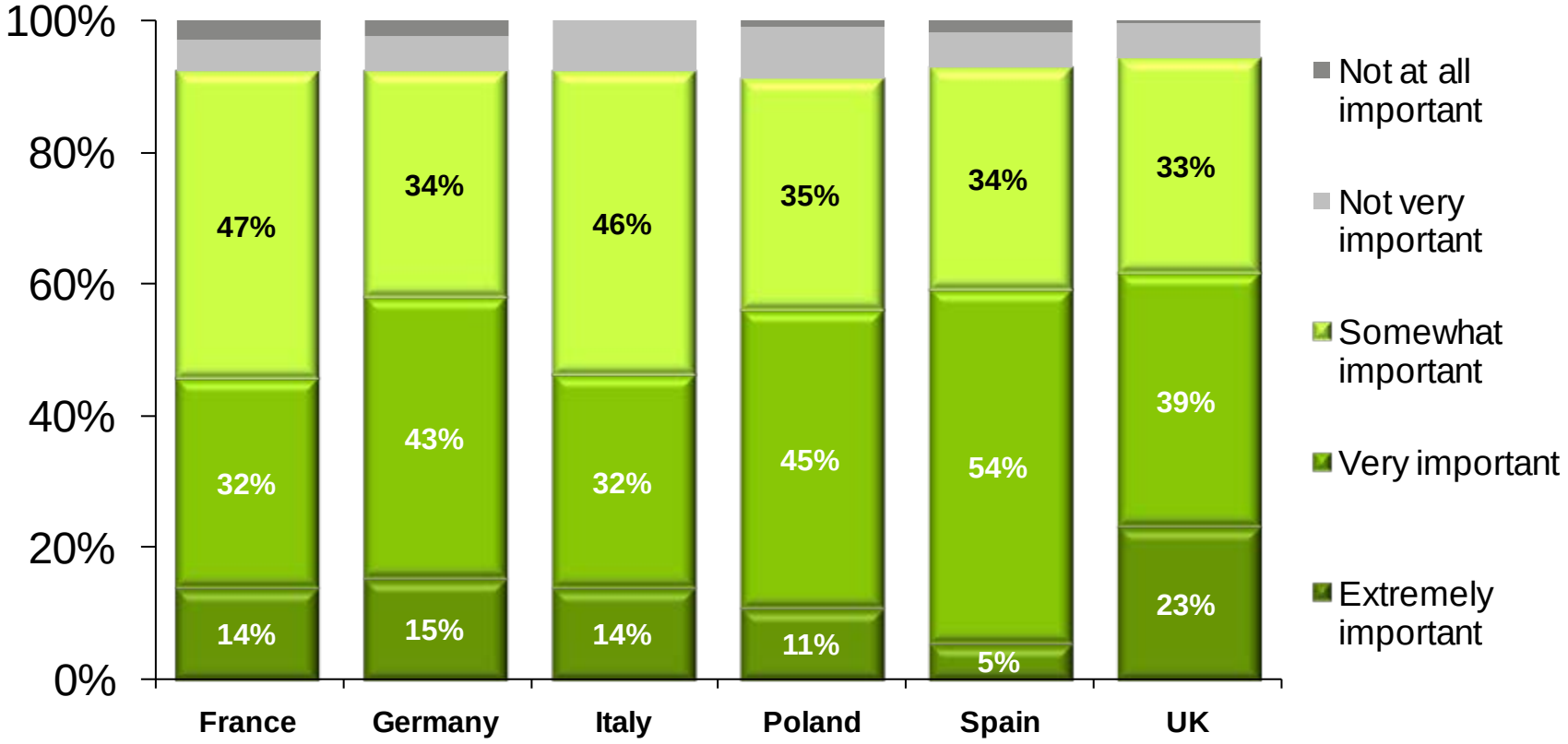
**Year-over-year trends in attention organisations are paying to energy efficiency and the importance of energy management**



# ENERGY IMPORTANT ACROSS EUROPE

*Identified as a priority in all target countries*

**How important is energy management to your company/organisation?**



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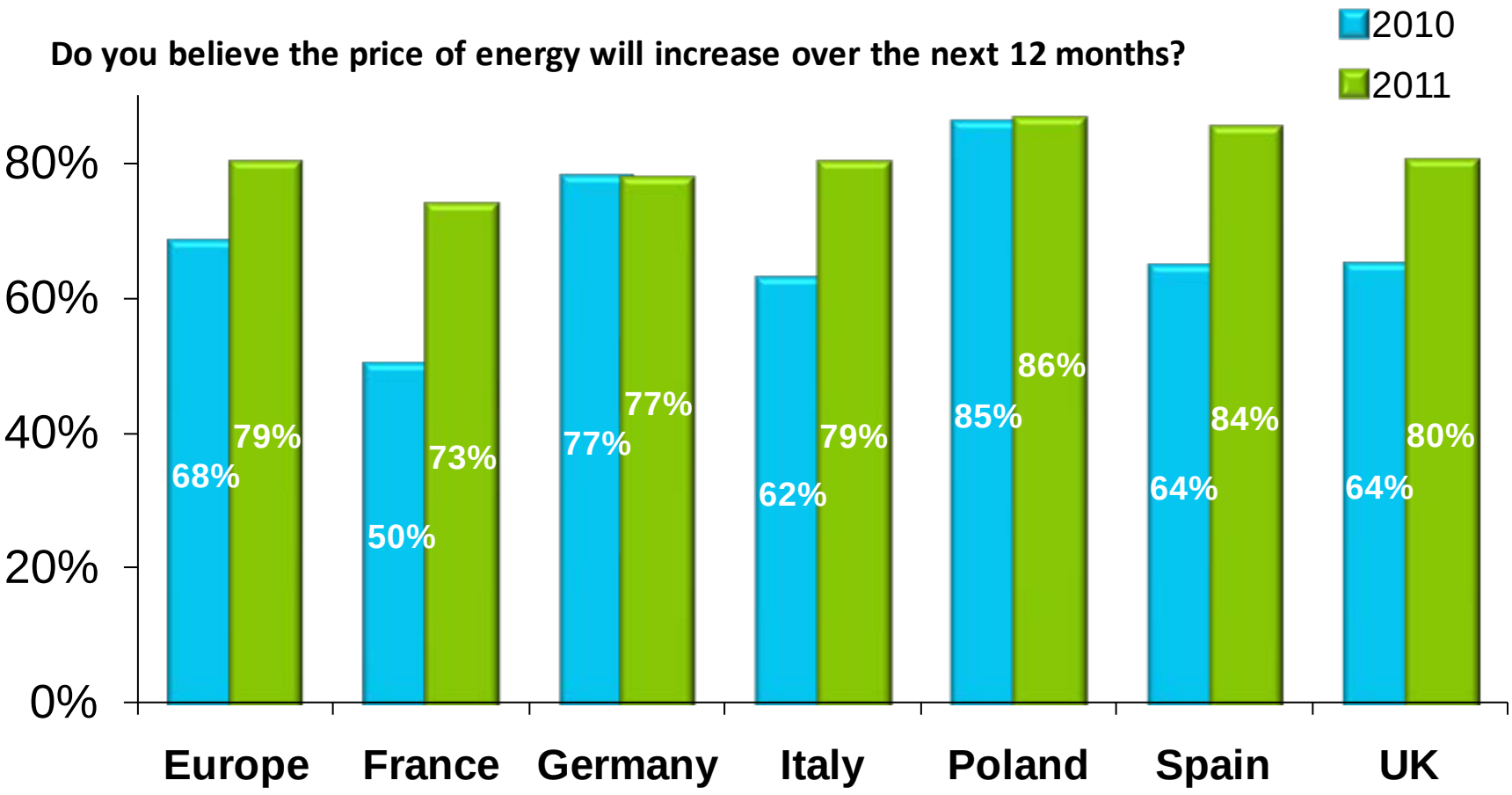
# RISING PRICES EXPECTED ACROSS EUROPE

