

SURVEY: ENERGY DECISION-MAKERS IN U.S. AND CANADA SHARE KEY INTERESTS AND CONCERNS



Issue Brief

Kelly Smith

Global Energy and Sustainability, Building Efficiency
Johnson Controls

Carolyn Lane

VP, Research and Communications
REALpac

REALpac
Real Property Association of Canada / Association des biens immobiliers du Canada

February 2011

**Johnson
Controls** 

ABSTRACT

A close look at the Johnson Controls 2010 Energy Efficiency Indicator survey shows that decision makers in Canada and the United States have the same key reason for pursuing energy efficiency (cost savings) and face the same key barrier (lack of capital). The 2011 survey will reach more respondents in Canada, providing a more reliable view of the similarities and differences between Canada and other countries.

ENERGY EFFICIENCY: COMPARING PERSPECTIVES IN THE U.S. AND CANADA

Energy efficiency has gained momentum in recent years, promising to help companies manage costs and reduce environmental impacts. But a vast opportunity offered by energy efficiency at a global scale remains untapped, as an array of barriers prevents projects from being implemented. Market structures, organizational factors, existing and expected government policies, and many other issues affect the decision-making process around energy efficiency. Many of these factors vary over time and from region to region.

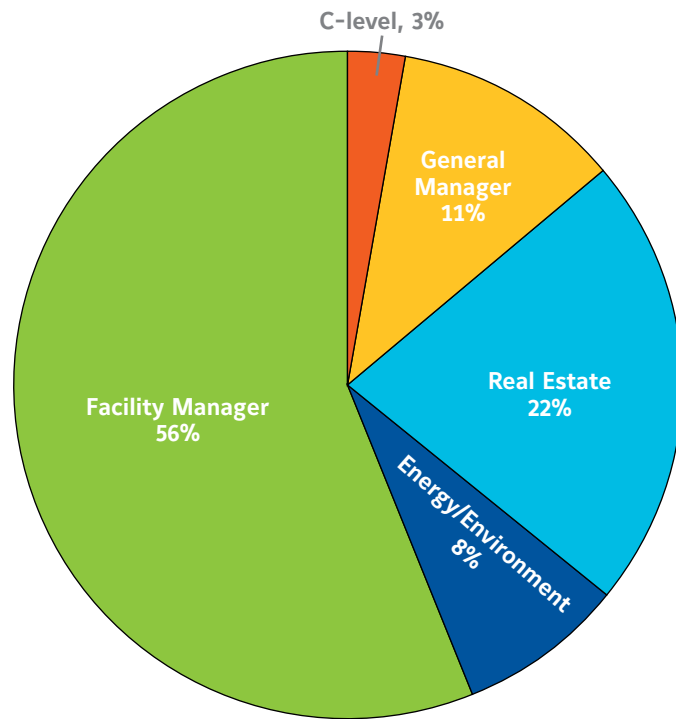
For the past four years, Johnson Controls has conducted the Energy Efficiency Indicator (EEI) survey to peer into the minds of decision-makers for energy issues in facilities around the world. In 2010, the EEI survey explored the expectations, drivers and barriers around efficiency in ten countries. One major trend identified in the survey is a global increase in emphasis on energy efficiency, even in the face of a worldwide economic recession. Full results on the EEI survey can be found at the Institute for Building Efficiency website, www.institutebe.com.

An analysis of the 2010 EEI survey, prepared through collaboration between the Institute for Building Efficiency and the Real Property Association of Canada (REALpac), highlights a few central findings Canada in comparison to the United States. Because of the small sample size, the Canadian results do not provide a statistically projectable representation and should be interpreted as qualitative and directional only. Despite a few notable differences, responses from Canadian decision-makers were similar in kind and intensity to those from the United States.

PROFILE OF CANADIAN RESPONDENTS

There were 63 respondents from Canada, divided evenly between the east and west parts of the country. Respondents ranged from management to real estate directors, more than half coming from the facility management side (Figure 1).

