

Final Report: North America – March 28th, 2008

Background

In 2007 Johnson Controls conducted research within the North American business community to look at the impact of rising energy prices on organizations. This survey of executives examined what companies were doing in response to rising energy costs, what sort of payback they expected on investments in energy efficiency, to what extent they were motivated by concerns about the environment vs. purely economics, etc. The project has been repeated in 2008 and the results compared to 2007 in order to determine whether businesses are changing their thinking and actions regarding energy efficiency.

Methodology

An online survey was completed with energy management decision makers. Specifically, in order to qualify, respondents had to meet the following criteria:

- Job responsibilities included 'reviewing or monitoring the amount of energy used by their company's facilities, or proposing or approving initiatives to make their company's facilities more energy efficient.'
- They had 'capital- or operations-related budget responsibility' for their company's facilities.

In North America, respondents included company executives, identified from an executive panel, and facilities professionals who are International Facility Management Association (IFMA) members. They represent a wide range of facility types, sizes and locations.

Interviews were conducted in March 2008. About 1,150 interviews were completed in North America in 2008, 1,250 in 2007.

Throughout the survey, respondents were asked to consider energy as being specifically natural gas, electricity, and fuel oil.

Throughout the report, 'Don't know' responses have been excluded from some questions. For questions in which a single response was required, the total of the responses for those questions may add up to less than 100%.

Where applicable, data for 2008 have been compared with that for 2007. However, new questions were added in 2008 and some other questions were modified significantly and for these questions only 2008 data are shown.

Who Were the Respondents?

Respondent Profile

- Consistent with 2007, the majority (72%) of respondents were facility managers, CEOs, VPs/directors of facilities, or general managers.

<u>Position</u>	<u>2008</u>	<u>2007</u>
	(1145) %	(1249) %
Facility Manager	19	22
CEO	28	18
VP or Director of Facilities	14	16
General Manager	11	12
COO or VP/Director of Operations	6	9
CFO	3	7
Other	19	16

- Respondents were typically responsible for less than a half million square feet of facilities. Respondents in 2008 represented smaller facilities than those in 2007.

<u>Area of Responsibility</u>	<u>2008</u>	<u>2007</u>
	(1145) %	(1249) %
Less than 100,000 sq. ft	56	38
100,000 to 499,999 sq. ft	19	27
500,000 to 999,999 sq. ft	9	13
1 million to 1.99 million sq. ft	6	9
2 million to 4.99 million sq. ft	4	6
5 million or more sq. ft	4	6
Don't know	2	2

- Over half the companies represented in 2008 employed less than 100 employees, meaning that the companies represented this year tended to be smaller than those in 2007. In 2007, 48% of respondents represented companies with between 100 and 5000 employees but fewer (28%) did so in 2008.

<u>Number of Employees</u>	<u>2008</u>	<u>2007</u>
	(1145) %	(1249) %
Less than 100	56	33
100 – 499	13	19
500 – 999	6	12
1,000 – 4,999	9	16
5,000 – 9,999	4	6
10,000 – 49,999	6	8
50,000 or more	5	6
Don't know	1	1

- Close to half the respondents declined to provide their revenues. Of the rest, respondents represented companies of a wide range of revenues. The organizations represented in 2008 skewed lower in revenue than in 2007.

<u>Company Revenue</u>	<u>2008</u> (1082) %	<u>2007</u> (1194) %
Less than \$100K	7	5
\$100K – less than \$500K	11	5
\$500K – less than \$1 million	5	4
\$1 million – less than \$5 million	9	12
\$5 million – less than \$10 million	4	5
\$10 million – less than \$50 million	7	10
\$50 million – less than \$100 million	2	5
\$100 million – less than \$500 million	4	7
\$500 million – less than \$1 billion	1	2
\$1 billion or more	5	8
Don't know	45	39

- As in 2007, a wide variety of industries were represented.

<u>Industry</u>	<u>2008</u> (1146) %	<u>2007</u> (1249) %
Service industry	12	9
Finance, insurance, and banking	10	11
Manufacturing	9	14
Retail	6	5
Real estate	6	4
Education	5	10
K-12	3	NA
Higher education	2	NA
Healthcare	5	7
Government and public administration	5	6
Construction	5	4
Communications	4	4
Wholesale	3	3
Hospitality	3	2
Transportation and logistics	3	2
Consumer products	2	NA
Other	22	20

- The types of facilities represented were consistent with 2007, with office space being, by far, the most common type of responsibility.
- Manufacturing, warehousing, and retail were also a key responsibility for at least 10% of respondents.

	<u>2008</u> (1136)	<u>2007</u> (1249)
<u>Primary Type of Building</u>	%	%
Office space	66	63
Industrial/manufacturing/plant	16	18
Warehouse/storage	18	18
Retail	13	10
Education campus	6	9
Research center/laboratory	6	8
Hospital/healthcare facility/clinic	5	7
Hotels/hospitality	6	5
Other	10	10

- The vast majority of respondents in both years are from the private sector.

	<u>2008</u> (1138)	<u>2007</u> (1228)
	%	%
Private sector	91	88
Public/government-owned	7	12
Both (education only)	2	NA

- Fewer of the 2008 respondents have responsibilities for facilities in multiple states.

	<u>2008</u> (1118)	<u>2007</u> (1249)
<u>Number of States Responsible In</u>	%	%
One	84	72
More than one	16	27
All 50/Contiguous 48	2	6
Not answered	-	1

Summary

Current Use, Expectations, and Plans

- In 2008 respondents believe that energy accounts for an average of 10% of their total expenses, which marks a slight increase from 9% one year ago.
- Consistent with one year ago, 80% believe energy prices will increase over the next year. Few expect prices to increase more than 20% but the average expectation has increased slightly from just over 13% in 2007 to almost 14% in 2008.
- A majority of companies (around 60%) expects to make energy efficiency improvements funded by capital budgets and a similar number expect to make improvements using operating budgets. The proportion of those budgets they expect to invest in such improvements has increased slightly over the past year.
- Having invested an average of 9% of capital budgets and 7% of operating budgets, companies expect to use an average of 9% less energy as a result of the improvements – again a slight increase in expectations relative to one year ago.

Emphasis on Energy Management

- 20% of companies now regard energy management as extremely important, marking a significant increase from 15% this time last year. In all, 57% regard it as extremely or very important, compared to 51% in 2007.
- As a result, companies are also paying more attention to energy efficiency than they were one year ago. 72% say they are paying a little or a lot more attention than they were twelve months ago, an increase from the 62% reported last year.
- On average, companies want a payback on their energy efficiency investments in less than 3½ years and they appear to be standing firm on this, as relatively few believe their company's tolerance for payback has increased over the past five years.
- Few companies currently have any green certified buildings but energy efficiency is considerably more likely to be a design priority in new construction and retrofit projects in 2008 and one-third of those companies with current or planned construction projects profess a goal of green certification for those buildings.