*More expecting price increases than in 2010*



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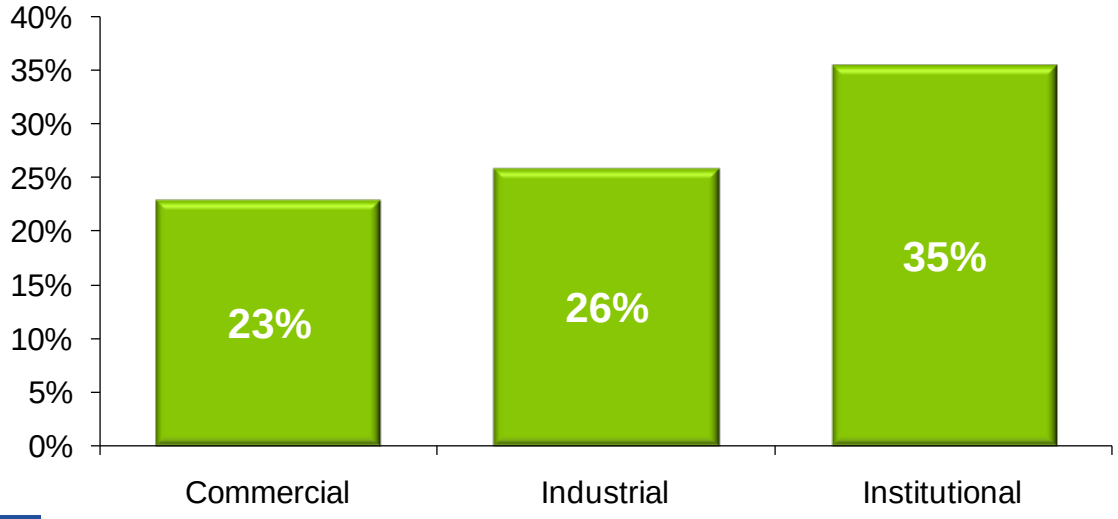
# GOAL-SETTING COMMONPLACE

*Strongest in the public/institutional sector*

| | Public goal | Internal goal | Any goal |
|---|---|---|---|
| Both energy **&** carbon | 14% | 25% | 39% |
| Either energy **or** carbon | 33% | 50% | 83% |

**Fraction of respondents with a publicly-stated carbon goal**




In the next year, European respondents' organizations plan to reduce energy use by an average of **13%**

In contrast,

**6%** say they do not plan to reduce energy use

**8%** are not seeking carbon emissions reductions



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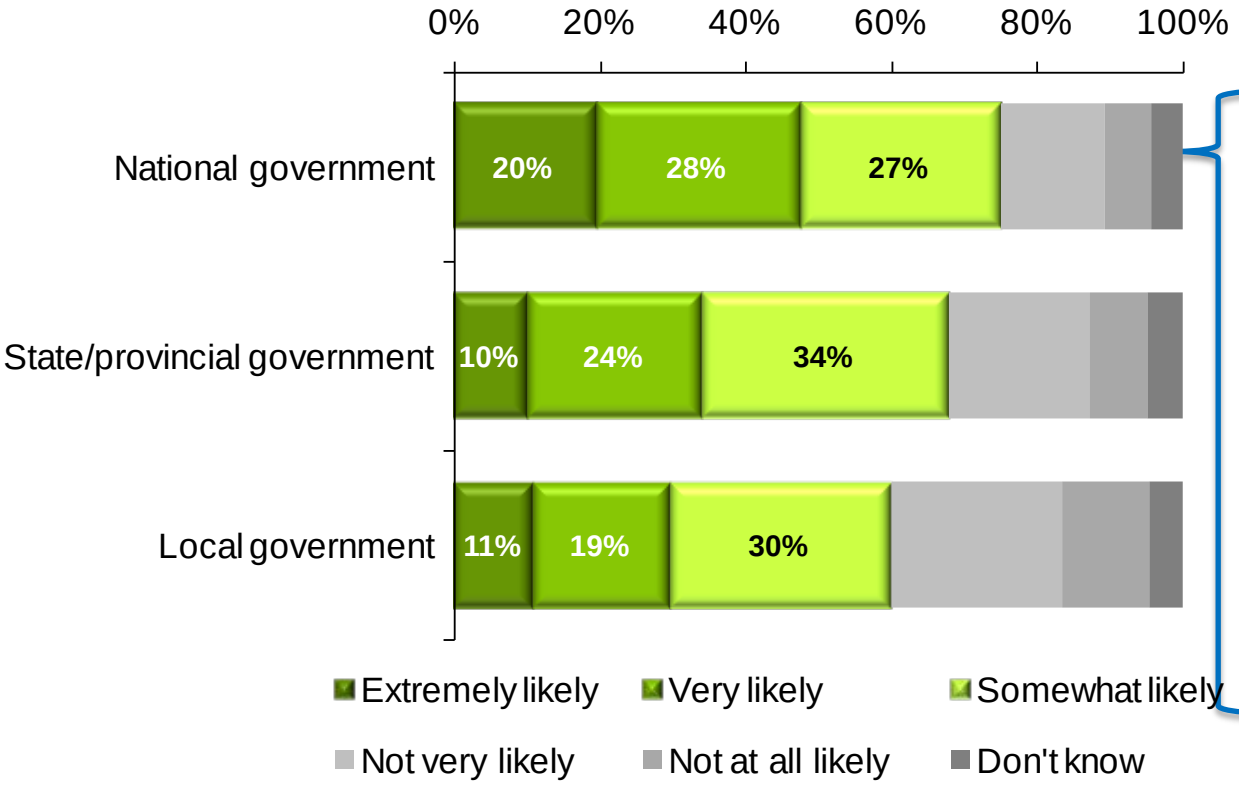
# RISING EXPECTATIONS FOR POLICY

*Most respondents looking to country governments*

**How likely is significant government policy mandating energy efficiency and/or carbon reduction within the next 2 years?**




