

# Energy Efficiency Indicator

## 2010 North America Results

### Findings Summary



April 19, 2010



# Agenda

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- What is the Energy Efficiency Indicator?
- Who did we survey?
- What are their priorities and concerns?
- What are their investment plans and financial criteria for making energy efficiency investments?
- What practices and technologies are most common?

# What is the Energy Efficiency Indicator?

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- A global survey of decision makers responsible for commercial buildings and their energy use
- Examines **trends** in energy efficiency **priorities and practices**
- Founded by **Johnson Controls** and the International Facility Management Association (**IFMA**) in 2007
- **4<sup>th</sup> annual survey** completed for North America in **March 2010**
- Additional surveys underway in China, France, Germany, India, Poland, Spain, and the United Kingdom, with results to be released at events throughout the summer of 2010

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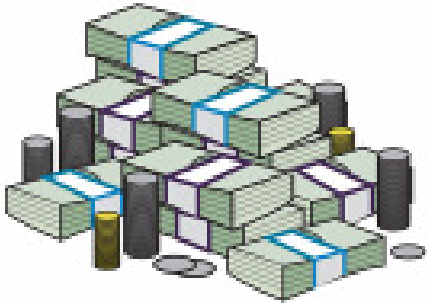
# RESPONDENT PROFILE

Energy Efficiency Indicator

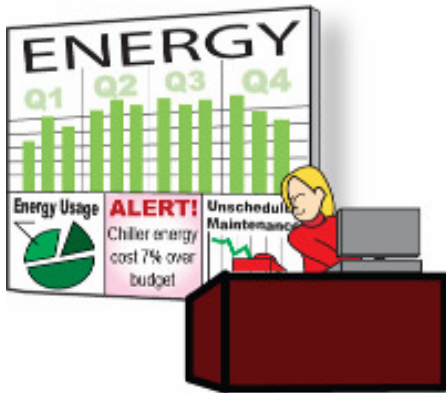
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## Who we surveyed: 2 qualifying criteria

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1. Must have capital- or operations budget responsibility for their organization's facilities.

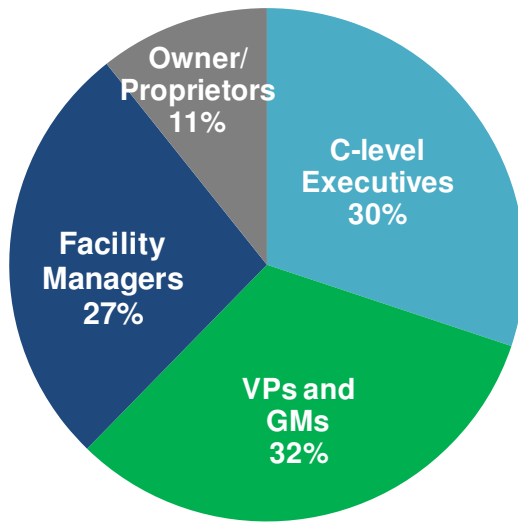


2. Job responsibilities must include reviewing or monitoring energy usage,  
and/or  
proposing or approving initiatives to make organization's facilities more efficient.