Motivations for Energy Efficiency

- Saving money continues to be the primary motivation for improving energy efficiency, although in most cases the environment is a factor to some degree. There is some indication that environmental responsibility is growing in influence but at this point it is only slight. Consistent with savings being the primary motivator is the fact that close to 40% regard incentives to be very influential on their energy efficiency decisions.
- Relatively few companies (28%) currently regard climate change as a very significant influence on their energy efficiency decisions. More (38%) believe it is important to minimize their dependence on traditional energy.
- Relatively few (31%) believe that green buildings will be very important in attracting and retaining future employees.

Measures Already in Place

- The majority of companies continue to educate staff on what they can do to reduce energy use but investment in personnel to achieve this education appears to be declining as fewer companies have sent employees to energy management seminars and fewer have hired energy consultants than had done so in 2007.
- In 2008, companies continue to adjust HVAC controls to run systems more efficiently but a growing number of companies (41%) replaced inefficient equipment before the end of its useful life.
- In 2008 more companies have made the switch to energy efficient lighting but fewer have installed lighting sensors or time clocks to operate lighting more efficiently.
- Half the companies in the research have not adopted any of the listed building design-related measures or energy supply-related measures, meaning there is still much room for development in these areas.
- As was the case in 2007, very few companies have a publicly stated carbon-reduction goal.
- The majority of companies with construction or retrofit projects are either considering or have included some form of renewable energy in their design and the most common types are solar electric and solar thermal.

Analysis by Size of Responsibility

- The larger the area of facilities, the larger the expenditure on energy, and the larger the proportion of total expenses energy accounts for:
 - For those with at least half-a-million square feet, energy accounts for an average of 12% of their total expenses, compared to 9% for those with less than 100,000 square feet.
- Size of facilities does not appear to influence whether decision makers expect energy prices to rise, or by how much they expect them to rise. However, the likelihood of making energy efficiency improvements (using either capital or operating budgets) grows as the size of facilities grows:
 - Just over 80% of those responsible for 500,000 square feet or more expect to make energy efficiency improvements with capital expenditures and a similar number expect to make them with operating expenditures. This compares to just 33% (capital) and 47% (operating) among those with responsibilities under 100,000 square feet.
- The larger the facilities, the greater the importance of energy management to a company:
 - 73% of decision makers with responsibility for 500,000 square feet or more consider energy management to be extremely (34%) or very (39%) important. This compares to just 49% of those with less than 100,000 square feet, and 62% of those with between 100,000 and 500,000 square feet.
- As a consequence, those with larger facilities tend to review their energy consumption data and their energy forecasts far more frequently than those with smaller facilities.
- Companies of all sizes are paying greater attention to energy efficiency than they were one year ago but those with larger facilities have increased the attention by a greater margin:
 - 42% of those with the largest facilities say they are paying a lot more attention versus year ago, compared to only 26% of those with the smallest facilities.
- Those with the largest facilities will tolerate a longer payback period of just over four years on average, compared to just less than three years for those with the smallest facilities. They are also more likely to have relaxed that tolerance compared to five years ago.
- Those companies with the largest facilities are the most likely to have at least one green certified building, although even among this segment the vast majority (79%) still do not.
- The relative influence of cost savings versus environmental responsibility in energy management decisions does not change with facility size – the emphasis is always on cost savings, with environmental responsibility playing a secondary role.
- Climate change is somewhat more influential on energy efficiency decisions for companies with larger facilities. They are also somewhat more likely to believe that green buildings will be important in attracting and retaining future employees, and are somewhat more likely to believe there will be significant legislation mandating energy efficiency or carbon-reduction in the next two years.
- Incentives are also considered somewhat more influential by those with larger facilities.

Analysis by Region

A regional analysis was completed and the data is included in the report. Some respondents were responsible for facilities across multiple regions and their responses are, therefore, included in the data for more than one region. Remarkably few differences were observed across regions.

- Decision makers across all regions expect energy prices to increase over the next year but those in the Northeast are somewhat more likely to hold this belief. Those in the Northeast and the South are more pessimistic about the size of the increase they anticipate. Companies in these regions expect to see prices rise over 14% on average.
- Companies in the West are considerably more likely to be influenced by incentives offered by utilities or the government.

Detailed Findings

Current Energy Use, Expectations and Plans

- A large number of respondents did not know the total amount their company spends on energy and this was even more so in 2008 than in 2007.

	<u>2008</u> (1090)	<u>2007</u> (1207)
<u>Amount on Energy Last Yr</u>	%	%
Less than \$100K	28	26
\$100K but less than \$500	8	13
\$500K but less than \$1,000,000	4	6
\$1,000,000 but less than \$5,000,000	7	9
More than \$5,000,000	5	5
Don't know	49	42

- Most frequently, energy expenses account for between 1% and 9% of total company expenses and on average they account for 10%, which is slightly higher than in 2007.

	<u>2008</u> (1143)	<u>2007</u> (1249)
<u>% of Total Expenses Energy Accounts for</u>	%	%
Less than 1%	7	11
1% - 4%	17	22
5% - 9%	24	21
10% - 14%	17	14
15% - 19%	8	7
20% - 24%	6	5
25% or more	6	6
Don't know	15	15
<i>Average</i>	<i>10%</i>	<i>9%</i>

- 80% of respondents believe that natural gas and electricity prices will rise over the next year, statistically consistent with one year ago.

	<u>2008</u> (1146)	<u>2007</u> (1249)
<u>Believe Price of Energy Will...</u>	%	%
Increase over the next year	80	79
Decrease over the next year	4	3
Not change significantly	16	18

- Relatively few expect energy prices to rise more than 20%. On average the expectation is for prices to rise just less than 14%. The size of the increase expected has grown slightly in the past year.

	<u>2008</u> (909)	<u>2007</u> (973)
<u>Anticipated Increase</u>	%	%
1% - 5%	16	20
6% - 10%	24	30
11% - 20%	24	23
21% - 40%	8	7
More than 40%	2	3
Don't know	26	18
<i>Mean anticipated increase</i>	<i>13.79%</i>	<i>13.25%</i>

- Consistent with one year ago, close to 60% expect to make energy efficiency improvements funded by capital expenditures in the next year.

	<u>2008</u> (1146)	<u>2007</u> (1249)
<u>Expectations – Capital Budget</u>	%	%
Expect to make energy efficiency improvements with capital expenditures in the next year	56	57
Do not expect to make improvements with capital expenditures in the next year	23	26
Don't know	21	17

- Most frequently, companies expect to invest between 1% and 9% of their total capital budget in energy efficiency measures. In 2008, on average they expect to invest 9%, which marks a slight increase from 8% in 2007.

	<u>2008</u> (636)	<u>2007</u> (712)
<u>% of Capital Budget Expect to Invest</u>	%	%
Less than 1%	7	10
1% - 4%	25	28
5% - 9%	26	26
10% - 14%	18	14
15% - 19%	7	7
20% - 24%	5	4
25% or more	5	4
Don't know	6	7
<i>Mean expectation</i>	<i>9%</i>	<i>8%</i>

- Just over 60% expect to make energy efficiency improvements funded by their operating budget in the next year.