**Expected likelihood of national policy (Extremely or very likely)**

| Country | 2011 | 2010 |
|---|---|---|
| Spain | 57% | 50% |
| UK | 56% | 55% |
| Poland | 44% | 45% |
| Germany | 44% | 43% |
| France | 42% | 37% |
| Italy | 23% | 48% |



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# ENERGY EFFICIENCY INDICATOR 2011 EUROPE RESULTS

*Energy Efficiency In Motion*

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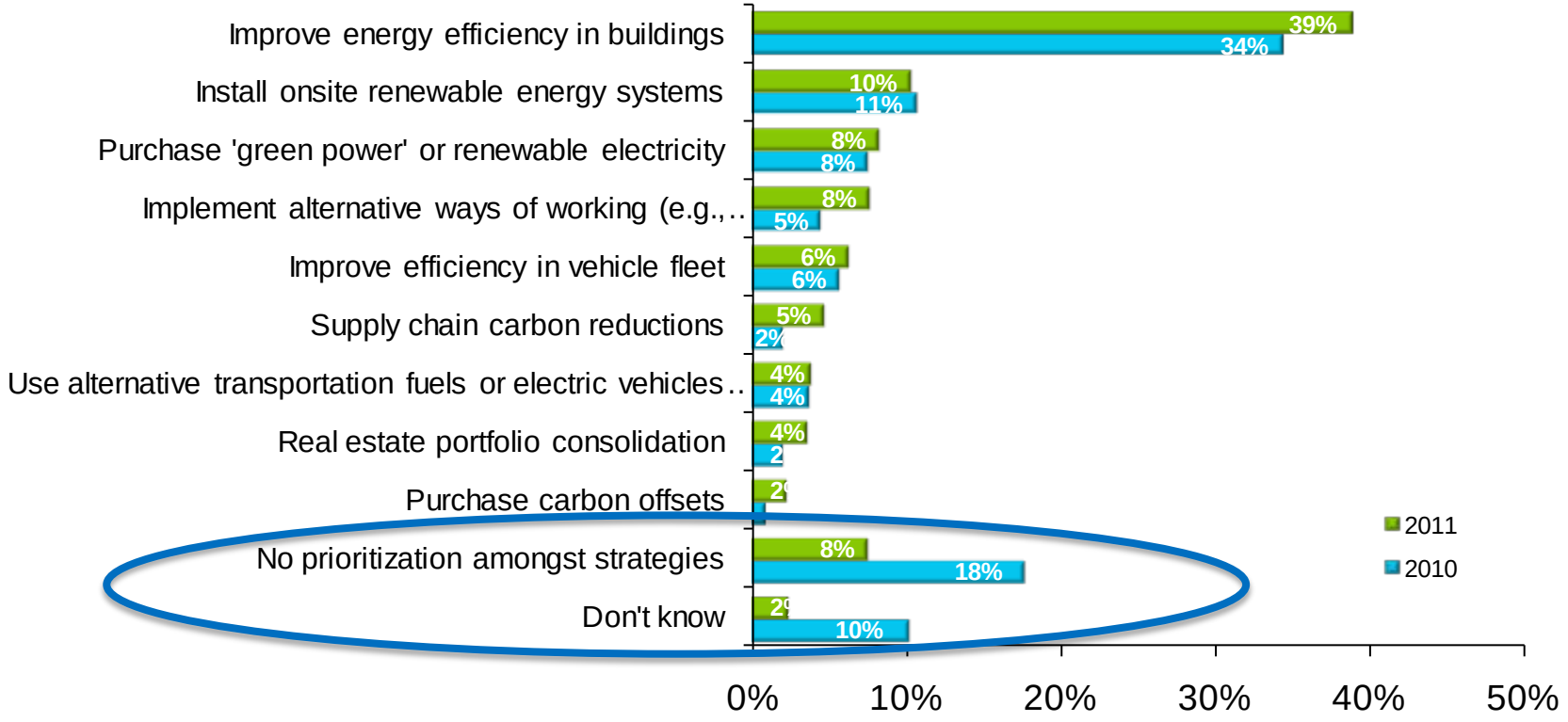
# MORE CERTAINTY AROUND GHG REDUCTION

*Energy efficiency in buildings still top strategy*

**What are your organisation's top strategies for reducing its carbon footprint?**



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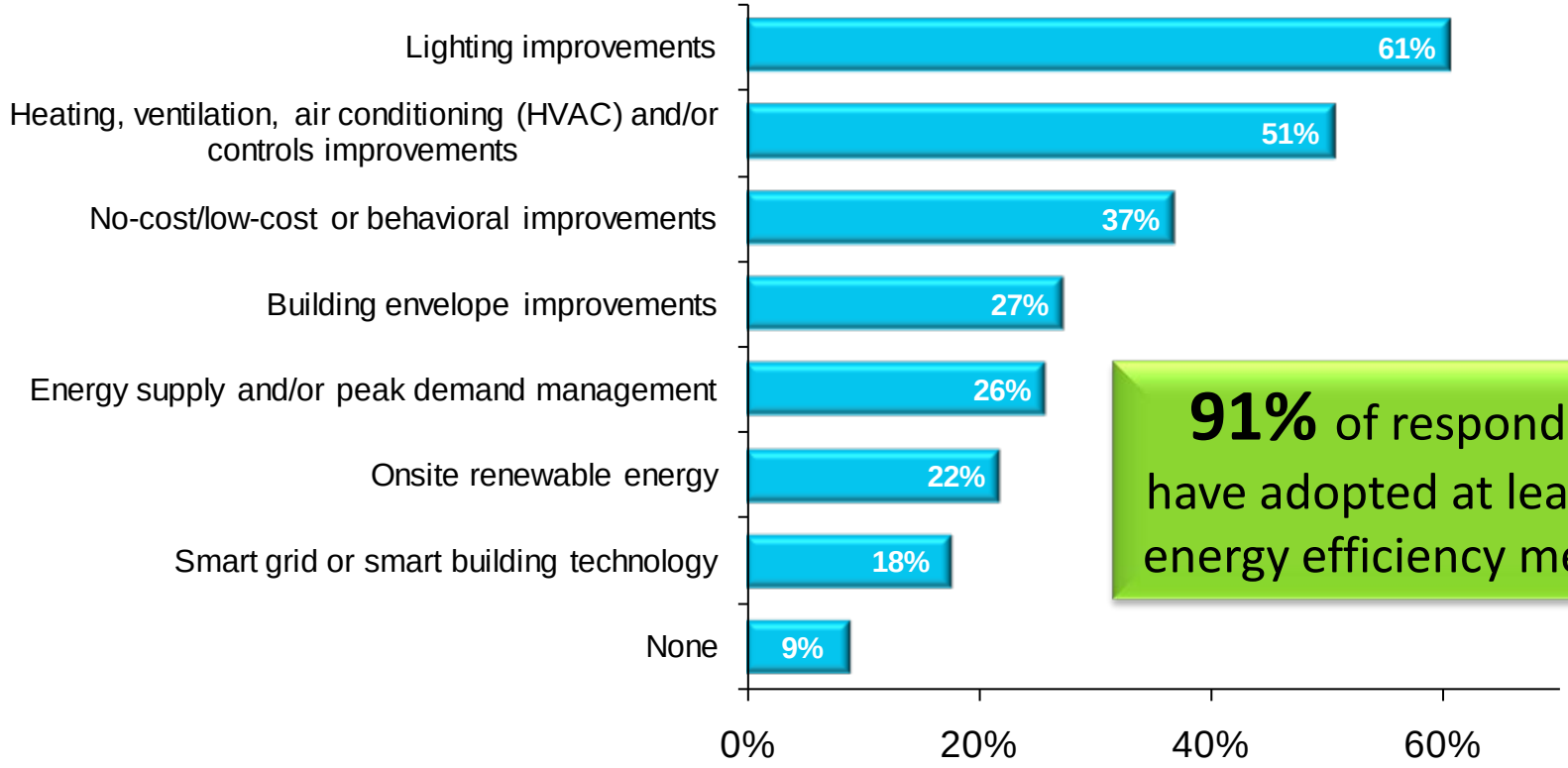
# PURSUING ALL TYPES OF EFFICIENCY