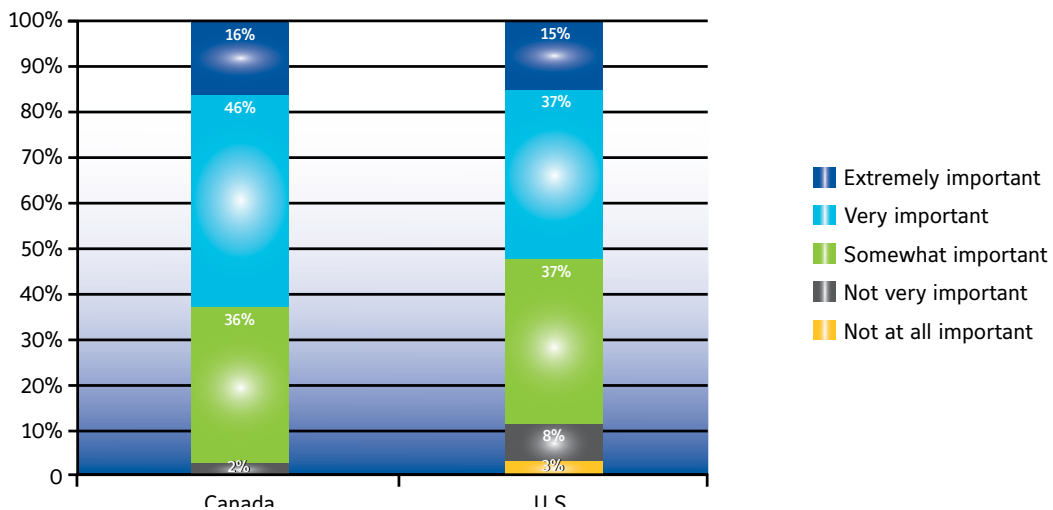
Figure 1. Respondent profile for Canada



IMPORTANCE OF ENERGY EFFICIENCY

In both countries, decision-makers placed high importance on energy efficiency. Sixty-two percent of respondents in Canada and 52 percent in the United States reported that energy management was either very important or extremely important to their organizations.

Figure 2. How important is energy management to your company/organization?



DRIVERS BEHIND ENERGY EFFICIENCY

While respondents in both countries ranked energy efficiency as an important priority, the driving factors behind energy decisions varied. Respondents were asked to evaluate the importance of several potential drivers in their organizations' decisions to implement energy efficiency projects. In both countries, as in most of the world, cost savings was the most significant driver: More than 70 percent of U.S. respondents and nearly 80 percent of Canadian respondents ranked it as either very or extremely significant (Figure 3).

Canadian respondents placed more emphasis on public image, existing legislation and reducing greenhouse gas emissions when compared to their U.S. counterparts.

While it is impossible to determine whether this effect is significant given the small sample size, it could be related to a cultural emphasis in Canada that more closely mirrors European countries, where both policy-makers and the general public are perceived to be more enthusiastic about environmental issues.

Figure 3. How significant an influence is the following in your company/organization's energy efficiency decisions?