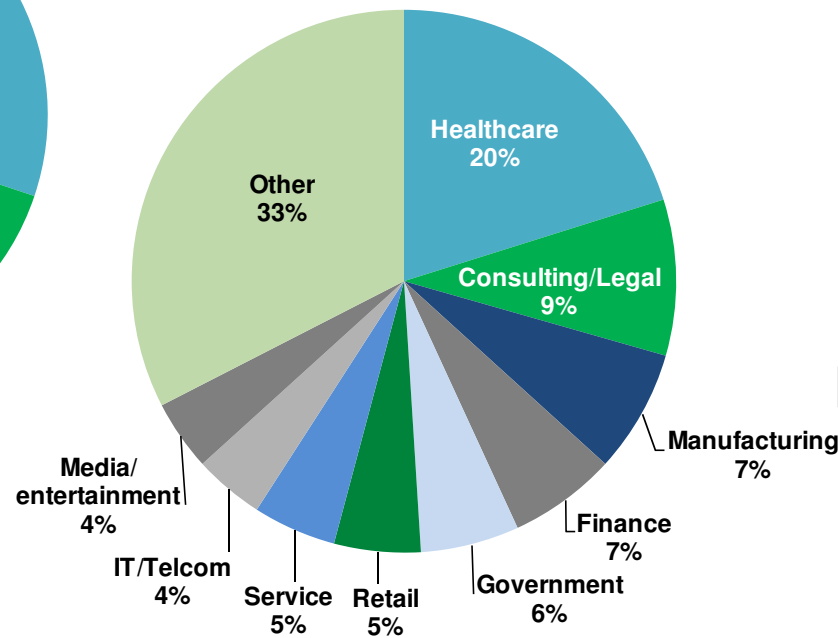
# Who we surveyed

**1435** total respondents in North America

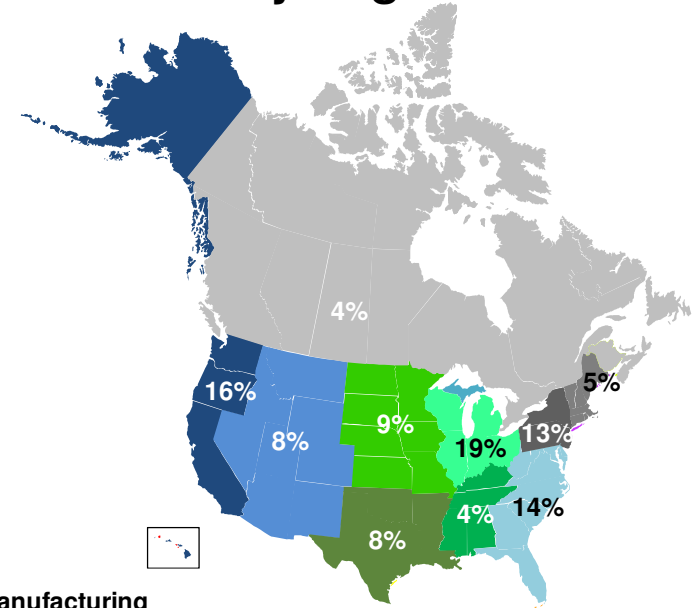
**By Role**



**By Industry Sector**

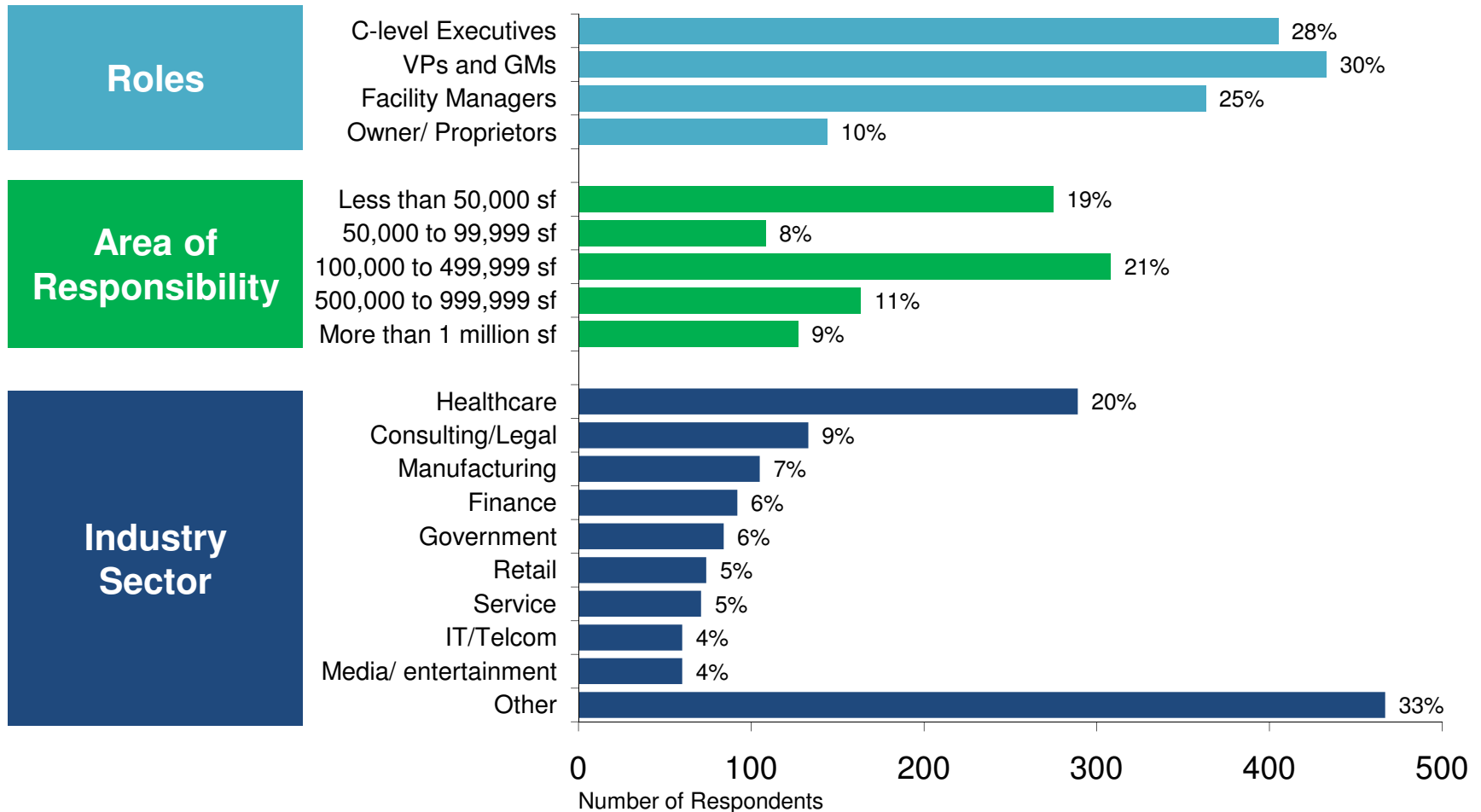


**By Region**



# Who we surveyed

**1435** total respondents in North America



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# PRIORITIES AND CONCERNS

Energy Efficiency Indicator

2010 North America Results

## Energy efficiency remains a strong business priority

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**65%...**

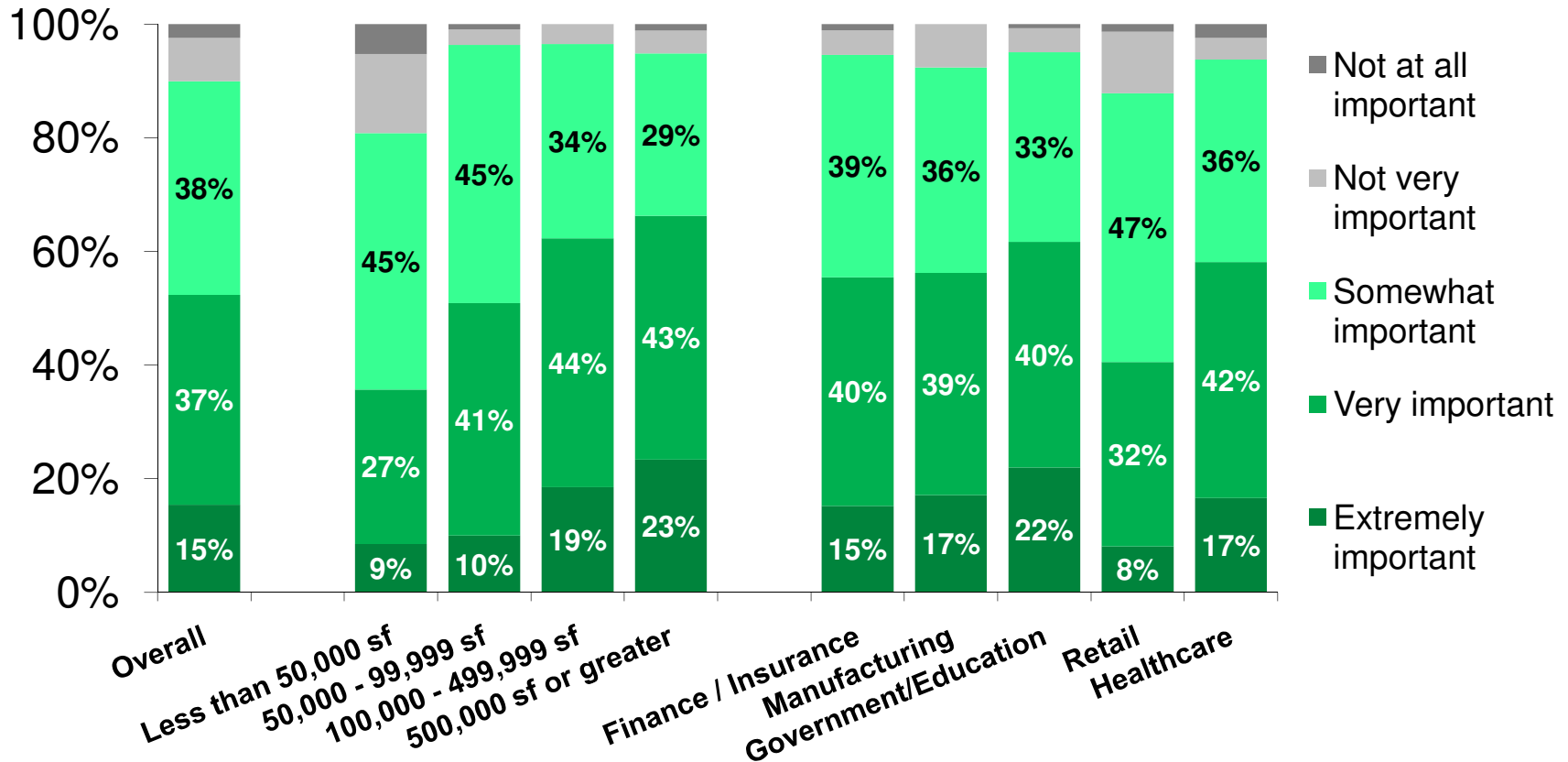
are paying more attention to energy efficiency than last year

**84%...**

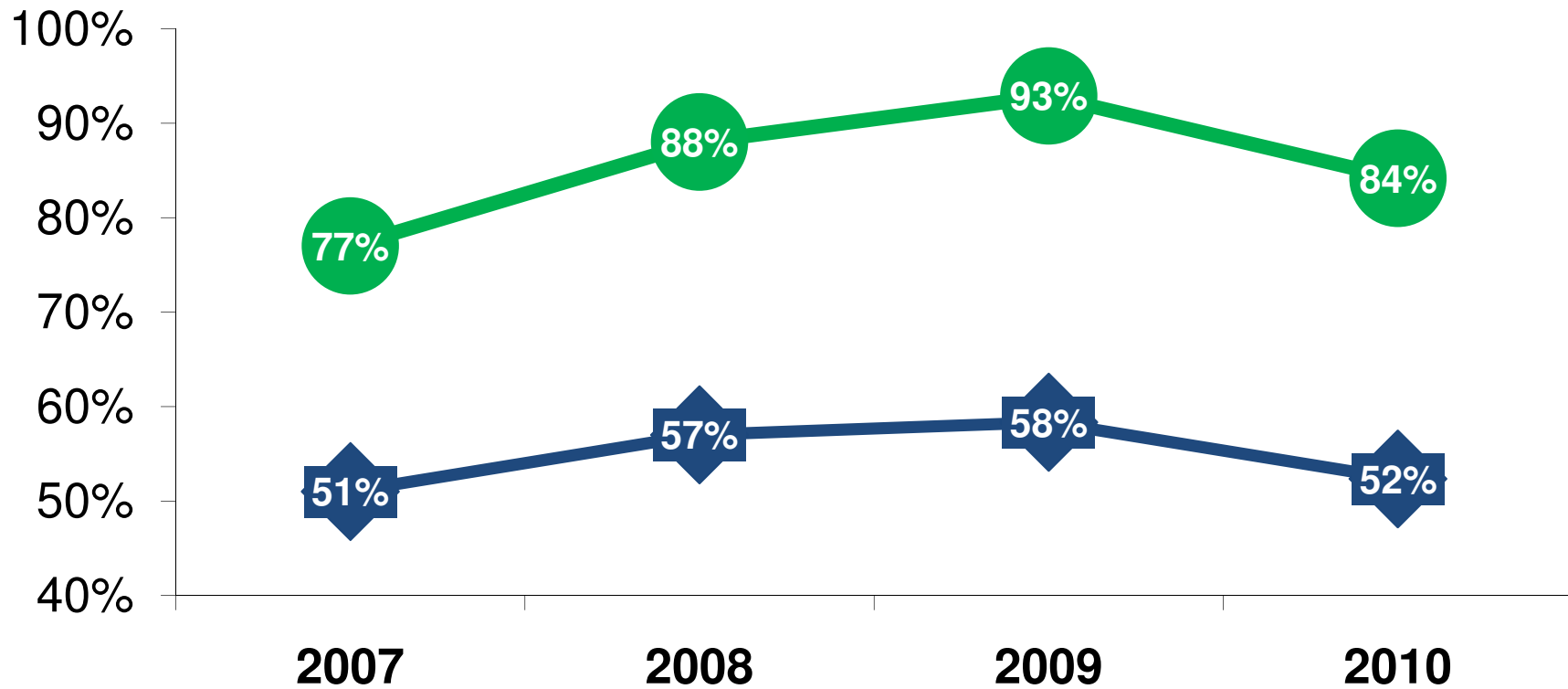
Say energy efficiency is a priority for new construction and retrofit projects

# Energy management more important to larger organizations and varies by sector

How important is energy management to your company/organization?



# Importance of efficiency has decreased since 2009, but remains quite high in light of the economic climate

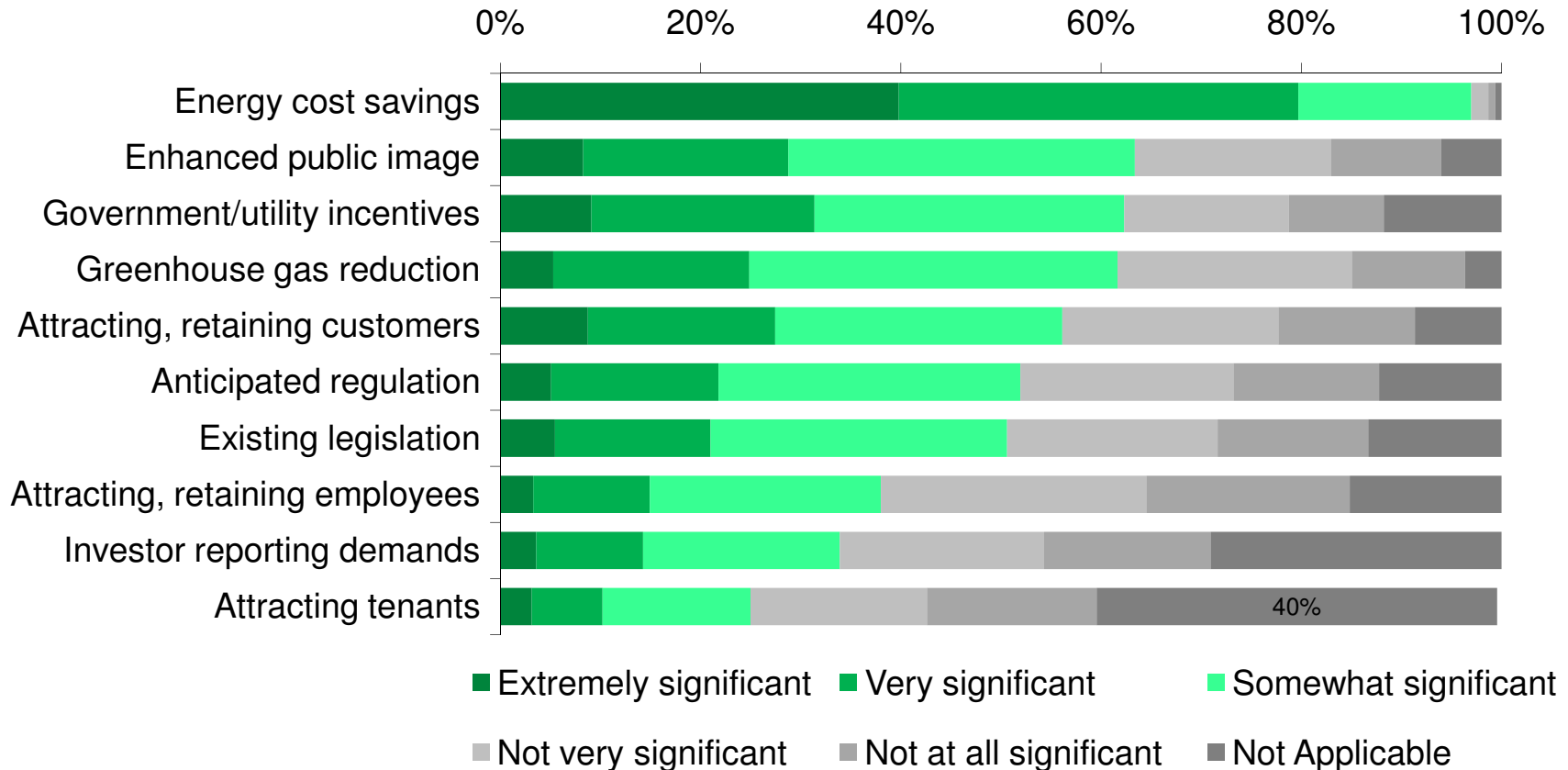


- Consider energy efficiency a priority in current/planned construction or retrofit projects
- ◆— Energy management is extremely or very important to our organization

# Reducing energy costs remains the key driver

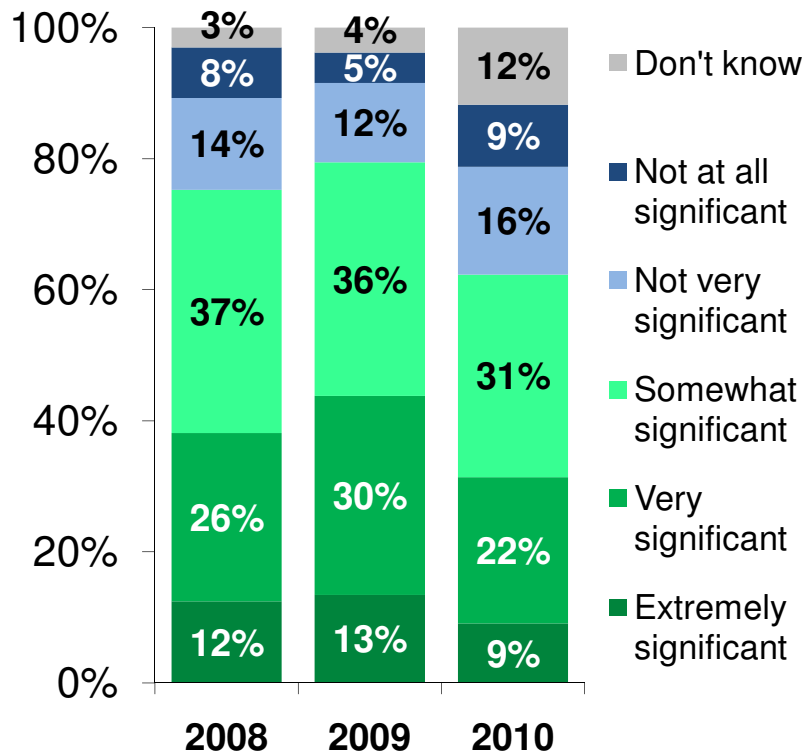
## Public imaged is also notably high

How significant an influence are the following in your organization's energy efficiency decisions?