*Lighting still most common, other measures reported as well*

**Which of the following energy efficiency measures has your company/organisation adopted in the last 12 months? (Select all that apply)**




**91%** of respondents have adopted at least one energy efficiency measure

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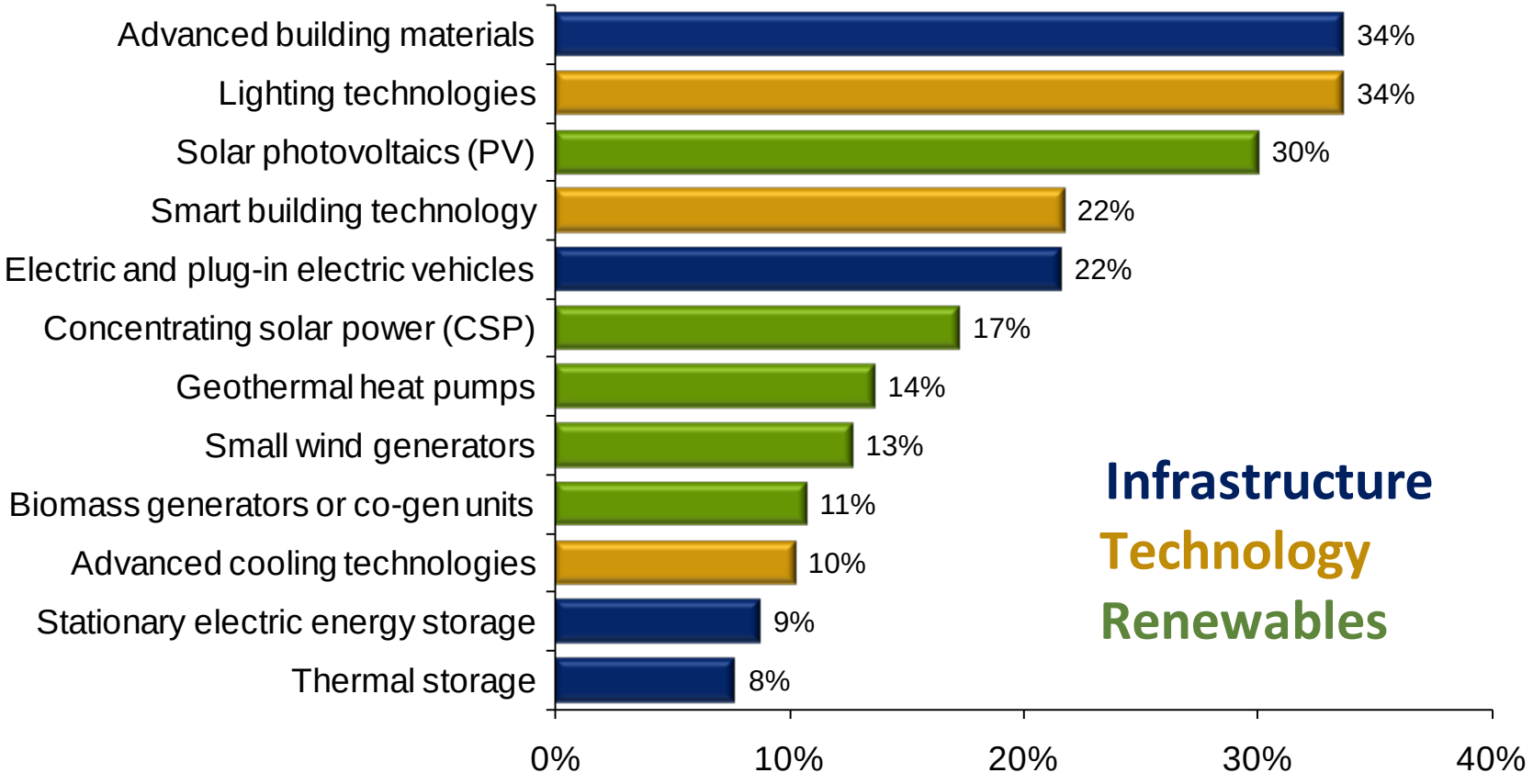
# EUROPE MOVING TO A NEW ENERGY ECONOMY

*Improvements expected across the building*

**Which of the following on-site technologies do you expect to have the greatest increase in market adoption over the next ten years? (Select up to three)**

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# CHANGING MOTIVES FOR ENERGY EFFICIENCY

*Incentives up, policy down*

**"Extremely" or "very" significant influences on energy efficiency decisions**

| Driver | 2011 Rank | 2010 Rank |
|---|---|---|
| Energy cost savings | 1 | 1 |
| Gov't/utility incentives/rebates | 2 | 6 |
| Increasing energy security | 3 | N/A |
| Greenhouse gas reduction | 4 | 2 |
| Customer attraction/retention | 5 | 4 |
| Enhanced brand or public image | 6 | 5 |
| Existing government policy | 7 | 3 |
| Pending/anticipated policy | 8 | 7 |
| Attracting, retaining employees | 9 | 9 |
| Investor reporting demands | 10 | 8 |
| Attracting, retaining tenants | 11 | 10 |

- **Cost savings** continues as dominant driver for energy efficiency
- **Government and utility incentives** rise in relative importance
- **Energy security** is a major driver
- Slight decrease in focus on **greenhouse gas emissions**

