Manufacturers, ESPCs, and Market Forces

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Insights from Manufacturers

Energy performance transparency policies are driving the market, but:

Customers: Paying for upgrades is a major obstacle

Manufacturers: Distinguishing quality ESCOs from fly-by-night operators can be difficult
Energy Performance Transparency is Driving the Market

- State and local benchmarking and disclosure programs are driving demand for efficiency improvements

- "They see their score, and then the call me to find out what to do about it" - Small Manufacturer of Submeters

- Cities and states are leading by example with public buildings
U.S. Building Benchmarking and Disclosure Policies

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Cost Still a Major Barrier to Efficiency

2014 Energy Efficiency Indicator Survey

- Top Barriers in North America:
  1. Lack of Funding
  2. Uncertainty of Savings
  3. Insufficient Payback/ROI
  4. Lack of Awareness
  5. Lack of Technical Expertise
  6. Lack of Organizational Ownership
  7. Landlord-Tenant Split-Incentive
Benefits and Barriers for Manufacturers

_both small and large manufacturers benefit, not just those with major ESCOs_

_outside of the “Super 16” ESCOs, there is no generally recognized way to distinguish quality ESCOs from fly-by-night operators_

_some manufacturers note that projects are sometimes sold on merits of energy savings alone, not quality of overall project_
Takeaways

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Market transparency is driving demand
Lack of funding is still the #1 barrier
Smaller ESCOs lack name recognition and clear designation of quality performance
Questions?

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