	<u>2008</u> (1146)	<u>2007</u> (1249)
<u>Expectations – Operating Budget</u>	%	%
Expect to make energy efficiency improvements with operating expenditures in the next year	61	64
Do not expect to make improvements with operating expenditures in the next year	18	21
Don't know	21	16

- Consistent with year ago, companies most frequently expect to invest up to 9% of their total operating budget on energy efficiency measures. On average they expect to invest 7%, which is a slight increase compared to year ago.

	<u>2008</u> (698)	<u>2007</u> (791)
<u>% of Operating Budget Expect to Invest</u>	%	%
Less than 1%	8	16
1% - 4%	33	36
5% - 9%	27	23
10% - 14%	13	10
15% - 19%	5	4
20% - 24%	3	3
25% or more	2	1
Don't know	8	7
<i>Mean expectation</i>	7%	6%

- Companies most commonly expect to use between 1% and 9% less energy as a result of their anticipated investments in energy efficiency. On average they expect to use 9% less energy as a result of these investments, which is an increase from 8% one year ago.

	<u>2008</u> (1034)	<u>2007</u> (1123)
<u>Anticipated Resultant Consumption Reduction</u>	%	%
Less than 1%	6	7
1% - 4%	23	27
5% - 9%	27	28
10% - 19%	17	16
20% - 29%	6	4
30% or more	2	2
Don't know	18	15
<i>Mean expectation</i>	9%	8%

- Of those making energy efficiency improvements, only about one-third expect to see a decrease in the amount they pay per square foot of facilities as a result.

	<u>2008</u>	<u>2007</u>
	(850)	(948)
	%	%
Dollars paid per square foot will increase	37	35
Dollars paid per square foot will decrease	33	30
Dollars paid per square foot will not change significantly	31	35

Company's Emphasis on Energy Management

- In 2008 energy management has grown in importance compared to one year ago. 20% of companies now see it as *extremely* important, compared to 15% in 2007.

		<u>2008</u>	<u>2007</u>
		(1145)	(1249)
<u>Importance of Energy Management to Company</u>		%	%
<u>Extremely/very important</u>		57	51
Extremely important	(5)	20	15
Very important	(4)	37	36
Somewhat important	(3)	35	38
Not very important	(2)	7	9
Not at all important	(1)	2	2
<i>Mean</i>		3.66	3.53

- Monthly continues to be the most common frequency for companies to review energy *consumption*, and on average companies review consumption slightly more than once a month. Average frequency of reviewing consumption data has declined slightly since one year ago.

		<u>2008</u>	<u>2007</u>
		(1145)	(1249)
<u>Frequency of Reviewing Consumption Data</u>		%	%
Daily	(265)	2	3
Weekly	(52)	5	6
Monthly	(12)	47	40
Quarterly	(4)	17	19
Twice a year	(2)	9	7
Annually	(1)	11	14
Less than once a year	(0.5)	6	8
Don't know		3	3
<i>Avg. times per year</i>		15.0	17.1

- Companies typically review their energy use *forecasts* monthly, quarterly, or annually; meaning that on average forecasts tend to be reviewed considerably less frequently than actual energy use. On average, forecasts are reviewed about seven times per year – slightly less than they were one year ago.

		<u>2008</u>	<u>2007</u>
		(1141)	(1249)
<u>Frequency of Reviewing Forecasts</u>		%	%
Daily	(265)	1	1
Weekly	(52)	2	3
Monthly	(12)	22	20
Quarterly	(4)	24	25
Twice a year	(2)	13	10
Annually	(1)	21	25
Less than once a year	(0.5)	10	9
Don't know		6	7
<i>Avg. times per year</i>		<i>7.2</i>	<i>8.1</i>

- Companies are paying more attention to energy efficiency than they were one year ago. 72% say they are paying a lot or a little more attention than year ago, compared to 62% reported in 2007.

		<u>2008</u>	<u>2007</u>
		(1146)	(1249)
<u>Attention Paid to Energy Efficiency Vs. Year Ago</u>		%	%
Paying a lot more attention now	(5)	30	23
Paying a little more attention now	(4)	42	39
Paying about the same attention	(3)	24	33
Paying a little less attention now	(2)	1	2
Paying a lot less attention now	(1)	*	*
Don't know		2	3
<i>Average</i>		<i>4.03</i>	<i>3.86</i>

- When it comes to how long companies will allow for a payback on their investments in energy efficiency, the vast majority (72%) have a tolerance of between one and six years. For 43% it is less than three years but few insist on their energy efficiency investment seeing a return in less than one year. The average tolerance is about three-and-a-half years.

<u>Tolerance for ROI on Energy Efficiency Investment</u>		<u>2008</u> (1136)
		%
Less than a year	(0.75)	5
1 but less than 2 years	(1.5)	16
2 but less than 3 years	(2.5)	22
3 but less than 4 years	(3.5)	16
4 but less than 6 years	(5.0)	18
6 but less than 10 years	(8.0)	6
10 years or more	(10.0)	3
Would not require ROI		4
<i>Average Maximum ROI period</i>		<i>3.6 years</i>

- About one-fifth of companies will allow a longer payback on their investment than they would have done five years ago and this has not changed significantly since last year.

<u>ROI Tolerance Compared to 5-Years Ago</u>	<u>2008</u>	<u>2007</u>
	(1136)	(1249)
	%	%
Company will allow longer payback period today	21	18
Allowable payback period has not changed	38	45
Company allowed longer payback 5-years ago	10	10
Don't know	31	26

- For all their professed consideration of energy efficiency, very few (8%) companies claim to have any certified green buildings. About 40% say they have buildings with green elements but just as many say they do not.

<u>Current Status Vis-à-vis Green Facilities</u>	<u>2008</u> (1144)
	%
Have at least one green certified building	8
Have buildings with elements but no certification	40
Have no buildings that incorporate green elements	43
Don't know	9

- But increasingly, energy efficiency is considered a priority in construction and retrofit projects. For the vast majority, it is a priority in new construction and retrofit projects and this number (88%) is significantly higher than just one year ago.

	<u>2008</u> (482)	<u>2007</u> (664)
<u>Consideration of Efficiency in Construction Projects</u>	%	%
Energy efficiency was/will be a design priority	88	77
Energy efficiency was not/won't be a priority	10	18
Don't know	2	5

- Green certification is considerably more likely to be the goal for new construction projects than for retrofits. One-third of those with current or planned new construction have a goal of green certification, compared to only one-fifth for retrofits.
- However, the more likely goal in either case is to have some green elements but not to seek green certification. About 60% of those with retrofit projects and about half of those with new construction projects describe their company's goal as this.

	<u>Construction</u> <u>Projects</u> (245)	<u>Retrofit</u> <u>Projects</u> (301)
<u>Goal for 'Greenness' of New Construction/Retrofits</u>	%	%
To be certified to a recognized green standard	34	20
To have green elements but not green certification	48	59
No goal for them to be green buildings	12	18
Don't know	5	3

Motivations for Energy Efficiency

- Cost savings are a considerably greater motivation for achieving energy efficiency than is environmental responsibility, however the environment is usually at least partly the reason:
 - 41% of respondents believe energy efficiency is mostly or somewhat more for cost savings but few believe it is entirely for cost savings
 - About one-third believe environmental responsibility and cost savings are equally behind decisions to improve energy efficiency.
- There has been a slight increase in the relative importance of the environment over the past year.