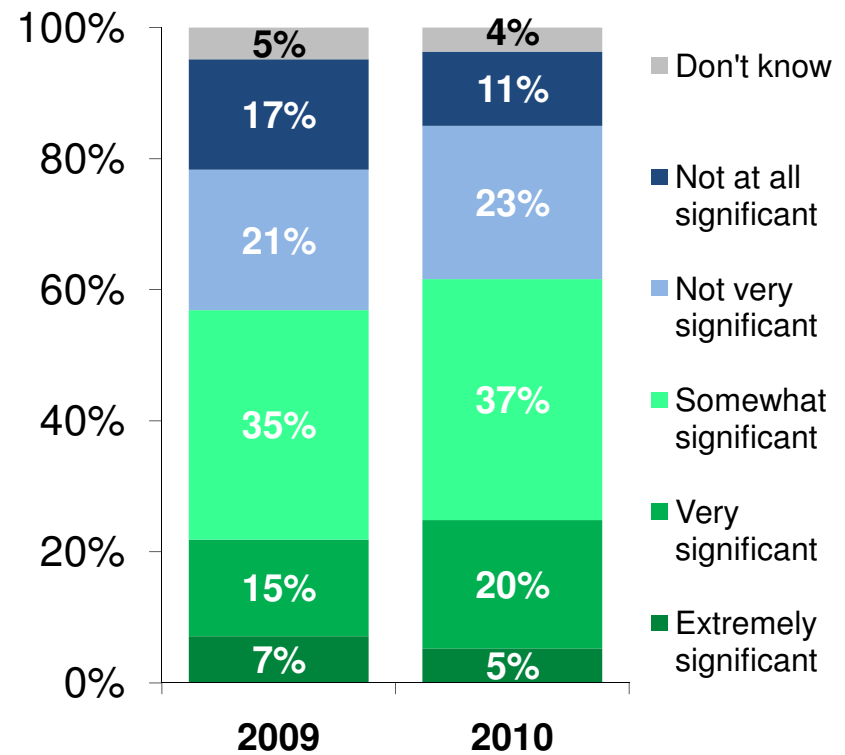


# Incentives drop in importance while carbon emission concerns become stronger

How influential are government/utility incentives in your organization's energy efficiency decisions?



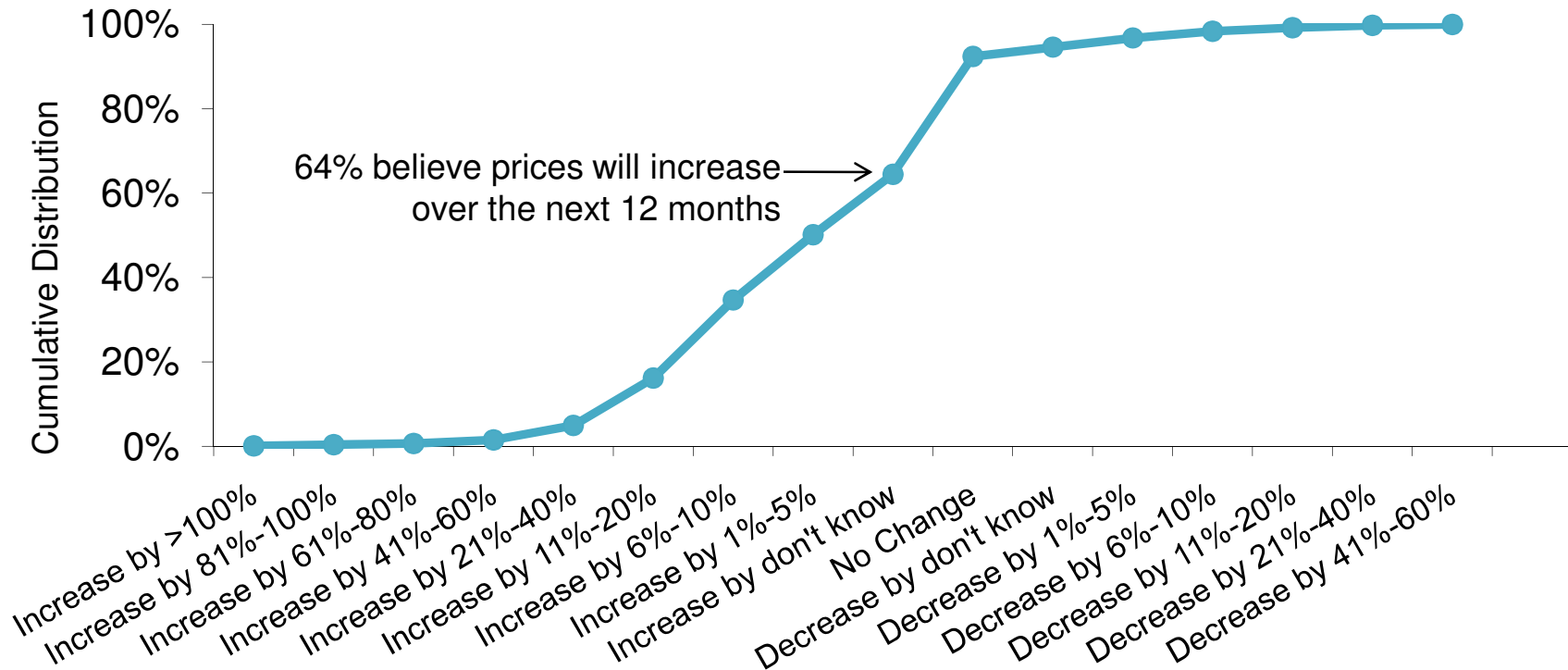
How significant are greenhouse gas emission reductions in your organization's energy efficiency decisions?



# Real estate leaders believe energy prices will climb significantly this year

Average expected change in energy prices over next 12 months = **7% increase**

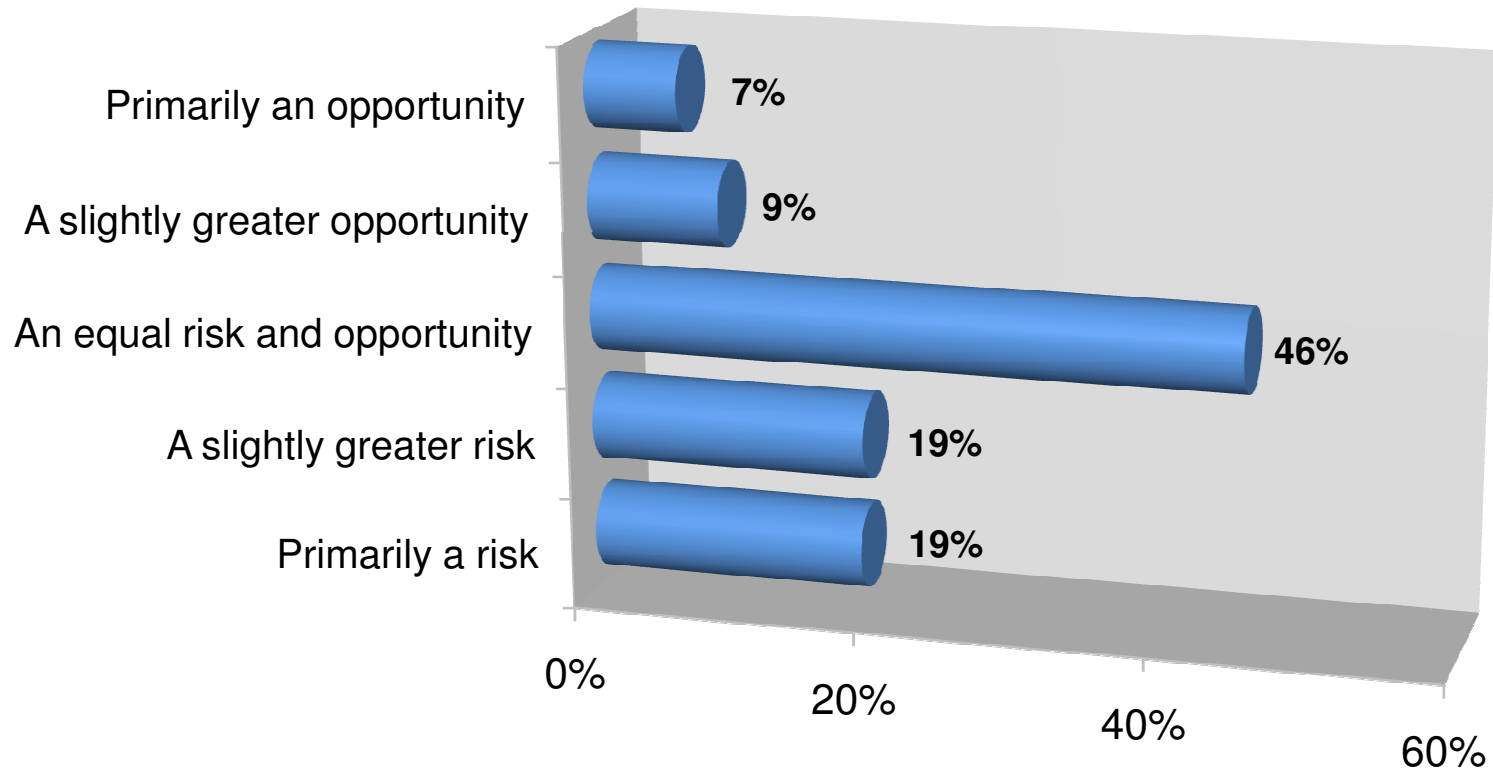
Do you believe the combined price of the energy that your facilities use will. . .