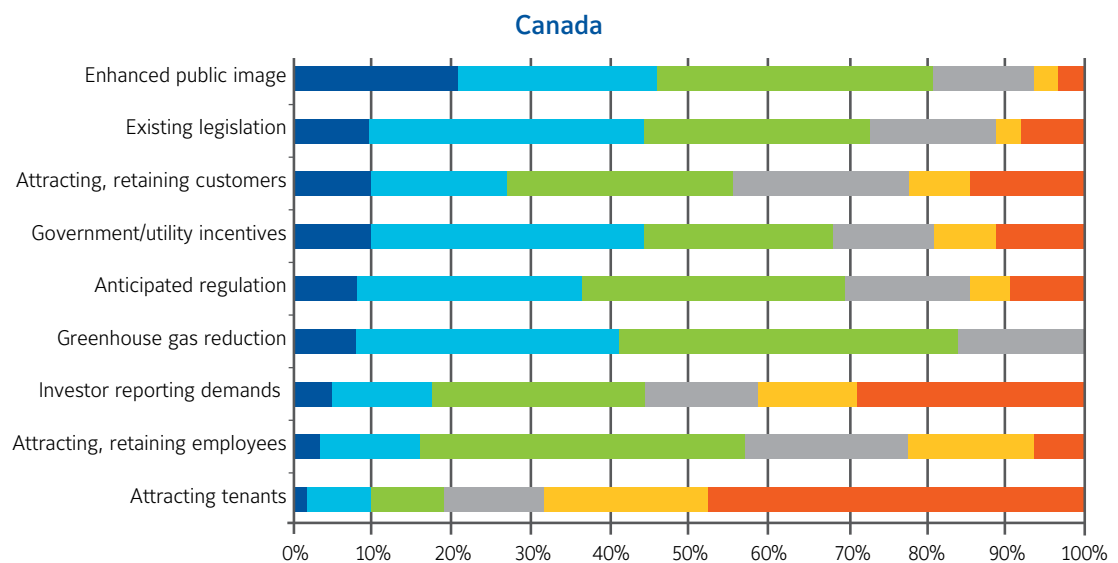
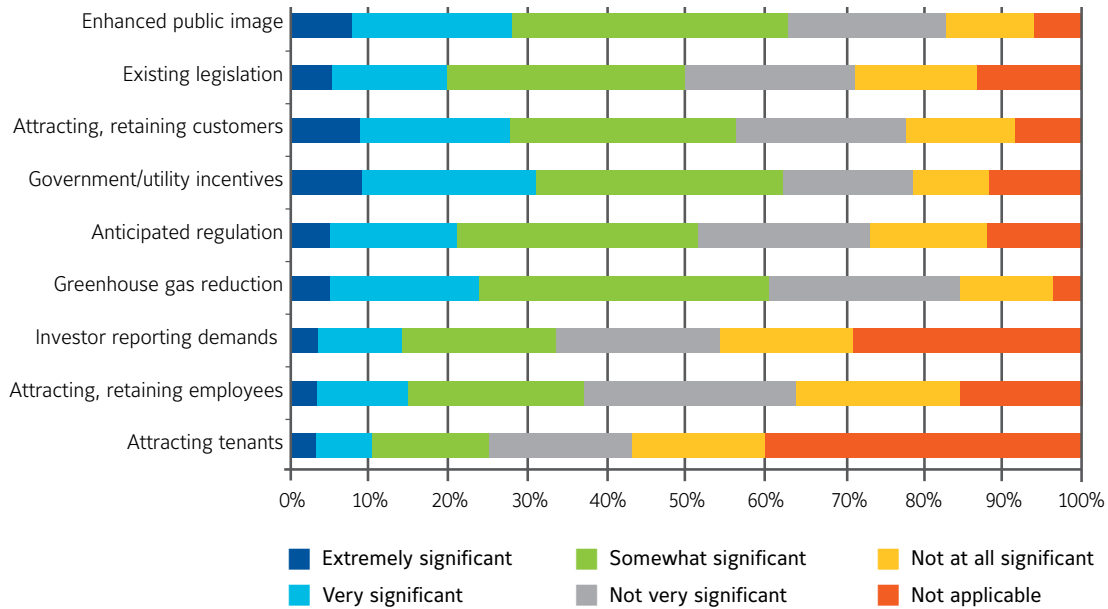


Figure 3. Continued.