		<u>2008</u> (1130)	<u>2007</u> (1183)
<u>Relative Influence of Cost Savings/Environment</u>		%	%
100% cost savings	(7)	6	6
Mostly for cost savings	(6)	20	24
Somewhat more for cost savings	(5)	21	22
50% cost savings/50% environmental	(4)	36	35
Somewhat more for environment	(3)	10	7
Mostly for environmental responsibility	(2)	5	5
100% environmental responsibility	(1)	1	1
<i>Mean</i>		4.57	4.68

- 28% of respondents believe that climate change is an *extremely* or *very* significant influence on their company's energy efficiency decisions and 31% believe it is *somewhat* significant; meaning that about 60% believe it is at least *somewhat* significant.

		<u>2008</u> (1143)
<u>Influence of Climate Change on Energy Efficiency Decisions</u>		%
<u>Extremely/very significant</u>		<u>28</u>
Extremely significant	(5)	9
Very significant	(4)	19
Somewhat significant	(3)	31
Not very significant	(2)	24
Not at all significant	(1)	14
<i>Mean</i>		2.84

- 38% of respondents believe that incentives are *extremely* or *very* influential on their company's energy efficiency decisions.

		<u>2008</u>
<u>Influence of Utilities/Gov. Incentives on Energy Efficiency Decisions</u>		(1143)
		%
<u>Extremely/very influential</u>		<u>38</u>
Extremely influential	(5)	13
Very influential	(4)	25
Somewhat influential	(3)	37
Not very influential	(2)	14
Not at all influential	(1)	8
<i>Mean</i>		<i>3.22</i>

- 38% believe their company feels it is *extremely* or *very* important to minimize its dependence on traditional energy such as gas, oil, and electricity.

		<u>2008</u>
<u>Importance of Minimizing Dependence on Traditional Energy</u>		(1139)
		%
<u>Extremely/very important</u>		<u>38</u>
Extremely important	(5)	12
Very important	(4)	26
Somewhat important	(3)	39
Not very important	(2)	15
Not at all important	(1)	5
<i>Mean</i>		<i>3.26</i>

- Almost one-third of respondents believe that green buildings will be *extremely* or *very* important in attracting and retaining future employees.

		<u>2008</u>
<u>Perceived Importance of Green Buildings in Attracting and Retaining Employees</u>		(1136)
		%
<u>Extremely/very important</u>		<u>31</u>
Extremely important	(5)	11
Very important	(4)	20
Somewhat important	(3)	36
Not very important	(2)	20
Not at all important	(1)	9
<i>Mean</i>		<i>3.05</i>

- Close to 40% believe it is *extremely* or *very* likely that in the next two years there will be significant legislation mandating energy efficiency and/or carbon reduction.

		<u>2008</u>
<u>Expectation of Significant Legislation Mandating</u>		(1140)
<u>Energy Efficiency or Carbon Reduction in Next 2 Years</u>		%
<u>Extremely/very likely</u>		<u>39</u>
Extremely likely	(5)	11
Very likely	(4)	28
Somewhat likely	(3)	37
Not very likely	(2)	16
Not at all likely	(1)	3
<i>Mean</i>		<i>3.29</i>

Energy Management Measures Already in Place

- Education of staff and other facility users is a very commonly implemented tool for increasing energy efficiency – around 70% of companies appear to do this.
- In 2008, fewer companies and organizations have sent staff to energy management seminars or hired an energy consultant.

	<u>2008</u> (1144)	<u>2007</u> (1249)
<u>Staff-Related Measures Adopted</u>	%	%
Educated staff or other facility users on what they can do to reduce energy use	72	70
Attended or sent staff to energy management seminars	26	31
Hired an energy consultant to find ways to improve energy efficiency	14	20
Hired an energy manager	7	9
None	20	17

- The majority of companies have taken the step of adjusting HVAC controls to reduce the time that heating or AC runs.
- The number of companies replacing inefficient equipment before the end of its useful life increased significantly in 2008 but the number of companies installing VSD/VFD, or installing a new building management system where they did not previously have one decreased over the same period.

	<u>2008</u> (1143)	<u>2007</u> (1249)
<u>Equipment and Systems-Related Measures Adopted</u>	%	%
Adjusted HVAC temperature controls to reduce time that heating/AC runs	61	60
Replaced inefficient equipment before the end of its useful life	41	28
Increased preventive maintenance schedules	34	34
Increased frequency of monitoring consumption	31	31
Upgraded or improved an existing building management system	28	31
Installed variable speed/frequency drives (VSD/VFD)	20	28
Installed a building management system where there was not one	14	23
Captured waste energy (such as heat & steam)	8	NA
Re-commissioned building systems and equipment	8	NA
Other	6	6
None	14	12

- The majority of companies have switched to energy efficient lighting and this number grew significantly in 2008.
- However, in 2008 fewer companies had installed lighting sensors or installed or adjusted timers to turn lights on and off at specified times.

	<u>2008</u> (1146)	<u>2007</u> (1249)
<u>Lighting-Related Measures Adopted</u>	%	%
Switched to energy efficient lighting	78	67
Installed lighting sensors so lights come on and off as needed	38	46
Installed or adjusted time clocks to turn lights on/off at specified times	29	35
Other	2	4
None	12	15

- Around one-fourth of companies have installed energy-saving glass or increased building insulation but, overall, relatively few have adopted any of the building design-related measures listed.

	<u>2008</u> (1119)	<u>2007</u> (1249)
<u>Building Design-Related Measures Adopted</u>	%	%
Installed energy-saving glass in windows	26	28
Increased building insulation	24	NA
Re-roofed with white roof covering to reduce heat gain	15	13
Installed a green roof	5	NA
Other	3	7
None	50	60

- Relatively few companies have adopted any of the listed energy supply-related measures and the number that have adopted any of them actually declined in 2008. The most common measure is negotiating energy contracts but the number of companies doing this declined in 2008.

	<u>2008</u> (1118)	<u>2007</u> (1249)
<u>Energy Supply-Related Measures Adopted</u>	%	%
Negotiated energy contracts with suppliers	25	36
Put energy price hedging strategies in place	12	14
Installed renewable energy systems (such as solar, wind, geo-thermal, or methane gas)	9	NA
Self-generate power during demand peaks	8	10
Converted to using alternative fuels	8	8
Other	2	2
None	54	47

- The most common renewable energy technology either included in new construction or retrofit projects, or being considered for such projects, is solar electric. Almost 40% of companies have included, or are considering it. The next most popular is solar thermal, which around one-fourth of companies are either implementing or considering.

	<u>2008</u> (483)
<u>Renewables in/Considered in Projects</u>	%
Solar electric	38
Solar thermal	24
Wind	19
Geo-thermal	13
Hydro-power	11
Bio-mass	7
None of these	32
Don't know	9

- In 2008, as in 2007, few companies have a publicly stated carbon reduction goal.