# Climate legislation is viewed as both a risk and a business growth opportunity

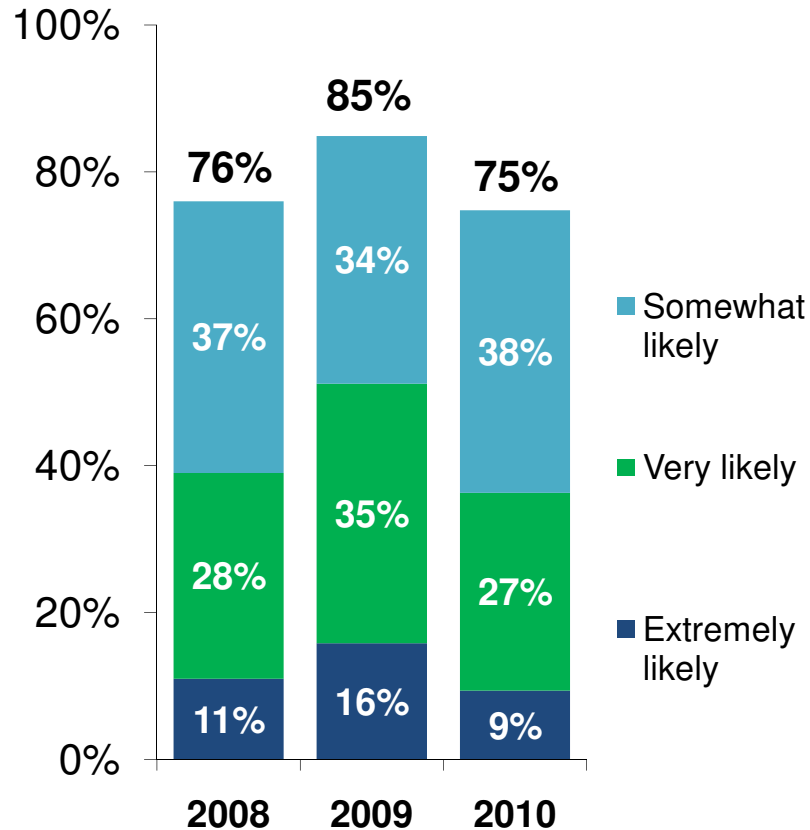
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Is climate change legislation a risk or a growth opportunity for your organization?

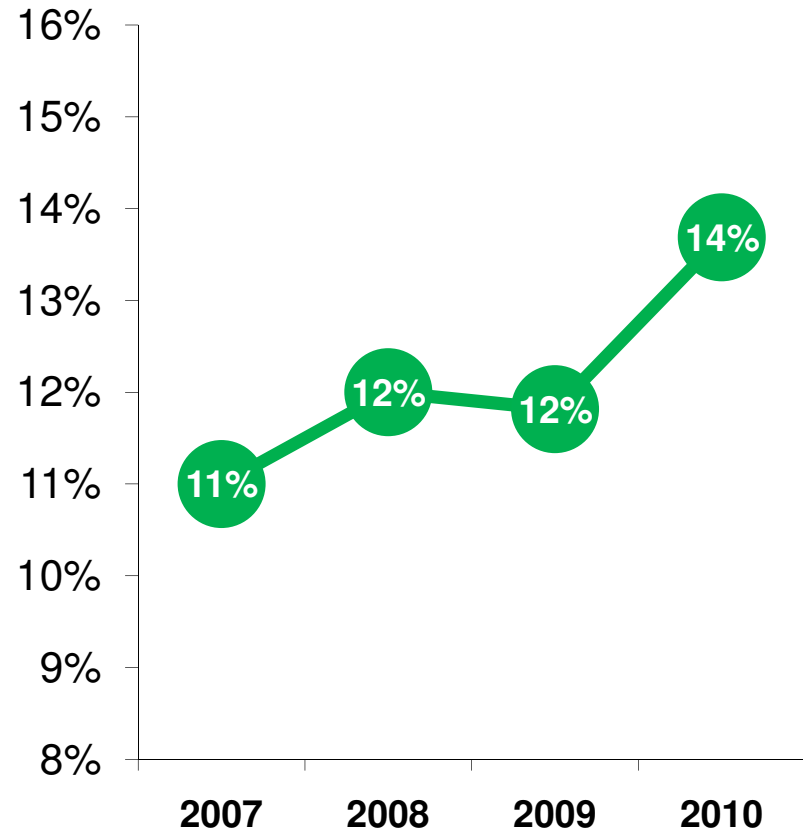


# Despite lowered legislation expectations, more organizations setting carbon goals

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

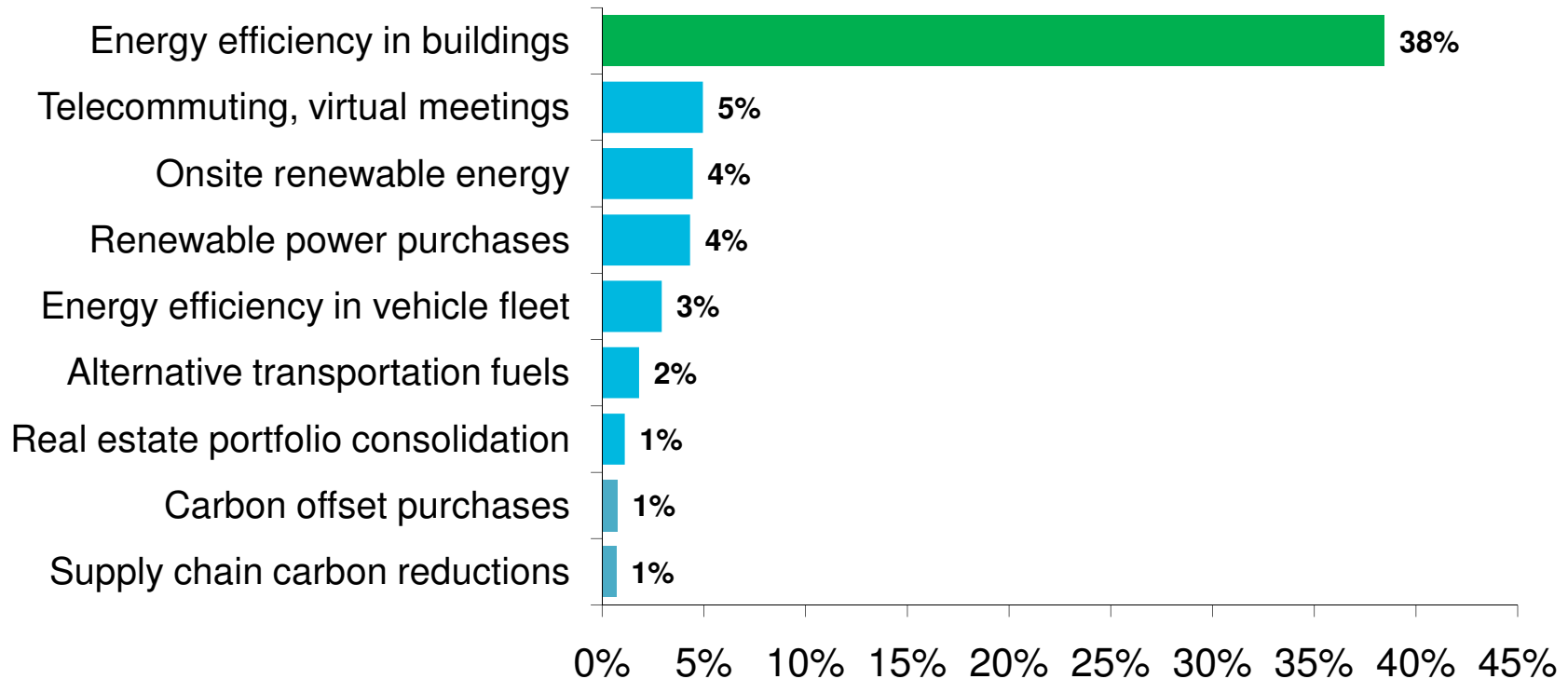


Does your company/organization have a publicly stated carbon-reduction goal?



# Many lack carbon strategies; those with strategies choosing building efficiency first

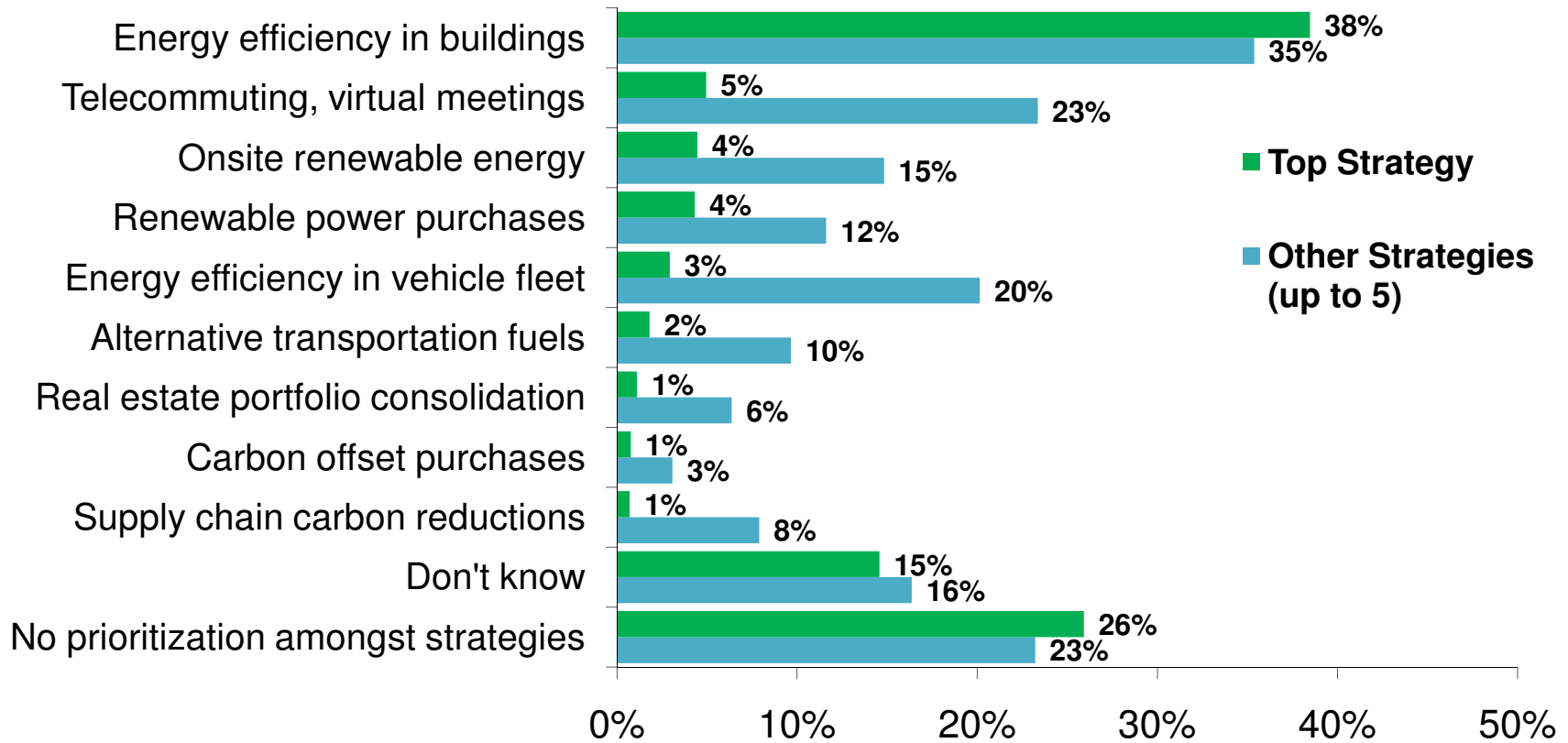
What is your organization's top strategy to reduce its carbon emissions?