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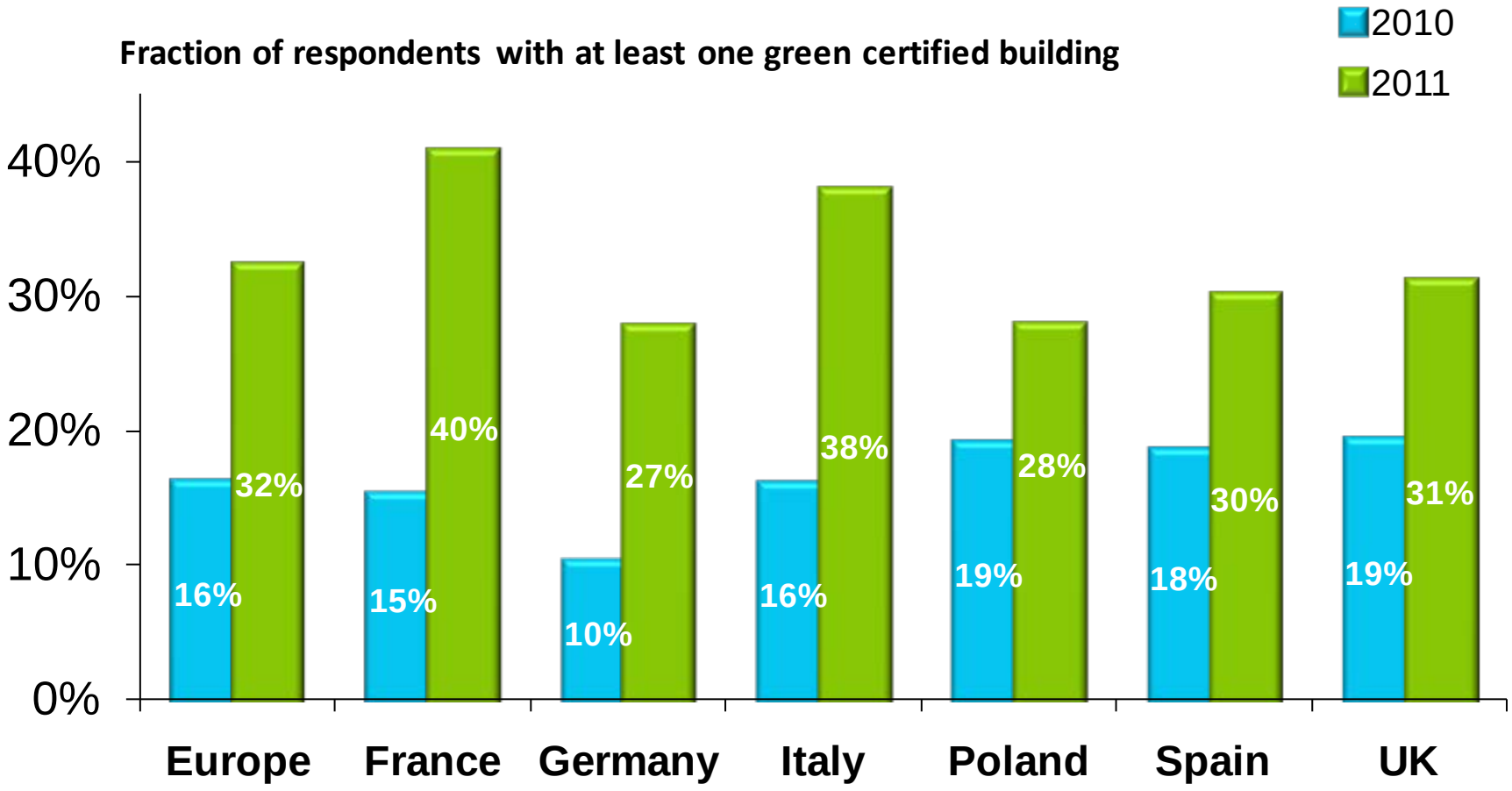
# GREEN BUILDINGS ON THE RISE

*Certification gaining momentum in all countries*




an additional **22%** have incorporated green building elements

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# ENERGY EFFICIENCY INDICATOR 2011 EUROPE RESULTS

*Challenges and Solutions*



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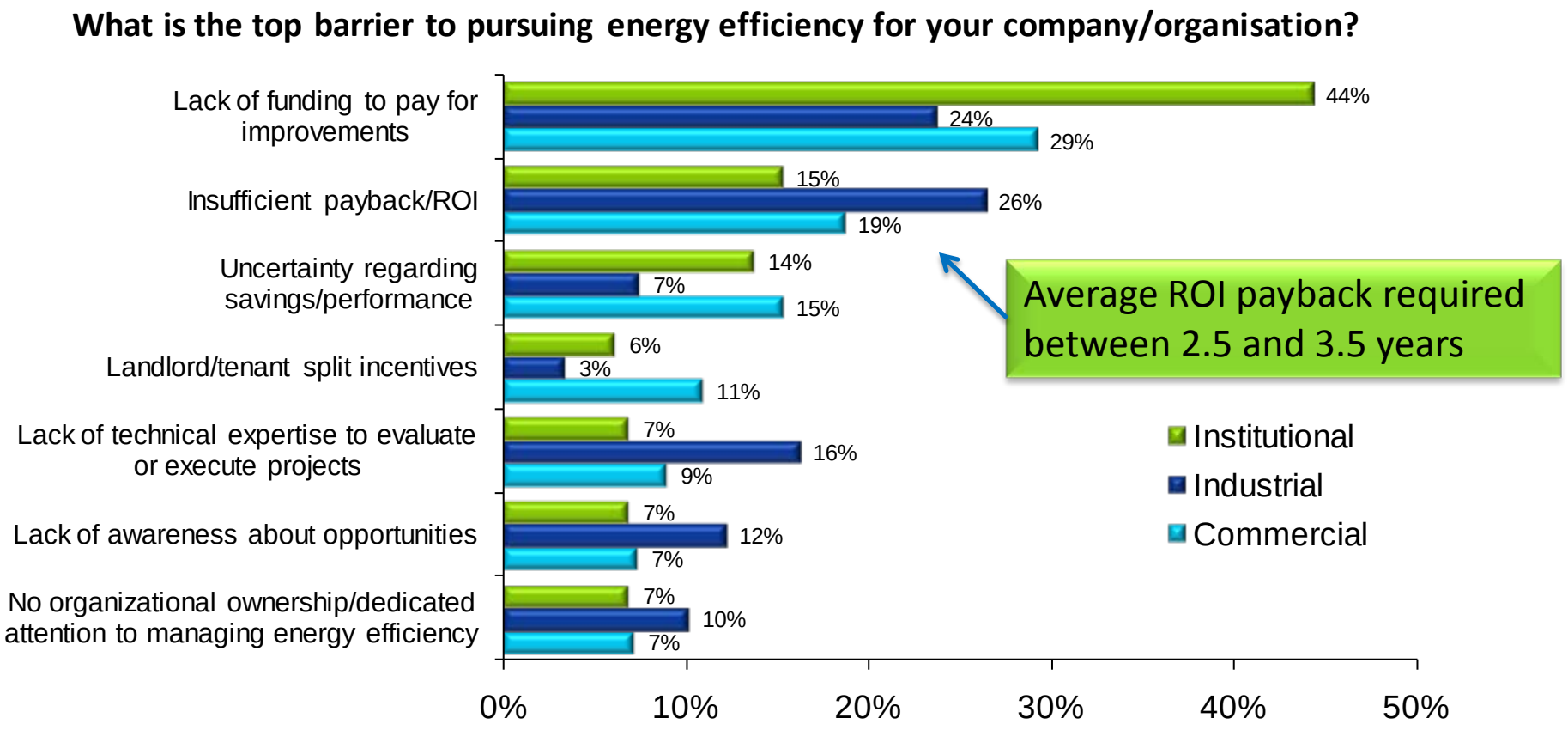
# FINANCIAL AND ORGANISATIONAL BARRIERS KEY