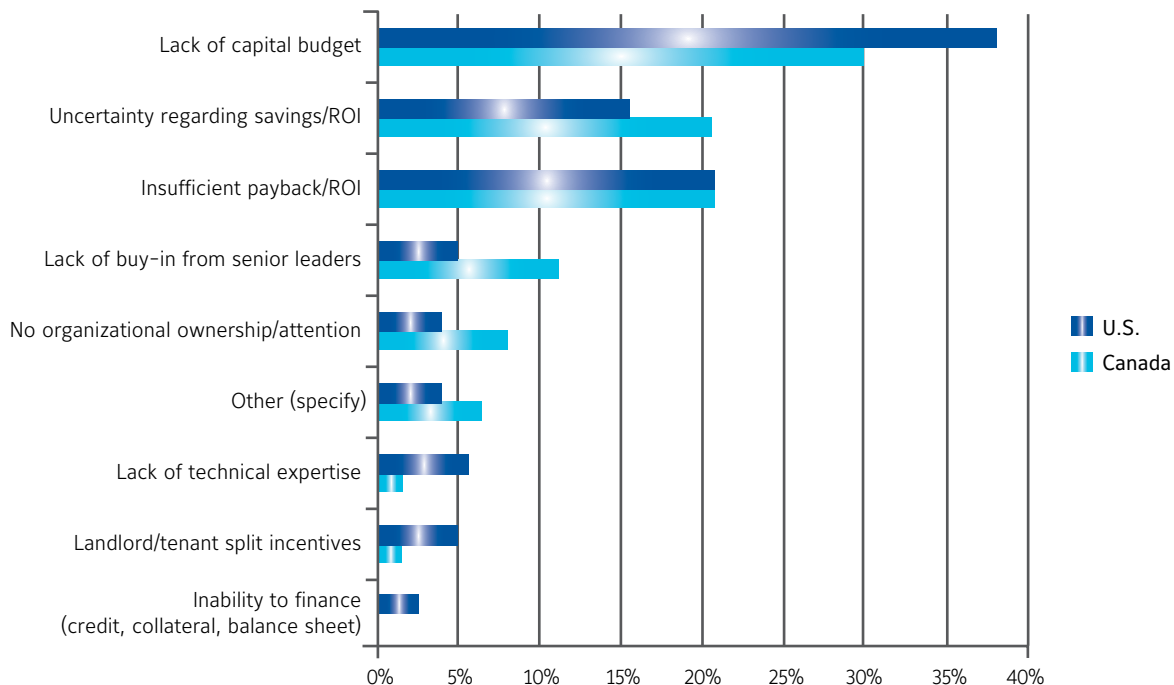
United States



BARRIERS TO ENERGY EFFICIENCY

Identifying the motivating factors for energy efficiency provides one view of the decision-making process. However, it can be just as illuminating to examine the barriers that prevent energy efficiency projects from materializing (Figure 4).

Figure 4. What is the top barrier to capturing potential energy savings from your organization?



In both countries, respondents cited lack of capital as impeding the most projects. This correlates to the top energy efficiency driver shown in Figure 3, confirming that cost is a principal factor in all energy decisions. It is also revealing to examine the other barriers identified by Canadian respondents, such as ROI issues and organizational challenges. While the differences between responses from the U.S. and Canada are small and may not reflect real trends, there are features that stand out:

- 20 percent of Canadian respondents identify uncertainty around the savings or economics of projects as the top barrier. These organizations are likely to have an internal budgeting structure that allows the first cost of projects to be overcome; however, they are limited by difficulty in finding projects with reliable results and acceptable levels of risk
- 18 percent of Canadian respondents point to lack of buy-in from leadership or the absence of internal champions within the organization. For these companies, it appears that changes in culture or organizational alignment would unlock more energy efficiency projects.

CONCLUSION AND FUTURE WORK

The 63 respondents from Canada in the 2010 Energy Efficiency Indicator survey provide a view into the minds of decision-makers in that country. Similar to those in the U.S., Canadian respondents indicate that energy management is important to their organizations and identify cost issues as both the most significant driver and the top barrier to energy efficiency projects.

In spring of 2011, the Johnson Controls Institute for Building Efficiency will administer the fifth EEI survey, exploring these trends as well as other topics related to energy efficiency decisions. In partnership with REALpac, the 2011 survey intends to reach more respondents in Canada, providing a more reliable view of the similarities and differences between Canada and other countries.

REALpac is Canada's premier industry association for investment real property leaders. Our mission is to collectively influence public policy, to educate government and the public, and to ensure stable and beneficial real estate capital and property markets in Canada.

REALpac Members currently own in excess of \$180 Billion CAD in real estate assets located in the major centres across Canada. Members include real estate investment trusts, publicly traded and large private companies, banks, brokerages, crown corporations, investment dealers, life companies, lenders, and pension funds. Visit us at www.realpac.ca.



The Institute for Building Efficiency is an initiative of Johnson Controls providing information and analysis of technologies, policies, and practices for efficient, high performance buildings and smart energy systems around the world. The Institute leverages the company's 125 years of global experience providing energy efficient solutions for buildings to support and complement the efforts of nonprofit organizations and industry associations. The Institute focuses on practical solutions that are innovative, cost-effective and scalable.