**40%** either don't know or have not yet prioritized among strategies

# 73% select building efficiency as one of their top six strategies

What are your organization's top strategies for reducing its carbon emissions?



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# **INVESTMENT PLANS & FINANCIAL CRITERIA**

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## The recession had a mixed impact on investment Some say they invested *more* in efficiency as a result

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As a result of the recession...

**41%** invested less,

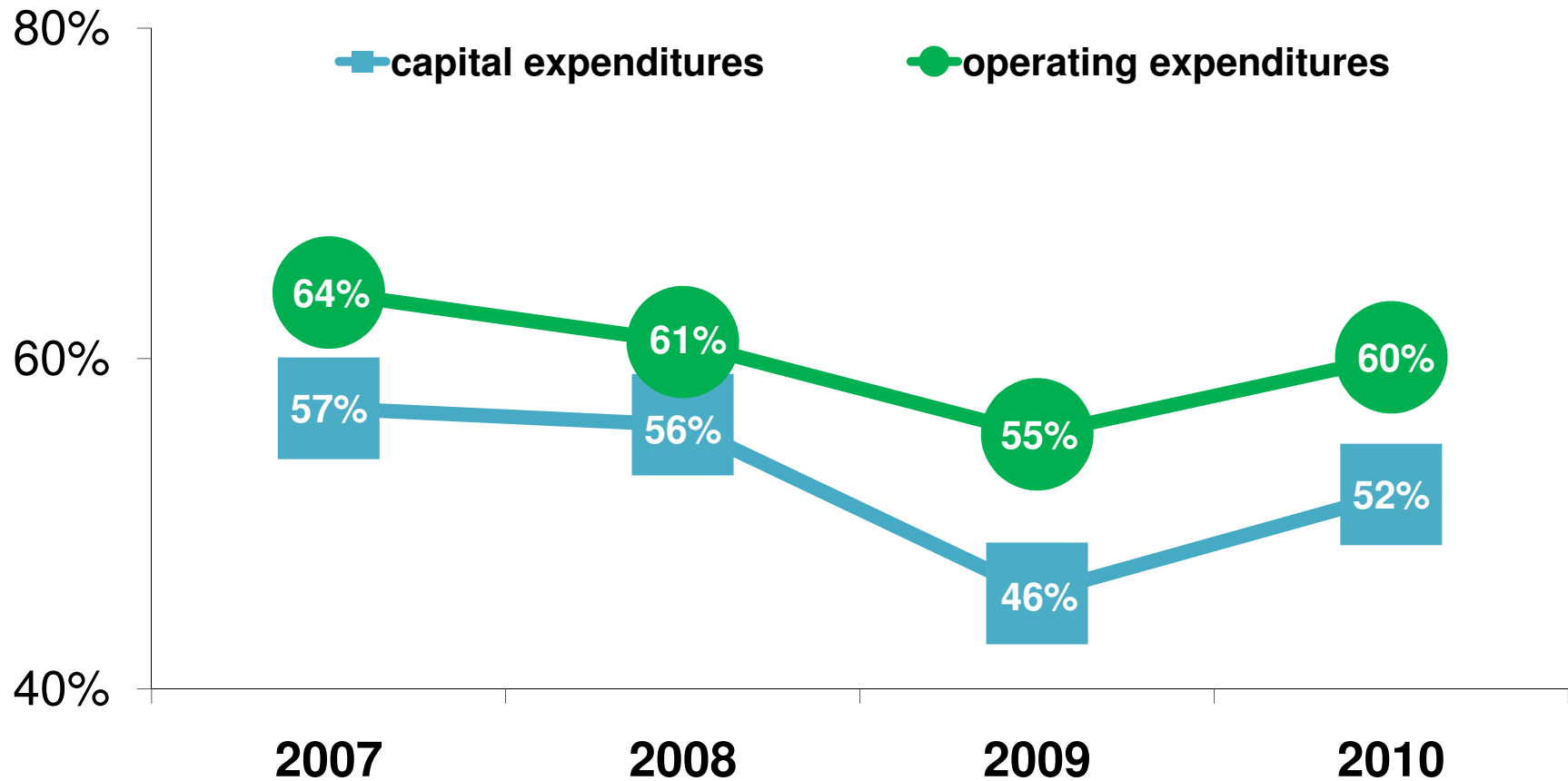
**27%** invested at historically consistent levels,  
and

**32%** invested more in energy efficiency

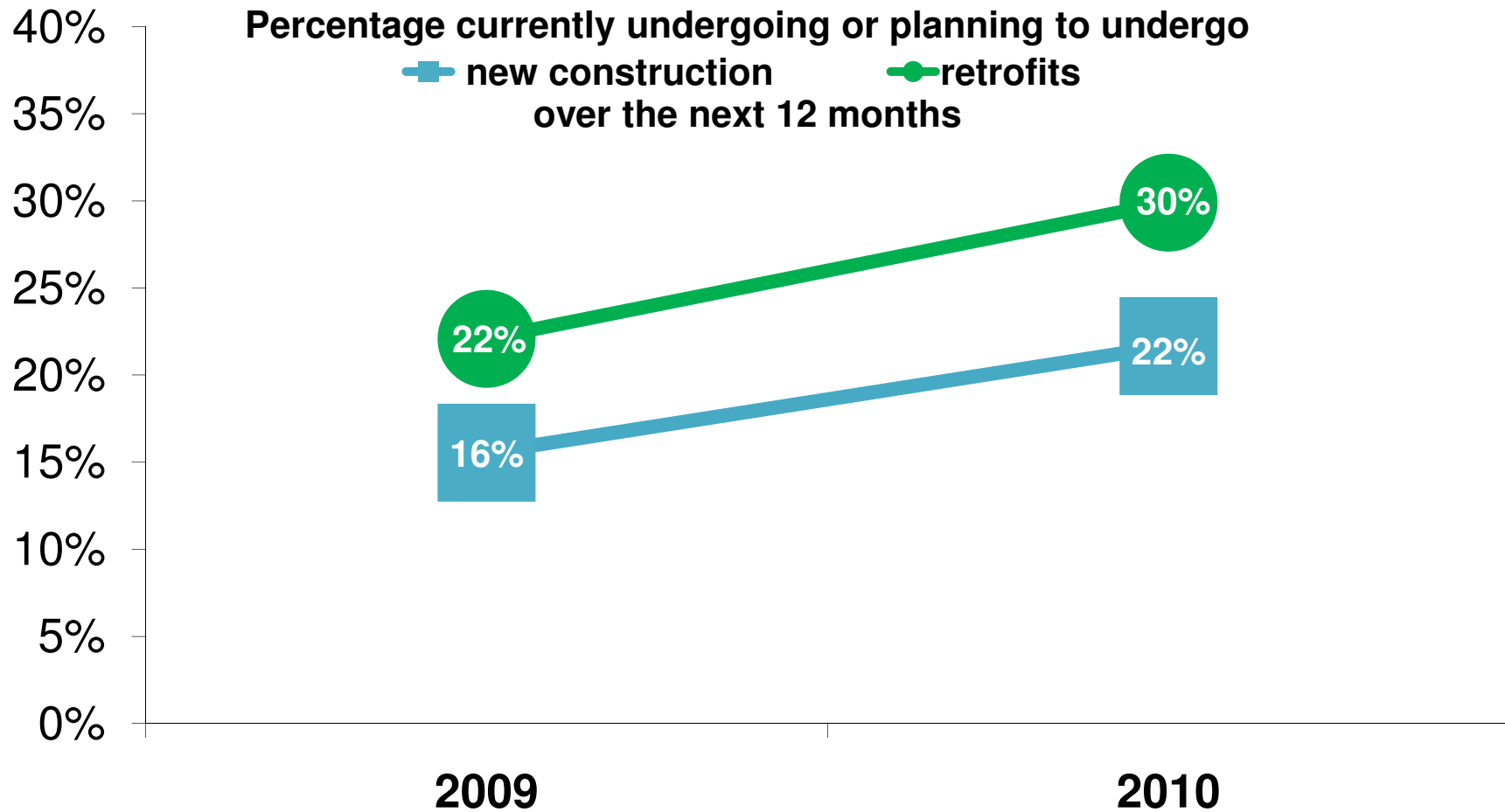
...over the past 12 months

# Energy efficiency spending to rebound in 2010

Percentage planning to make energy efficiency investments over the next 12 months with...