*Variation across sectors*



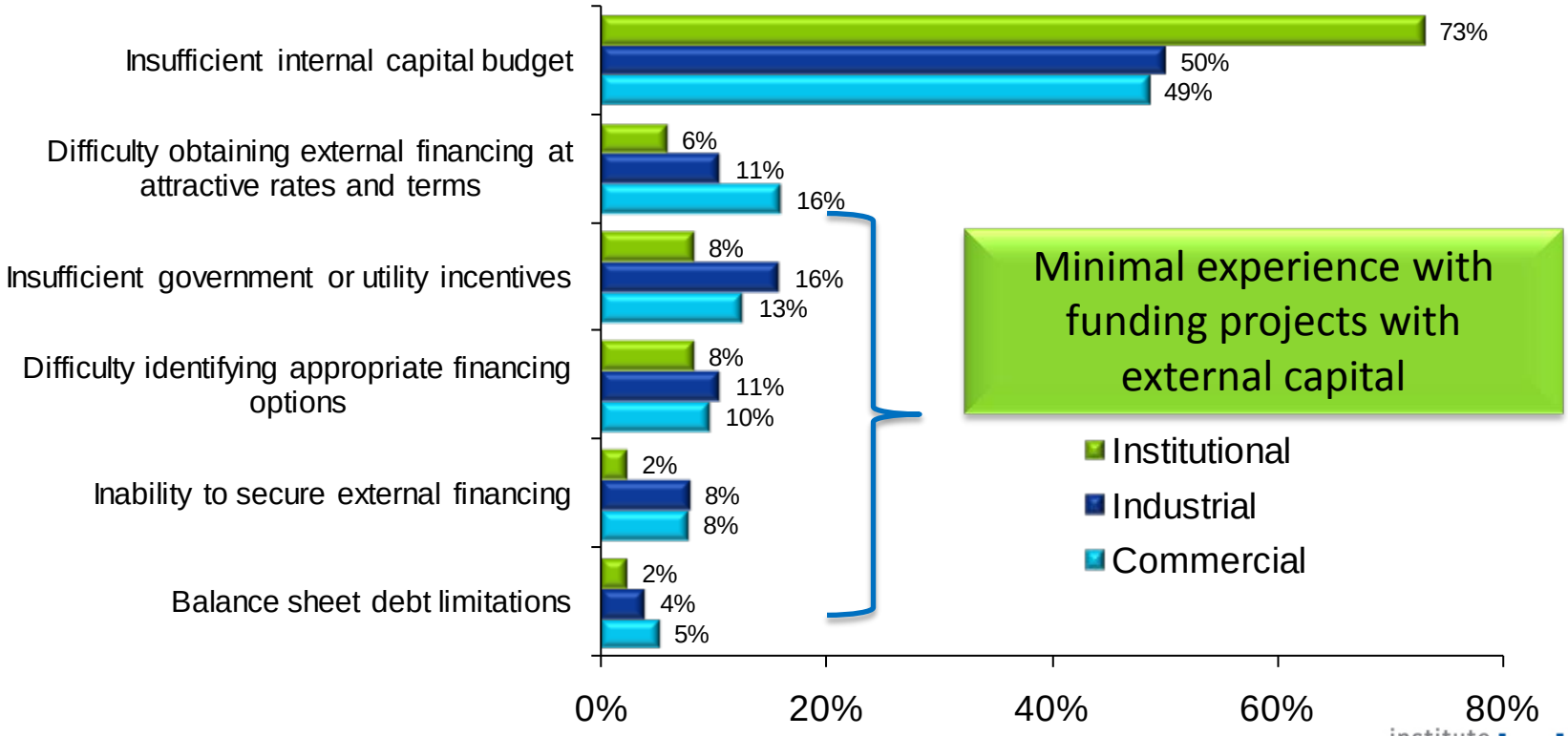

44% of European respondents report that their organization uses **Life Cycle Analysis**

# FUNDING PROJECTS IS A PROBLEM

*Majority looking to capital budget*

**45%** of respondents identify insufficient budget as a top financial barrier

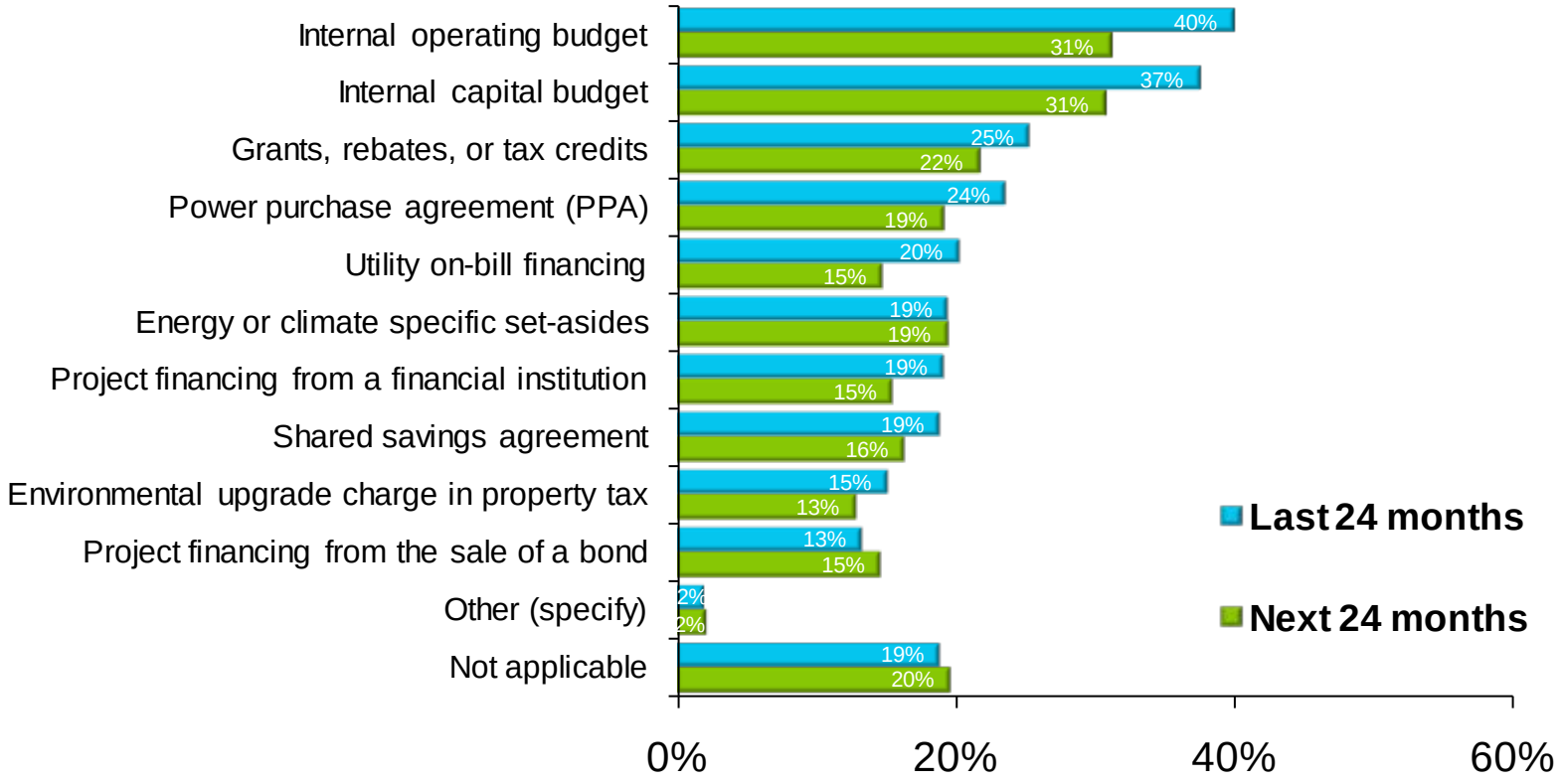
**What is the top financial barrier to pursuing energy efficiency for your company/organisation?**