	<u>2008</u> (1139)	<u>2007</u> (1249)
	%	%
Have a publicly stated carbon-reduction goal	12	11
Don't have stated carbon-reduction goal	77	76
Don't know	11	13

Detailed Findings By Subgroups

-

-Size of responsibility-
-Region-

Current Energy Use, Expectations and Plans – by Size of Responsibility

- Not surprisingly, the larger the area of responsibility, the larger the expenditure on energy.

	<u>Total</u> (1090)	<100,000 <u>sq. ft</u> (623)	100,000 – <u>499,999 sq. ft</u> (206)	500,000+ <u>sq. ft</u> (243)
<u>Amount on Energy Last Yr</u>	%	%	%	%
Less than \$100K	28	45	7	3
\$100K but less than \$500	8	6	19	5
\$500K but less than \$1,000,000	4	*	14	5
\$1,000,000 but less than \$5,000,000	7	1	7	21
More than \$5,000,000	5	*	1	19
Don't know	49	48	51	47

- Most frequently, energy accounts for between 1% and 14% of total expenses but as the amount of facility space grows, so does the proportion of total expenses that energy accounts for.

	<u>Total</u> (1143)	<100,000 <u>sq. ft</u> (641)	100,000 – <u>499,999 sq. ft</u> (218)	500,000+ <u>sq. ft</u> (265)
<u>% of Total Expenses Energy Accounts for</u>	%	%	%	%
Less than 1%	7	8	6	3
1% - 4%	17	19	15	15
5% - 9%	24	26	26	17
10% - 14%	17	18	17	17
15% - 19%	8	7	7	13
20% - 24%	6	5	5	7
25% or more	6	5	6	9
Don't know	15	12	17	19
<i>Average</i>	<i>10%</i>	<i>9%</i>	<i>10%</i>	<i>12%</i>

- Regardless of size of responsibility, around 80% of decision-makers believe energy prices will increase over the next year.

	<u>Total</u> (1146)	<100,000 <u>sq. ft</u> (641)	100,000 – <u>499,999 sq. ft</u> (219)	500,000+ <u>sq. ft</u> (267)
<u>Believe Price of Energy Will...</u>	%	%	%	%
Increase over the next year	80	79	77	84
Decrease over the next year	4	3	6	5
Not change significantly	16	18	17	10

- Those with smaller areas of responsibility are less likely to have an idea of how much energy prices will increase in the coming year.

	Total	<100,000	100,000 –	500,000+
	(909)	sq. ft	499,999 sq. ft	sq. ft
	%	(502)	(168)	(222)
<u>Anticipated Increase</u>	%	%	%	%
1% - 5%	16	11	18	25
6% - 10%	24	21	33	23
11% - 20%	24	25	22	22
21% - 40%	8	9	4	8
More than 40%	2	2	1	2
Don't know	26	31	21	19
<i>Mean anticipated increase</i>	<i>13.79%</i>	<i>15.12%</i>	<i>12.07%</i>	<i>12.56%</i>

- The larger the area of responsibility, the greater the likelihood that the decision-maker expects to make energy efficiency improvements with capital expenditures in the next year. Around 80% of those with responsibility for at least half a million square feet expect to make improvements from capital expenditures.

	Total	<100,000	100,000 –	500,000+
	(1146)	sq. ft	499,999 sq. ft	sq. ft
	%	(641)	(219)	(267)
<u>Expectations – Capital Budget</u>	%	%	%	%
Expect to make energy eff. improvements with capital expenditures in the next year	56	40	69	84
Do not expect to make improvements with capital expenditures in the next year	23	33	15	6
Don't know	21	27	16	10

- Of those that do expect to make energy efficiency improvements using capital expenditures, in the majority of cases they expect to allocate between 1% and 9% of the total capital budget to those improvements.

	Total	<100,000	100,000 –	500,000+
	(636)	sq. ft	499,999 sq. ft	sq. ft
	%	(254)	(151)	(224)
<u>% of Capital Budget Expect to Invest</u>	%	%	%	%
Less than 1%	7	9	8	4
1% - 4%	25	28	19	25
5% - 9%	26	24	33	23
10% - 14%	18	18	17	19
15% - 19%	7	6	9	8
20% - 24%	5	4	3	8
25% or more	5	5	3	7
Don't know	6	5	9	6
<i>Mean expectation</i>	<i>8%</i>	<i>9%</i>	<i>9%</i>	<i>10%</i>

- The larger the facilities, the more likely decision-makers are to make energy efficiency improvements with operating expenditures too.

	<u>Total</u> (1146)	<100,000 <u>sq. ft</u> (641)	100,000 – <u>499,999 sq. ft</u> (219)	500,000+ <u>sq. ft</u> (267)
<u>Expectations – Operating Budget</u>	%	%	%	%
Expect to make energy eff. improvements with operating expenditures in the next year	61	47	76	85
Do not expect to make improvements with operating expenditures in the next year	18	25	11	6
Don't know	21	28	13	9

- Regardless of size, companies most frequently expect to invest up to 9% of their total operating budget on energy efficiency measures. They expect to spend a slightly higher proportion of their capital budget on these measures than they do of their operating budget.

	<u>Total</u> (698)	<100,000 <u>sq. ft</u> (297)	100,000 – <u>499,999 sq. ft</u> (164)	500,000+ <u>sq. ft</u> (227)
<u>% of Operating Budget Expect to Invest</u>	%	%	%	%
Less than 1%	8	9	7	7
1% - 4%	33	35	37	28
5% - 9%	27	27	27	28
10% - 14%	13	13	12	15
15% - 19%	5	5	5	7
20% - 24%	3	3	2	1
25% or more	2	1	1	4
Don't know	8	7	8	10
<i>Mean expectation</i>	7%	7%	7%	7%

- And, while they expect to spend between 1% and 9% of both budgets on energy efficiency improvements, decision-makers also expect those expenditures to result in a 1% to 9% reduction in energy consumption. This is consistent across facility sizes.

	<u>Total</u> (1034)	<100,000 <u>sq. ft</u> (546)	100,000 – <u>499,999 sq. ft</u> (207)	500,000+ <u>sq. ft</u> (265)
<u>Anticipated Resultant Consumption Reduction</u>	%	%	%	%
Less than 1%	6	8	6	4
1% - 4%	23	21	22	26
5% - 9%	27	25	32	27
10% - 19%	17	16	21	18
20% - 29%	6	7	5	7
30% or more	2	1	2	5
Don't know	18	22	12	13
<i>Mean expectation</i>	9%	11%	9%	10%

- Even though most companies expect to invest in energy efficiency improvements, across facilities of all sizes, only about one-third expect their investments to result in an actual decline in the dollars paid for energy per square foot.

	<u>Total</u> (850)	<100,000 <u>sq. ft</u> (428)	100,000 – <u>499,999 sq. ft</u> (181)	500,000+ <u>sq. ft</u> (231)
	%	%	%	%
Dollars paid per square foot will increase	37	39	29	39
Dollars paid per square foot will decrease	33	31	35	32
Dollars paid per square foot will not change significantly	31	30	36	29

Company's Emphasis on Energy Management – by Size of Responsibility

- The larger the area of facility space, the greater the importance of energy management to a company. For one-third of those with 500,000 square feet or more, energy management is *extremely* important, and for three-fourths it is *extremely* or *very* important.
- However, even for those with smaller facilities, half or more consider it at least *very* important.