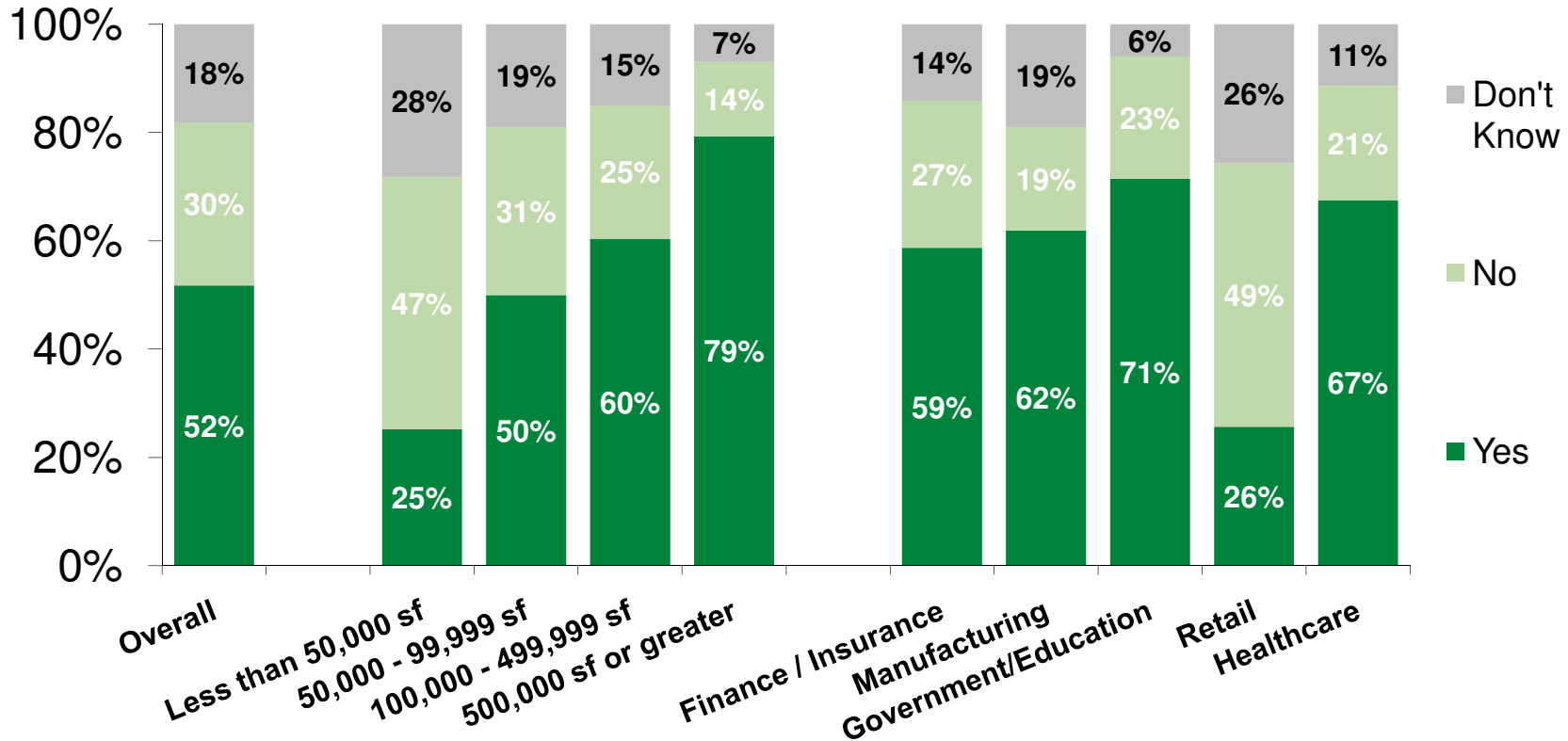


# Construction and retrofit starts plans are also increasing among those surveyed



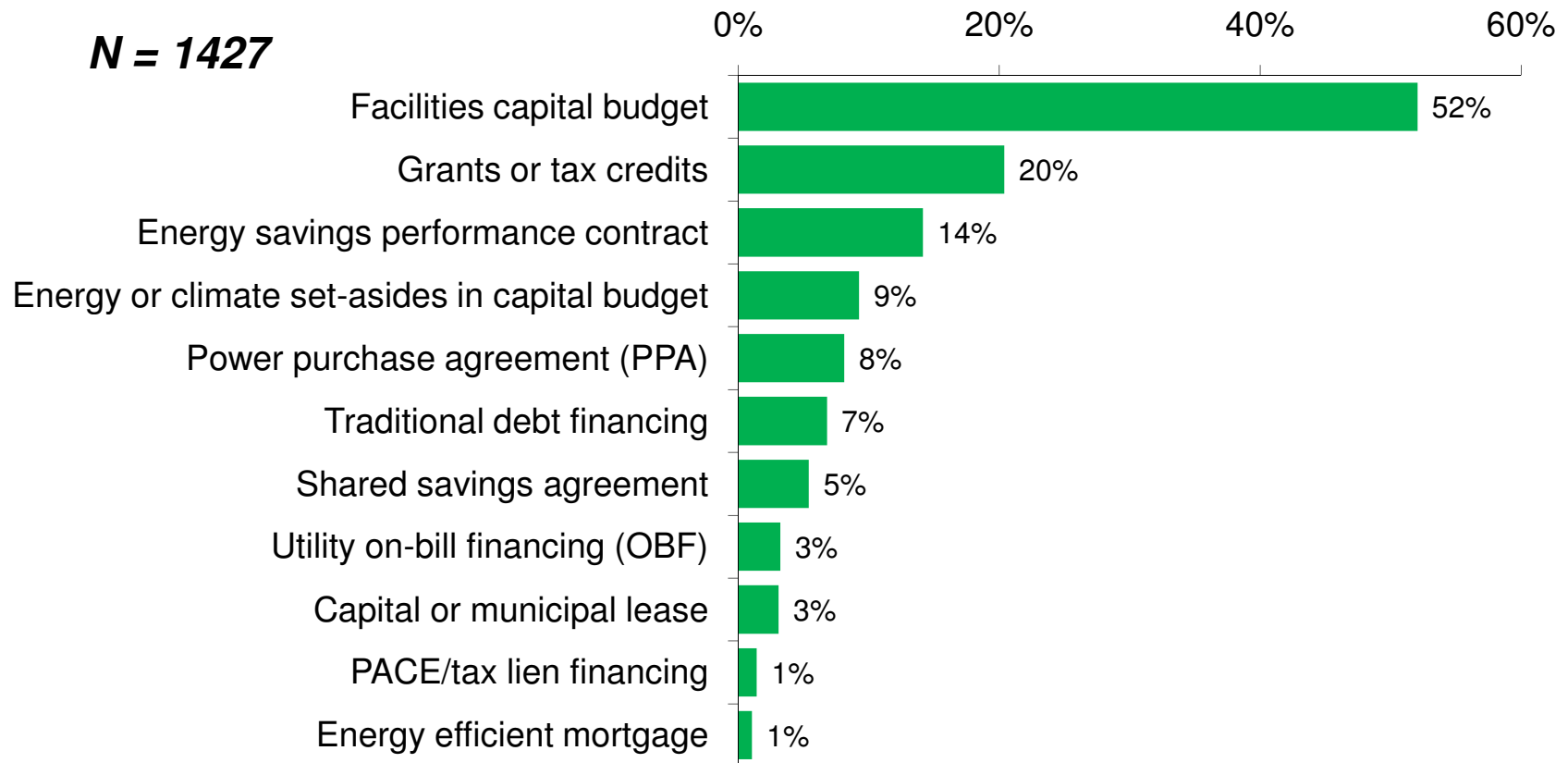
# Large and public organizations are most likely to invest in efficiency; Retail sector lags

Do you expect your organization to make energy efficiency improvements financed with capital expenditures over the next 12 months



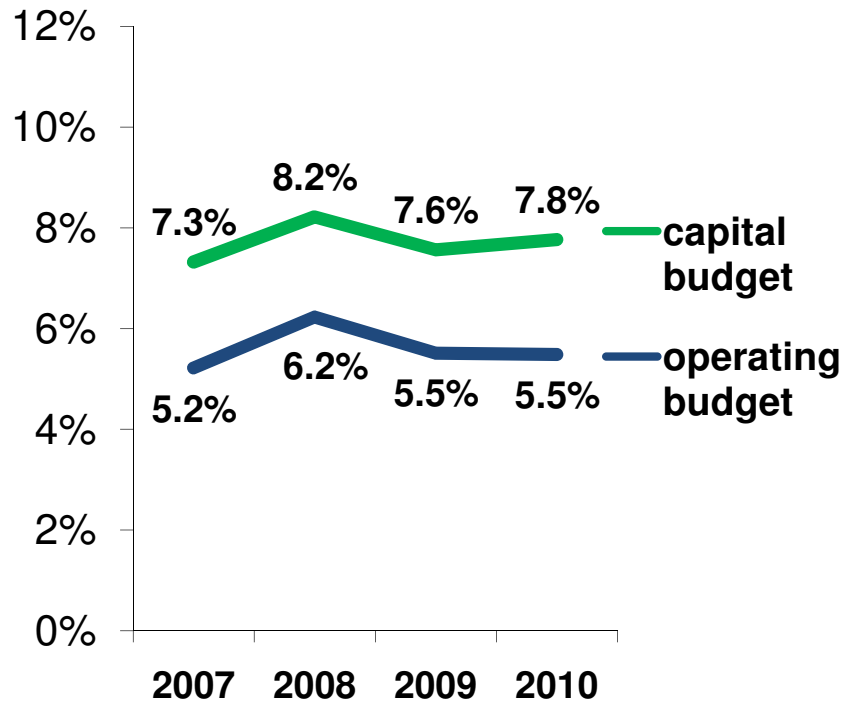
# Capital budgets and incentives are primary funding source; Use of financing is rare

Which options will your organization consider to pay for energy efficiency and renewable energy projects over the next 12 months? (Select all that apply)?

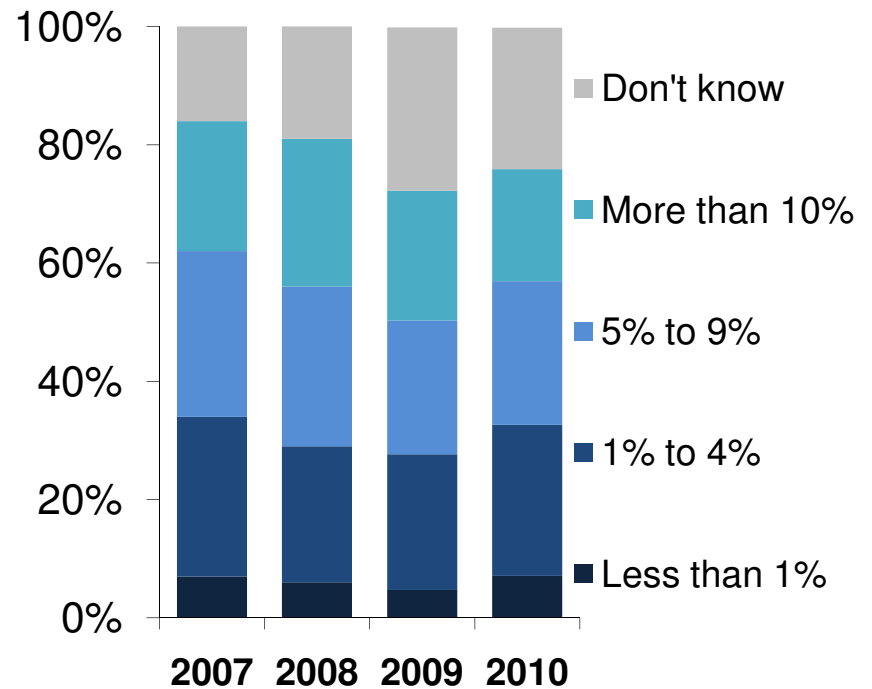


# Budget levels and expected impact remain consistent

What percentage of your facilities-related budgets will be invested in energy efficiency over next 12 months?

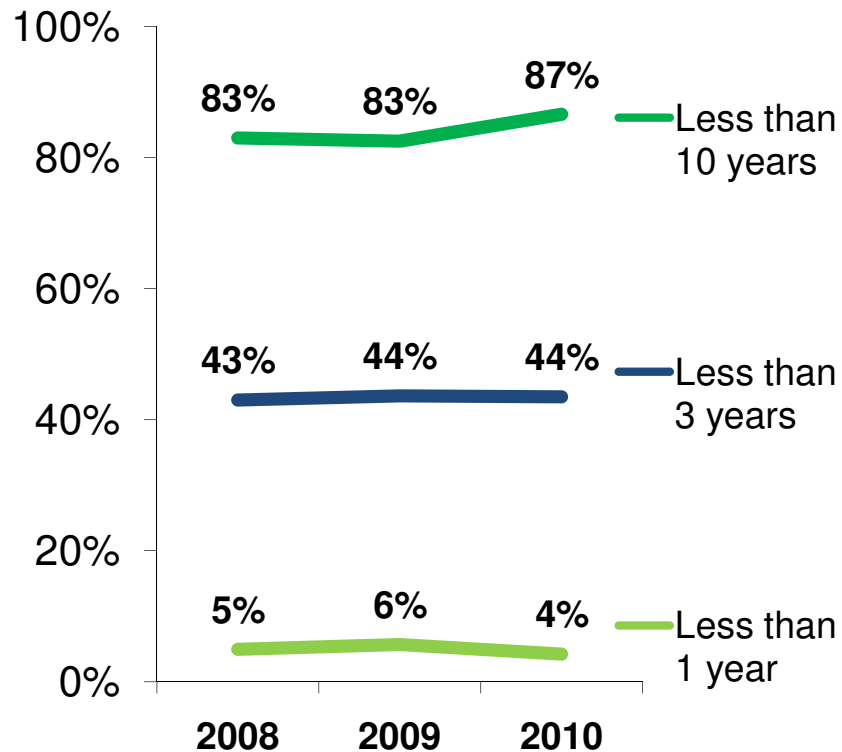


By how much do you expect energy improvements put in place over the next 12 months to reduce your energy consumption?