# STRONG PREFERENCE FOR INTERNAL FINANCING

*Incentives common as enhancers to existing budgets*

**Which options does your organisation use to pay for energy efficiency and renewable energy projects?**



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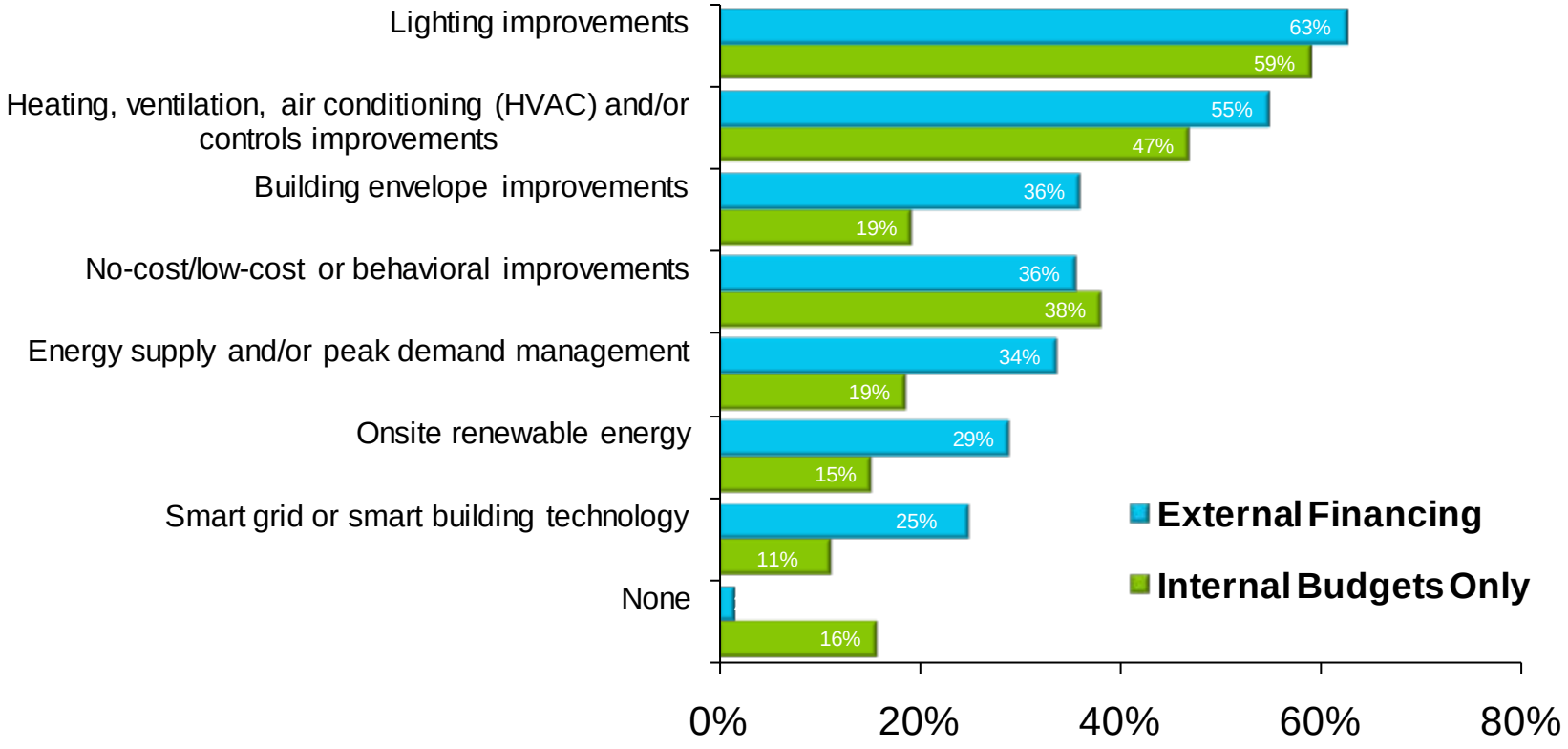
# EXTERNAL FINANCING ENABLES MORE EFFICIENCY

*Longer payback measures more common for respondents who have used external capital*

**Which of the following energy efficiency measures has your company/organisation adopted in the last 12 months? (Select all that apply)**