		Total	<100,000	100,000 –	500,000+
		(1145)	sq. ft	499,999 sq. ft	sq. ft
		%	(641)	(218)	(267)
<u>Importance of Energy Management to Company</u>		%	%	%	%
<u>Extremely/very important</u>		57	49	62	73
Extremely important	(5)	20	14	19	34
Very important	(4)	37	35	42	39
Somewhat important	(3)	35	38	35	25
Not very important	(2)	7	10	4	2
Not at all important	(1)	2	3	-	-
<i>Mean</i>		3.66	3.47	3.75	4.06

- Companies with larger facility areas review their energy consumption more frequently. Those with the largest areas review their consumption a little more than twice a month.

		Total	<100,000	100,000 –	500,000+
		(1145)	sq. ft	499,999 sq. ft	sq. ft
		%	(640)	(219)	(267)
<u>Frequency of Reviewing Consumption Data</u>		%	%	%	%
Daily	(265)	2	*	2	6
Weekly	(52)	5	3	7	10
Monthly	(12)	47	46	53	45
Quarterly	(4)	17	16	14	20
Twice a year	(2)	9	10	11	6
Annually	(1)	11	13	9	8
Less than once a year	(0.5)	6	9	3	4
Don't know		3	4	2	2
<i>Avg. times per year</i>		15.0	9.4	15.9	26.8

- And those with the most square feet of facility space also review their energy forecasts more often. Those with the most facility space review their forecasts a little more than once a month on average, while those with the least space tend to review them a little more than quarterly.

		<100,000	100,000 –	500,000+
	<u>Total</u>	<u>sq. ft</u>	<u>499,999 sq. ft</u>	<u>sq. ft</u>
	(1141)	(640)	(218)	(265)
<u>Frequency of Reviewing Forecasts</u>	%	%	%	%
Daily	(265)	*	2	1
Weekly	(52)	2	2	5
Monthly	(12)	22	22	33
Quarterly	(4)	24	26	27
Twice a year	(2)	13	18	11
Annually	(1)	21	23	14
Less than once a year (0.5)	(0.5)	10	4	4
Don't know		6	4	5
<i>Avg. times per year</i>		7.2	7.0	12.5

- Companies of all sizes are paying more attention to energy efficiency than they were one year ago. However, the largest companies are the most likely to be paying *a lot* more attention now.

		<100,000	100,000 –	500,000+
	<u>Total</u>	<u>sq. ft</u>	<u>499,999 sq. ft</u>	<u>sq. ft</u>
	(1146)	(641)	(219)	(267)
<u>Attention Paid to Energy Efficiency Vs. Year Ago</u>	%	%	%	%
Paying a lot more attention now	(5)	30	31	42
Paying a little more attention now	(4)	42	43	37
Paying about the same attention	(3)	24	26	18
Paying a little less attention now	(2)	1	*	3
Paying a lot less attention now	(1)	*	-	-
Don't know		2	3	1
<i>Average</i>		4.03	4.04	4.18

- Regardless of the total area of their facilities, the majority of companies have a tolerance for a payback on energy efficiency investments of between one and 6 years. Those with the largest facilities will tolerate slightly longer payback periods.

		Total (1144)	<100,000 sq. ft (640)	100,000 – 499,999 sq. ft (218)	500,000+ sq. ft (267)
<u>Tolerance for ROI on Energy Eff. Investment</u>	%	%	%	%	%
Less than a year (0.75)	5	6	3	2	
1 but less than 2 years (1.5)	16	16	15	14	
2 but less than 3 years (2.5)	22	22	22	24	
3 but less than 4 years (3.5)	16	14	22	16	
4 but less than 6 years (5.0)	18	15	20	24	
6 but less than 10 years (8.0)	6	4	8	10	
10 years or more (10.0)	3	2	1	6	
Would not require ROI	4	6	2	1	
<i>Average Maximum ROI period</i>	<i>3.6 years</i>	<i>3.3 years</i>	<i>3.7 years</i>	<i>4.1 years</i>	

- Those companies with the largest facilities are the most likely to have relaxed their tolerance for a payback on their investment relative to 5-years ago, although the most common response from all segments is that the tolerance has not changed.

	Total (1138)	<100,000 sq. ft (637)	100,000– 499,999 sq. ft (215)	500,000+ sq. ft (265)
<u>ROI Tolerance Compared to 5-Years Ago</u>	%	%	%	%
Company will allow longer payback period today	21	18	22	29
Allowable payback period has not changed	38	36	42	41
Company allowed longer payback 5-years ago	10	10	10	10
Don't know	31	37	26	20

- The companies with the smallest facilities have been the slowest to adopt any kind of green elements. However, even those with the largest facilities are relatively unlikely to have buildings that are green certified. They are considerably more likely to have incorporated green elements into their design, without seeking certification.

	Total (1144)	<100,000 sq. ft (641)	100,000 – 499,999 sq. ft (218)	500,000+ sq. ft (266)
<u>Current Status Vis-à-vis Green Facilities</u>	%	%	%	%
Have at least one green certified building	8	2	9	21
Have buildings with elements but no certification	40	29	54	56
Have no buildings that incorporate green elements	43	57	30	20
Don't know	9	12	6	4

Motivations for Energy Efficiency – by Size of Responsibility

- The relative influence of cost savings and environmental responsibility in energy management decisions are consistent across companies of all facility sizes. Environmental responsibility is a factor but saving money is the primary motivator for achieving energy efficiencies.

		<100,000	100,000 –	500,000+	
	<u>Total</u>	<u>sq. ft</u>	<u>499,999 sq. ft</u>	<u>sq. ft</u>	
	(1130)	(633)	(215)	(263)	
	%	%	%	%	
100% cost savings	(7)	6	8	5	4
Mostly for cost savings	(6)	20	20	22	20
Somewhat more for cost savings	(5)	21	21	22	19
50% cost savings/50% environmental	(4)	36	32	37	44
Somewhat more for environment	(3)	10	11	10	9
Mostly for environmental responsibility	(2)	5	7	3	3
100% environmental responsibility	(1)	1	1	1	1
<i>Mean</i>		4.57	4.56	4.64	4.54

- The influence of climate change on energy efficiency decisions is somewhat greater for companies with larger facilities. However, overall and even for this segment, it is yet to develop as a very significant influence.

		<100,000	100,000 –	500,000+	
	<u>Total</u>	<u>sq. ft</u>	<u>499,999 sq. ft</u>	<u>sq. ft</u>	
	(1143)	(640)	(219)	(266)	
	%	%	%	%	
<u>Influence of Climate Change on Energy Efficiency Decisions</u>					
<u>Extremely/very significant</u>		<u>28</u>	<u>27</u>	<u>26</u>	<u>32</u>
Extremely significant	(5)	9	9	7	12
Very significant	(4)	19	18	19	20
Somewhat significant	(3)	31	30	30	33
Not very significant	(2)	24	23	26	26
Not at all significant	(1)	14	18	11	6
<i>Mean</i>		2.84	2.77	2.82	3.04

- Incentives appear to exert a little more influence on energy efficiency decisions. They are somewhat more influential for those with larger facilities.