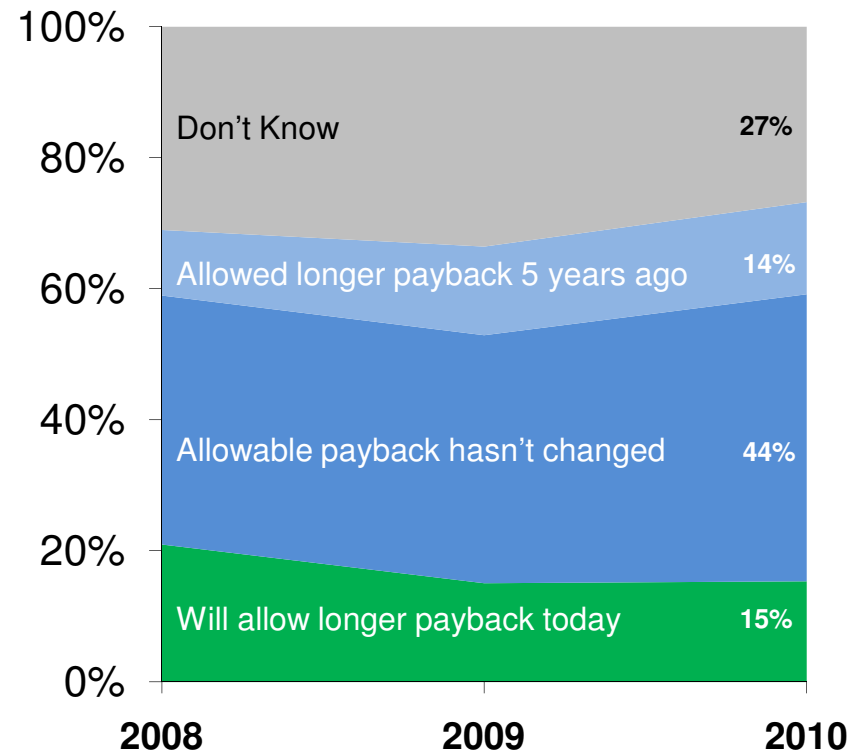


# Investment criteria also holds steady; 44% require less than 3 year payback

What is the longest payback period you would allow for a significant energy efficiency investment?

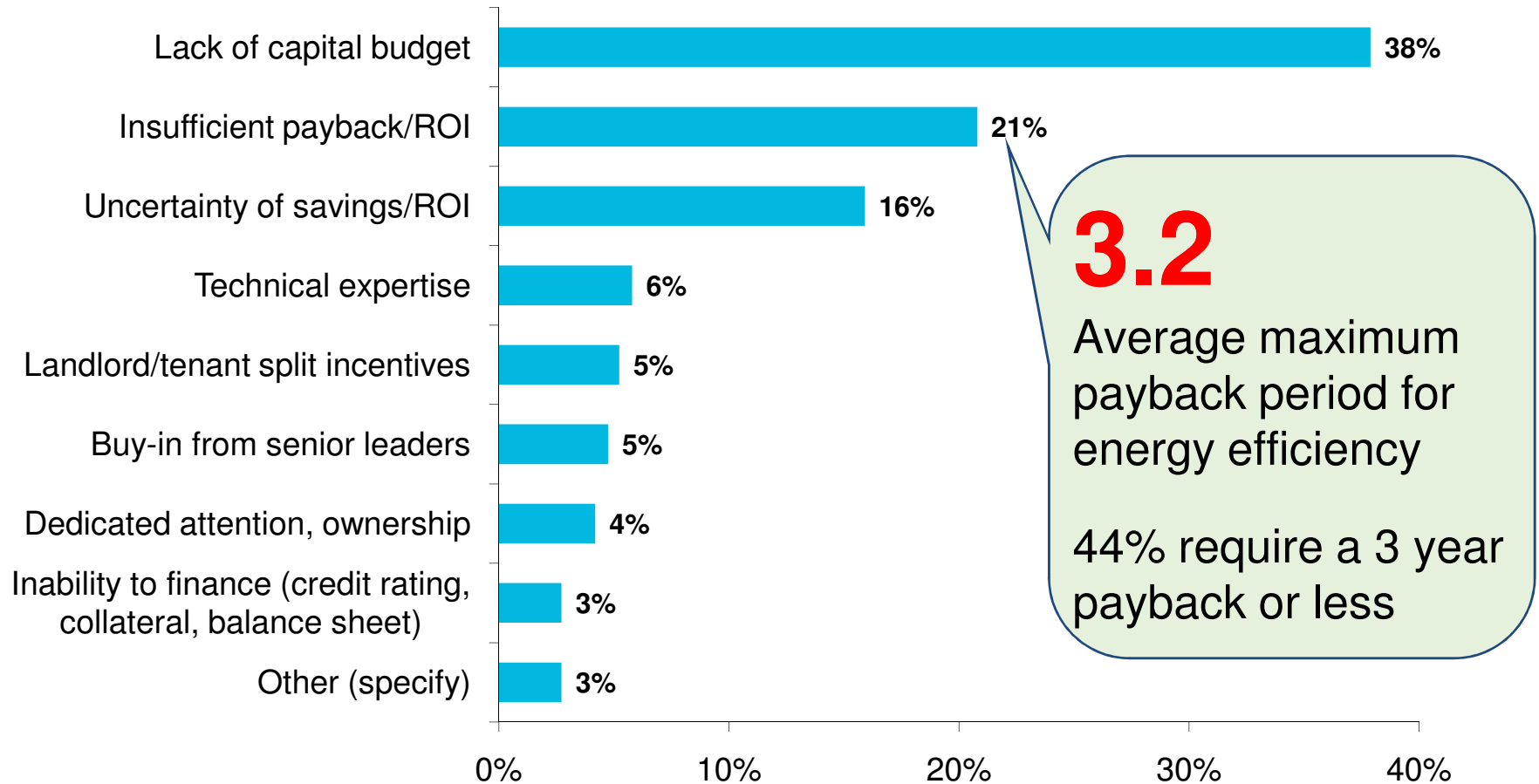


How does that compare to what would have been allowed 5 years ago?



# Limited internal capital is the greatest barrier to energy efficiency

What is the top barrier to capturing energy savings for your organization?



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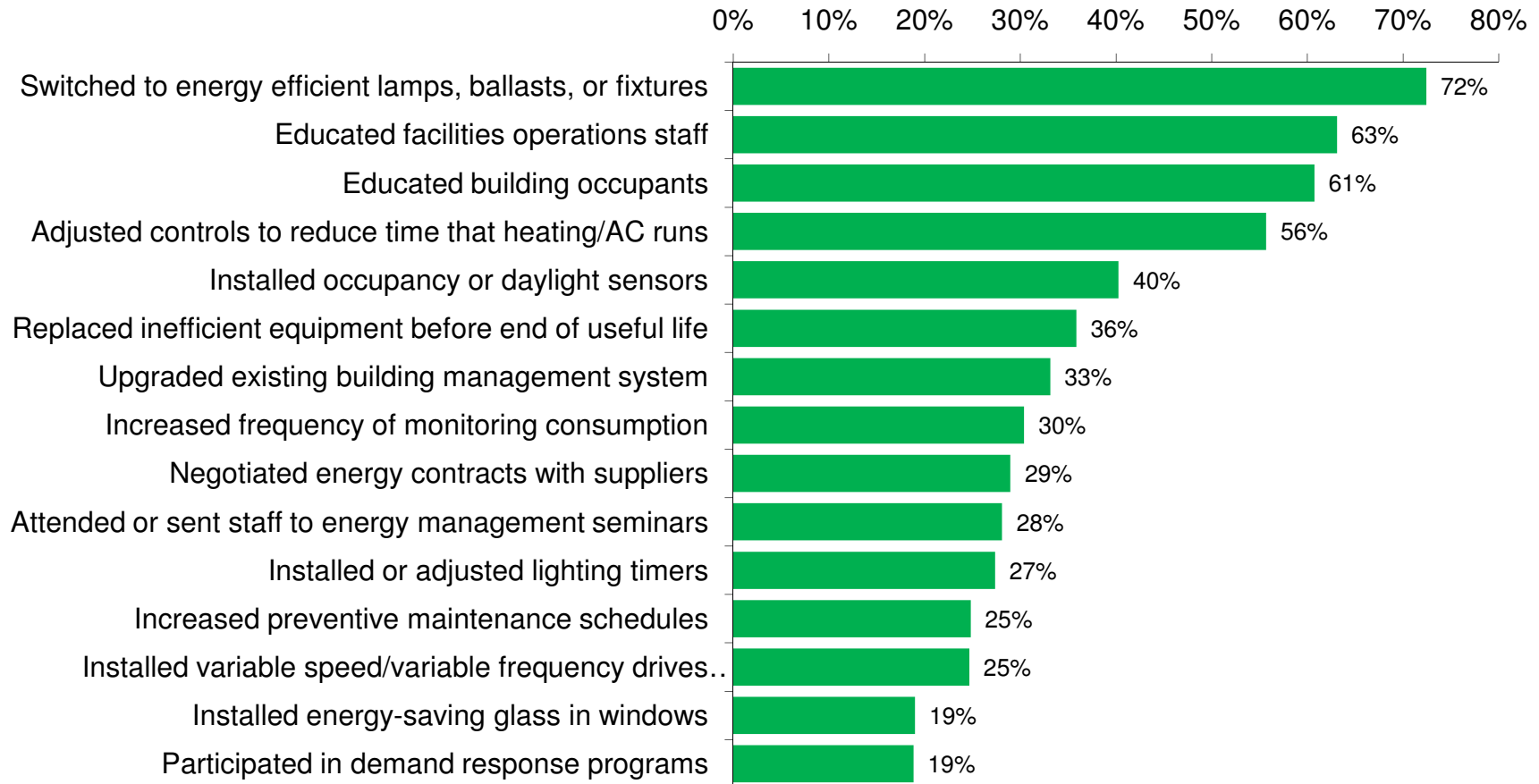
# PRACTICES & TECHNOLOGIES

Energy Efficiency Indicator

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# Most popular efficiency measures are lighting retrofits and operational changes