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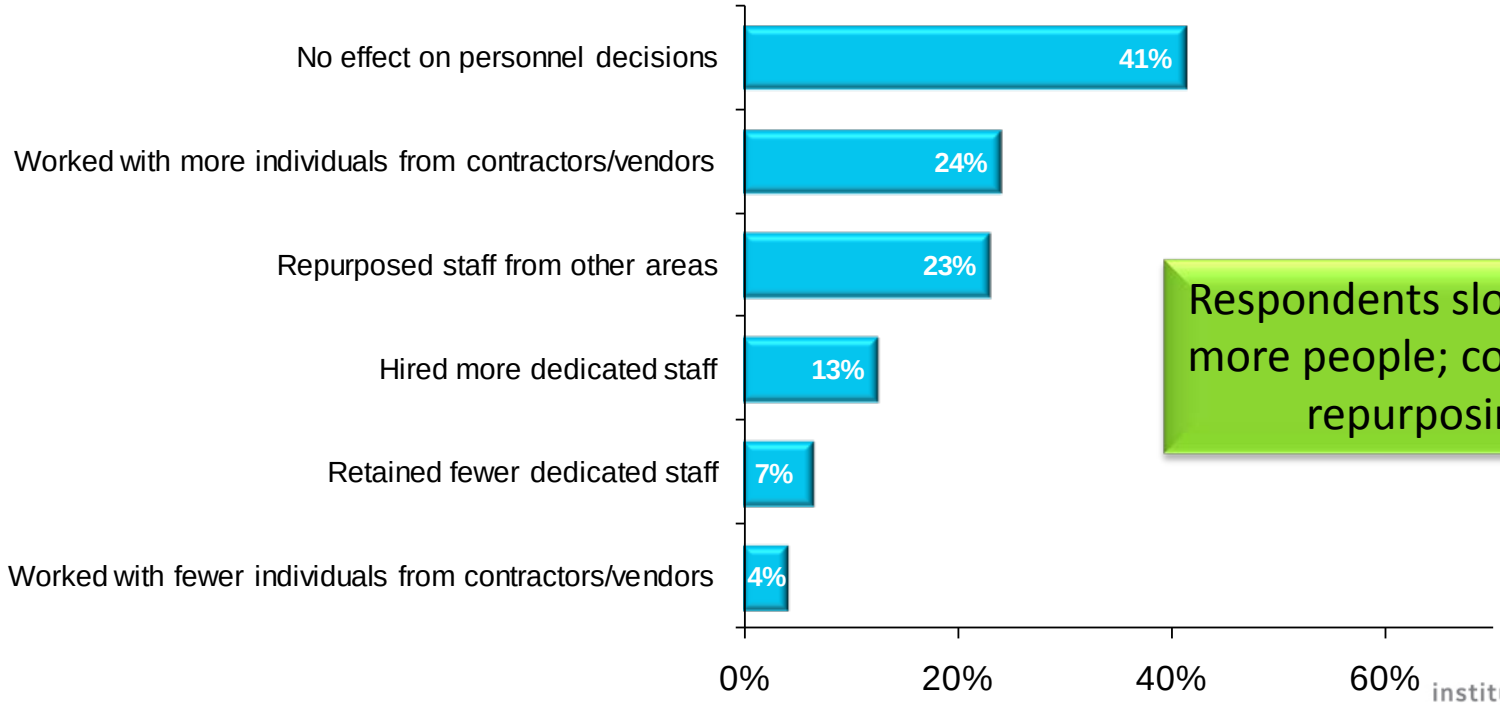
# HUMAN CAPITAL IMPORTANT AS WELL

*Respondents need people with expertise and bandwidth*

**33%** of respondents identified lack of technical expertise among the top three barriers.

**31%** of respondents reported that there is no organizational ownership for energy efficiency.

**How have energy efficiency activities at your organisation impacted personnel decisions?**

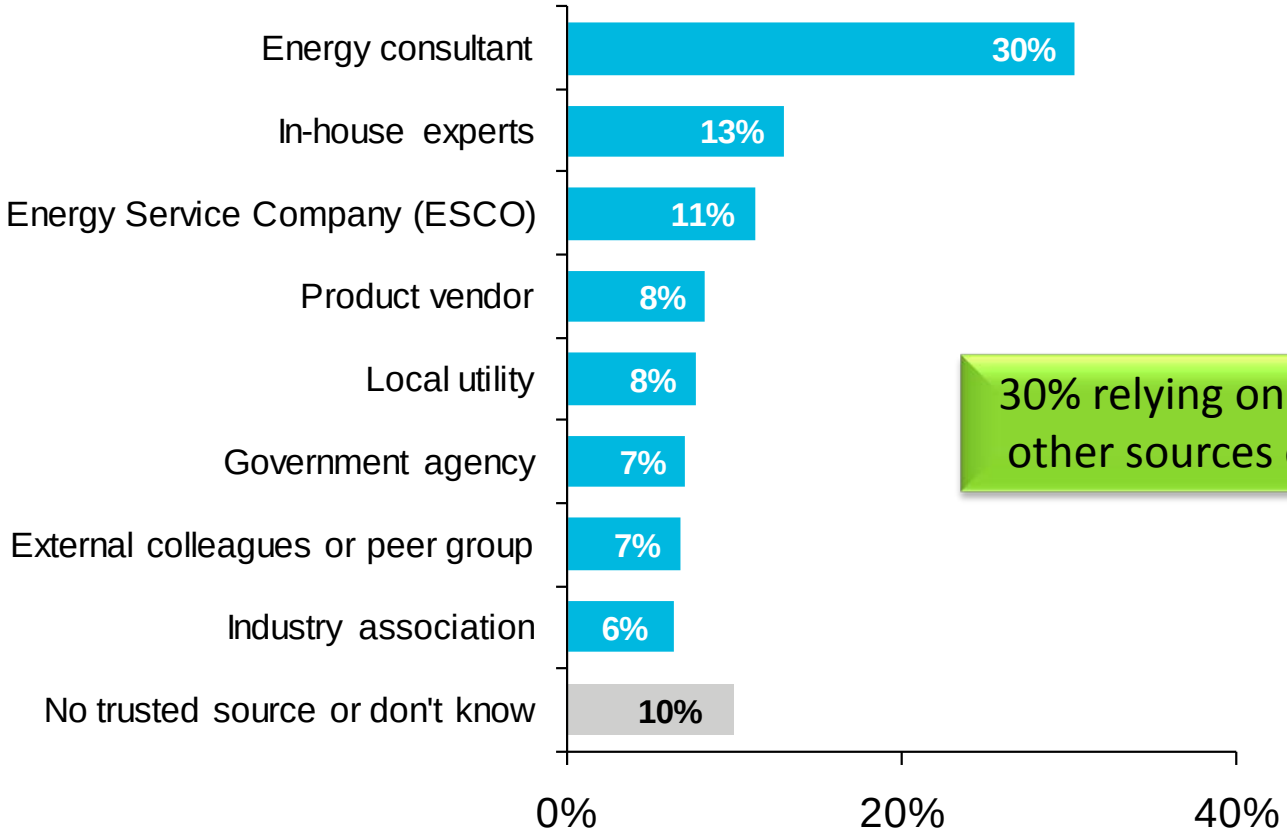



Respondents slow to invest in more people; contracting and repurposing staff.

# SOME RESPONDENTS LOOKING OUTSIDE FOR HELP

*Uncertainty around trusted source of advice*

**Who would you be most likely to ask for advice on energy management decisions?**




30% relying on consultants; many other sources of advice available

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# CONCLUSIONS AND IMPLICATIONS

1. **Steady growth**

   Widespread interest in energy, from market, technology and policy perspectives

2. **Energy efficiency in motion**

   Clear signs of traction in green buildings, government incentives, and prioritization of strategies

3. **Challenges and opportunities**
   - Executives looking to internal funds, augmented by incentives

     …Can external capital unlock more efficiency?
   - Need more people to do the work, but slow to hire

     …Can external expertise be leveraged for more impact?