		<100,000	100,000 –	500,000+
	<u>Total</u>	<u>sq. ft</u>	<u>499,999 sq. ft</u>	<u>sq. ft</u>
<u>Influence of Utilities/Gov. Incentives on Energy Efficiency Decisions</u>	(1143)	(641)	(219)	(264)
	%	%	%	%
<u>Extremely/very influential</u>	<u>38</u>	<u>35</u>	<u>40</u>	<u>45</u>
Extremely influential (5)	13	13	10	16
Very influential (4)	25	22	30	29
Somewhat influential (3)	37	36	44	33
Not very influential (2)	14	15	9	14
Not at all influential (1)	8	11	5	4
<i>Mean</i>	<i>3.22</i>	<i>3.12</i>	<i>3.30</i>	<i>3.40</i>

- Overall, minimizing dependence on traditional energy is important to about 40% of companies and this is fairly consistent, regardless of the size of their facilities.

		<100,000	100,000 –	500,000+
	<u>Total</u>	<u>sq. ft</u>	<u>499,999 sq. ft</u>	<u>sq. ft</u>
<u>Importance of Minimizing Dependence on Traditional Energy</u>	(1139)	(641)	(217)	(262)
	%	%	%	%
<u>Extremely/very important</u>	<u>38</u>	<u>40</u>	<u>30</u>	<u>36</u>
Extremely important (5)	12	14	8	10
Very important (4)	26	26	22	25
Somewhat important (3)	39	37	42	42
Not very important (2)	15	13	19	16
Not at all important (1)	5	6	3	3
<i>Mean</i>	<i>3.26</i>	<i>3.31</i>	<i>3.14</i>	<i>3.23</i>

- About one-third of respondents believe that green buildings will be *extremely* or *very* important in attracting and retaining future employees and this becomes a somewhat stronger belief among those with larger facilities.

		<100,000	100,000 –	500,000+
	<u>Total</u>	<u>sq. ft</u>	<u>499,999 sq. ft</u>	<u>sq. ft</u>
<u>Perceived Importance of Green Buildings in Attracting and Retaining Employees</u>	(1136)	(637)	(216)	(265)
	%	%	%	%
<u>Extremely/very important</u>	<u>31</u>	<u>27</u>	<u>34</u>	<u>38</u>
Extremely important (5)	11	10	11	14
Very important (4)	20	17	23	24
Somewhat important (3)	36	33	38	40
Not very important (2)	20	21	19	17
Not at all important (1)	9	12	6	3
<i>Mean</i>	<i>3.05</i>	<i>2.92</i>	<i>3.14</i>	<i>3.30</i>

- Close to 40% believe it is *extremely* or *very* likely that in the next two years there will be significant legislation mandating energy efficiency and/or carbon reduction. Those with larger facilities are more likely to believe that such legislation will pass.

		Total	<100,000	100,000 –	500,000+
		(1140)	sq. ft	499,999 sq. ft	sq. ft
			(639)	(217)	(265)
<u>Expectation of Significant Legislation Mandating Energy Efficiency or Carbon Reduction in Next 2 Years</u>		%	%	%	%
<u>Extremely/very likely</u>		<u>39</u>	<u>36</u>	<u>38</u>	<u>46</u>
Extremely likely	(5)	11	10	11	16
Very likely	(4)	28	26	27	30
Somewhat likely	(3)	37	36	42	38
Not very likely	(2)	16	19	14	11
Not at all likely	(1)	3	5	2	2
<i>Mean</i>		<i>3.29</i>	<i>3.18</i>	<i>3.32</i>	<i>3.51</i>

Current Energy Use, Expectations and Plans – by Region

- Energy expenditures are fairly consistent by region. Half the respondents in each region did not know how much their company spends on energy.

	<u>Total</u> (1090)	<u>Northeast</u> (233)	<u>Midwest</u> (290)	<u>West</u> (317)	<u>South</u> (367)
<u>Amount on Energy Last Yr</u>	%	%	%	%	%
Less than \$100K	28	23	26	27	28
\$100K but less than \$500	8	6	11	10	5
\$500K but less than \$1,000,000	4	4	3	5	4
\$1,000,000 but less than \$5,000,000	7	7	6	8	7
More than \$5,000,000	5	5	4	6	7
Don't know	49	55	50	44	50

- Most frequently, energy accounts for between 1% and 14% of total expenses and this does not vary a great deal by region.

	<u>Total</u> (1143)	<u>Northeast</u> (250)	<u>Midwest</u> (303)	<u>West</u> (329)	<u>South</u> (383)
<u>% of Total Expenses Energy Accounts for</u>	%	%	%	%	%
Less than 1%	7	6	4	9	7
1% - 4%	17	19	16	18	17
5% - 9%	24	23	22	22	27
10% - 14%	17	18	18	20	16
15% - 19%	8	7	10	7	9
20% - 24%	6	7	7	5	6
25% or more	6	7	5	5	5
Don't know	15	13	17	14	14
<i>Average</i>	<i>10%</i>	<i>10%</i>	<i>11%</i>	<i>10%</i>	<i>10%</i>

- The majority of decision-makers in all regions believe that energy prices will increase significantly in the next year but those in the northeast are even more likely to feel this way.

	<u>Total</u> (1146)	<u>Northeast</u> (250)	<u>Midwest</u> (303)	<u>West</u> (330)	<u>South</u> (384)
<u>Believe Price of Energy Will...</u>	%	%	%	%	%
Increase over the next year	80	86	81	78	78
Decrease over the next year	4	3	4	5	4
Not change significantly	16	11	16	17	18

- Those in the northeast and the south are expecting the highest increases in energy prices.

	<u>Total</u> (909)	<u>Northeast</u> (214)	<u>Midwest</u> (242)	<u>West</u> (256)	<u>South</u> (298)
<u>Anticipated Increase</u>	%	%	%	%	%
1% - 5%	16	14	17	20	17
6% - 10%	24	22	20	30	22
11% - 20%	24	24	28	22	22
21% - 40%	8	11	5	4	11
More than 40%	2	2	2	2	2
Don't know	26	26	28	22	26
<i>Mean anticipated increase</i>	13.79%	14.79%	12.96%	12.40%	14.14%

- Almost 60% of companies expect to make energy efficiency investments with their capital budget and this is consistent across regions.

	<u>Total</u> (1146)	<u>Northeast</u> (250)	<u>Midwest</u> (303)	<u>West</u> (330)	<u>South</u> (384)
<u>Expectations – Capital Budget</u>	%	%	%	%	%
Expect to make energy eff. improvements with capital expenditures in the next year	56	57	57	57	57
Do not expect to make improvements with capital expenditures in the next year	23	20	20	25	23
Don't know	21	22	23	18	20

- Companies expect to invest an average of 8% of their total facilities-related capital budget in energy efficiency improvements and this does not vary significantly by region.