## Which measures has your company adopted to reduce energy costs?



Note: The 15 most popular measures of 33 included in the survey are listed above

## Green buildings are accumulating; Renewable energy on the radar

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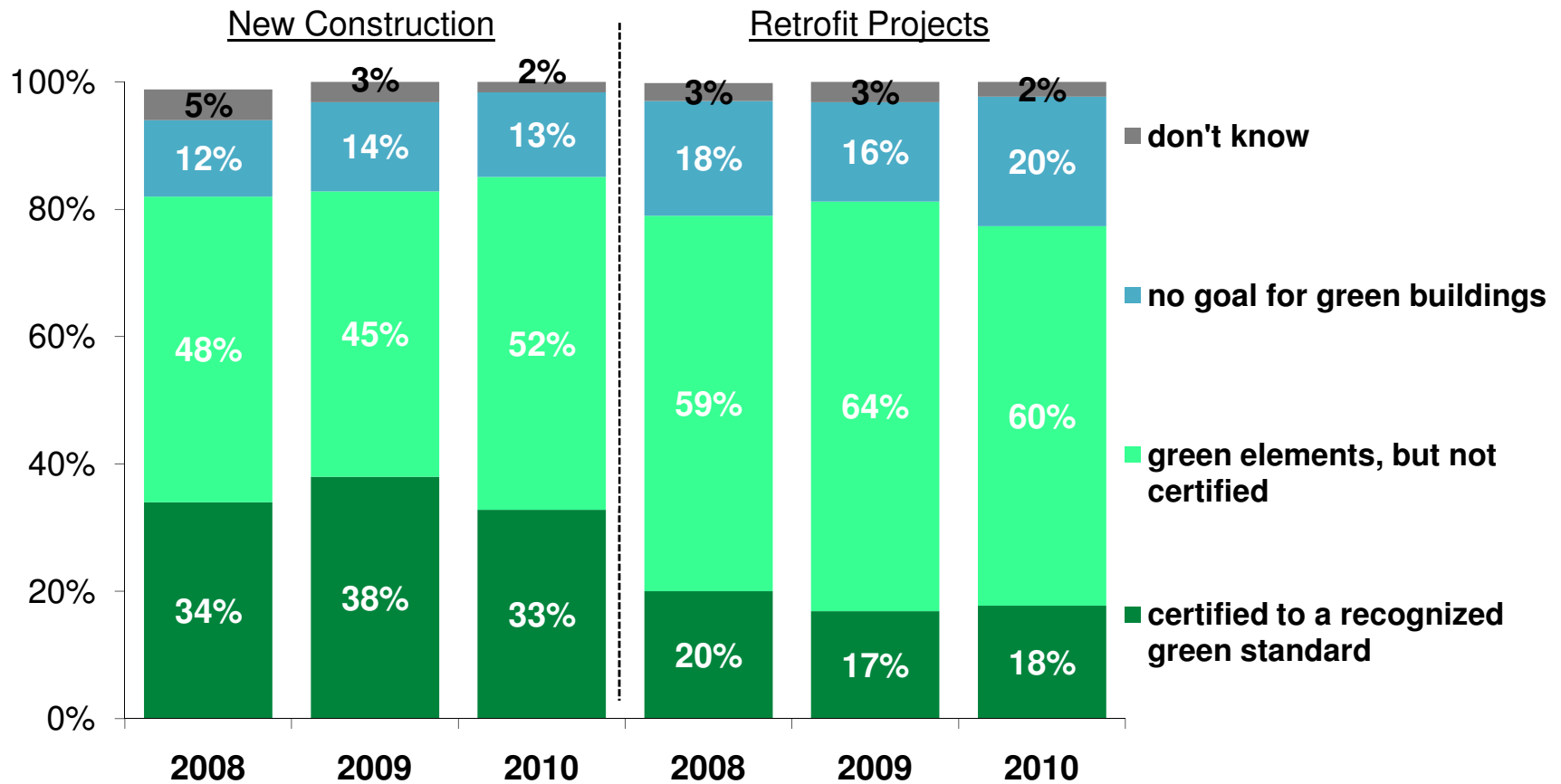
**33%** seeking green building certification for new construction projects

**12%** have at least one green certified building, up from **8%** in 2009

**31%** considering solar PV, **20%** considering solar thermal, **14%** considering geothermal in new construction and retrofit projects

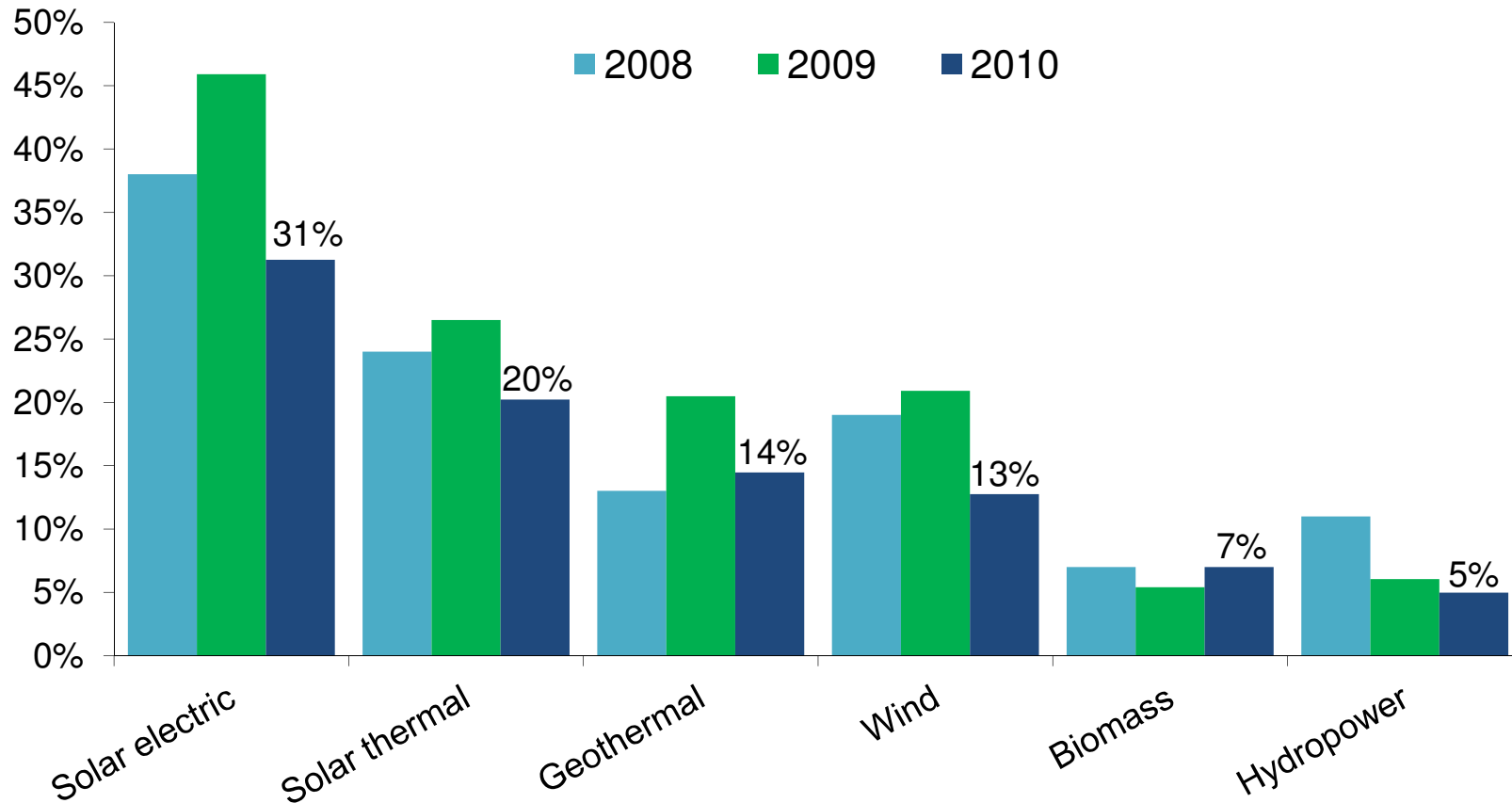
# Green building goals staying constant

## What are your goals with respect to green buildings?



# Consideration levels for renewable energy technologies fall in 2010

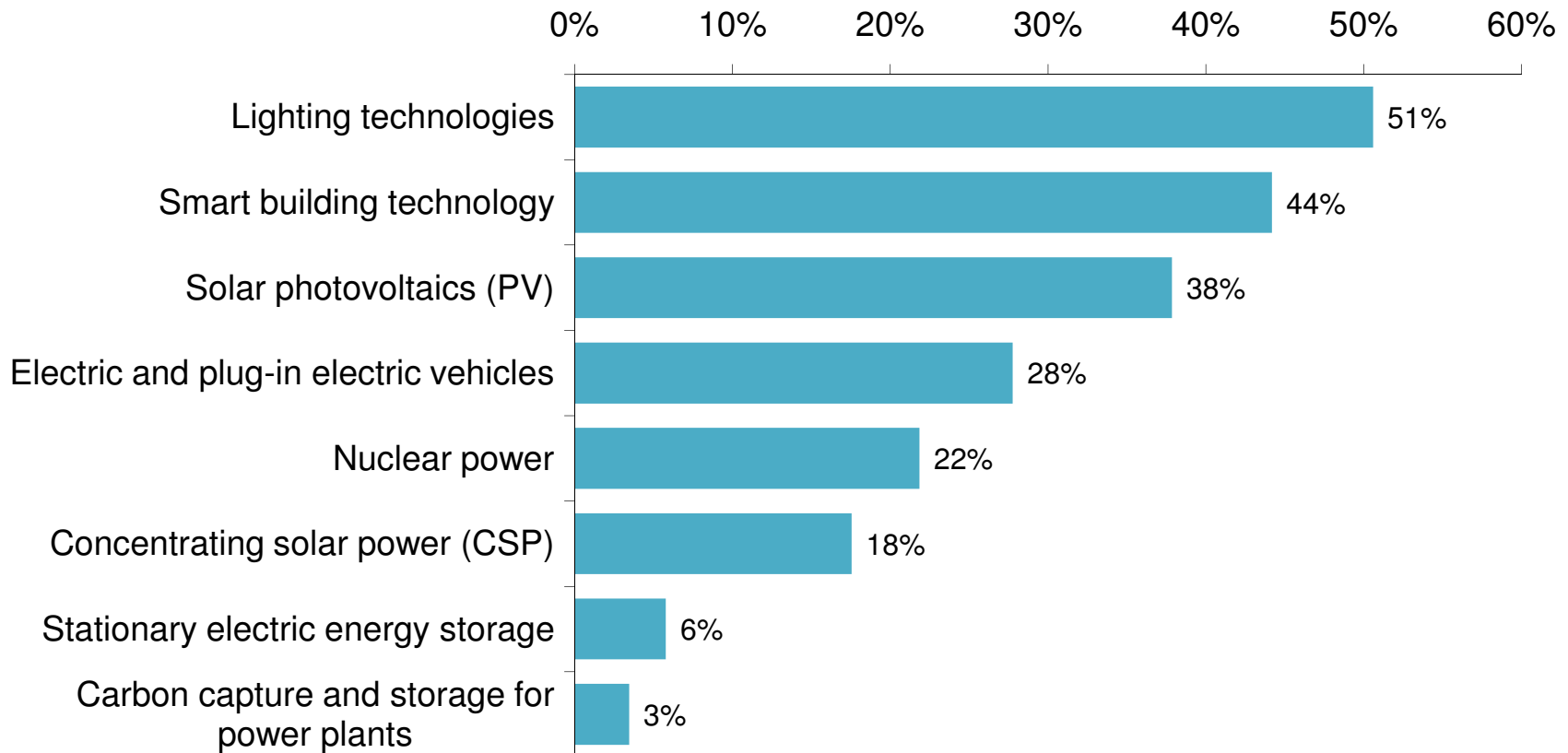
Which renewable energy technologies is your organization considering or utilizing in construction or retrofit projects?



# High expectations for lighting and smart building technologies

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Which technology do you expect to have the greatest performance-price ratio improvement over the next ten years (select up to 3)?



## Observations & Conclusions

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- **Efficiency investment remains strong**

Energy cost concerns, public image, and climate leadership goals are driving investment. Larger organizations are more likely to make efficiency investments.

- **Buildings efficiency is top carbon strategy**

Despite lowered legislation expectations, more organizations setting voluntary GHG goals

- **Capital availability remains a strong barrier**

Organizations rely primarily on internal capital budgets for efficiency & renewable energy investments rather than seeking external financing

# For more complete EEI results see online press kit

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link to  
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