	<u>Total</u> (636)	<u>Northeast</u> (142)	<u>Midwest</u> (173)	<u>West</u> (187)	<u>South</u> (218)
<u>% of Capital Budget Expect to Invest</u>	%	%	%	%	%
Less than 1%	7	8	5	11	7
1% - 4%	25	17	26	26	24
5% - 9%	26	26	29	26	24
10% - 14%	18	19	17	18	22
15% - 19%	7	8	8	5	8
20% - 24%	5	8	7	4	5
25% or more	5	6	3	3	6
Don't know	6	8	5	7	5
<i>Mean expectation</i>	8%	10%	9%	8%	9%

- About two-thirds of companies expect to make energy efficiency improvements funded by operating budgets and this does not vary significantly by region.

	<u>Total</u> (1146)	<u>Northeast</u> (250)	<u>Midwest</u> (303)	<u>West</u> (330)	<u>South</u> (384)
<u>Expectations – Operating Budget</u>	%	%	%	%	%
Expect to make energy eff. improvements with operating expenditures in the next year	61	66	63	62	63
Do not expect to make improvements with operating expenditures in the next year	18	17	17	19	16
Don't know	21	17	21	19	21

- Companies in the northeast expect to invest the largest portion of their facilities-related operating budget in energy efficiency improvements.

	<u>Total</u> (698)	<u>Northeast</u> (163)	<u>Midwest</u> (189)	<u>West</u> (204)	<u>South</u> (242)
<u>% of Operating Budget Expect to Invest</u>	%	%	%	%	%
Less than 1%	8	7	5	8	7
1% - 4%	33	26	33	40	33
5% - 9%	27	24	37	25	23
10% - 14%	13	20	11	10	17
15% - 19%	5	7	5	4	7
20% - 24%	3	4	2	2	4
25% or more	2	2	1	1	1
Don't know	8	10	7	10	7
<i>Mean expectation</i>	7%	8%	7%	6%	7%

- Expectations for cost reduction as a result of energy efficiency improvements are also consistent across regions. Companies expect to see a 9% reduction on average.

	<u>Total</u> (1034)	<u>Northeast</u> (222)	<u>Midwest</u> (275)	<u>West</u> (304)	<u>South</u> (352)
<u>Anticipated Resultant Consumption Reduction</u>	%	%	%	%	%
Less than 1%	6	5	4	7	7
1% - 4%	23	22	23	23	21
5% - 9%	27	27	31	23	29
10% - 19%	17	18	15	18	17
20% - 29%	6	9	7	6	7
30% or more	2	2	1	2	3
Don't know	18	16	18	21	16
<i>Mean expectation</i>	9%	10%	9%	9%	9%

- Regardless of region, only about one-third of those making energy efficiency investments expect to see the amount they pay per square foot to decrease as a result of their investments.

	<u>Total</u>	<u>Northeast</u>	<u>Midwest</u>	<u>West</u>	<u>South</u>
	(850)	(186)	(224)	(241)	(295)
	%	%	%	%	%
Dollars paid per square foot will increase	37	39	36	39	34
Dollars paid per square foot will decrease	33	32	30	34	33
Dollars paid per square foot will not change significantly	31	28	34	27	33

Company's Emphasis on Energy Management – by Region

- The importance of energy management to companies is consistent across regions, with the average company considering it somewhere between *somewhat* and *very* important.

		<u>Total</u> (1145)	<u>Northeast</u> (250)	<u>Midwest</u> (303)	<u>West</u> (330)	<u>South</u> (383)
<u>Importance of Energy Management to Company</u>		%	%	%	%	%
<u>Extremely/very important</u>		<u>57</u>	<u>57</u>	<u>57</u>	<u>57</u>	<u>58</u>
Extremely important	(5)	20	20	18	20	21
Very important	(4)	37	37	39	37	37
Somewhat important	(3)	35	32	35	36	33
Not very important	(2)	7	8	6	6	7
Not at all important	(1)	2	3	2	1	1
<i>Mean</i>		3.66	3.64	3.65	3.68	3.69

- Companies in the northeast review their energy consumption data a little more frequently than others. However, monthly is the most common frequency for all regions.

		<u>Total</u> (1145)	<u>Northeast</u> (250)	<u>Midwest</u> (303)	<u>West</u> (330)	<u>South</u> (383)
<u>Frequency of Reviewing Consumption Data</u>		%	%	%	%	%
Daily	(265)	2	3	2	2	2
Weekly	(52)	5	7	4	5	7
Monthly	(12)	47	36	48	51	47
Quarterly	(4)	17	21	15	17	17
Twice a year	(2)	9	10	12	7	8
Annually	(1)	11	10	12	11	9
Less than once a year	(0.5)	6	9	4	4	7
Don't know		3	4	4	3	3
<i>Avg. times per year</i>		15.0	18.2	13.8	15.1	16.2

- Frequency of reviewing energy cost forecasts is reasonably consistent across regions but those in the northeast may do it a little more than those in other regions.

		<u>Total</u> (1141)	<u>Northeast</u> (250)	<u>Midwest</u> (302)	<u>West</u> (328)	<u>South</u> (382)
<u>Frequency of Reviewing Forecasts</u>		%	%	%	%	%
Daily	(265)	*	1	1	*	1
Weekly	(52)	2	4	1	2	3
Monthly	(12)	22	22	21	23	21
Quarterly	(4)	24	23	25	26	27
Twice a year	(2)	13	12	15	11	15
Annually	(1)	21	23	22	22	18
Less than once a year	(0.5)	10	12	8	11	9
Don't know		6	4	7	5	6
<i>Avg. times per year</i>		7.2	9.9	6.8	6.4	7.8

- On average, companies are paying *a little* more attention to energy efficiency than they were one year ago and this is consistent in all regions.

	<u>Total</u> (1146)	<u>Northeast</u> (250)	<u>Midwest</u> (303)	<u>West</u> (330)	<u>South</u> (384)
<u>Attention Paid to Energy Efficiency Vs. Year Ago</u>	%	%	%	%	%
Paying a lot more attention now (5)	30	33	28	30	30
Paying a little more attention now (4)	42	42	44	43	44
Paying about the same attention (3)	24	23	24	24	22
Paying a little less attention now (2)	1	2	1	1	1
Paying a lot less attention now (1)	*	-	-	*	1
Don't know	2	-	3	2	3
<i>Average</i>	<i>4.03</i>	<i>4.06</i>	<i>4.01</i>	<i>4.04</i>	<i>4.05</i>

- The average tolerance for payback on energy efficiency investments is three-and-a-half years and this does not vary by region.

	<u>Total</u> (1144)	<u>Northeast</u> (250)	<u>Midwest</u> (302)	<u>West</u> (330)	<u>South</u> (383)
<u>Tolerance for ROI on Energy Eff. Investment</u>	%	%	%	%	%
Less than a year (0.75)	5	5	4	4	5
1 but less than 2 years (1.5)	16	14	14	18	17
2 but less than 3 years (2.5)	22	26	29	22	22
3 but less than 4 years (3.5)	16	17	13	18	19
4 but less than 6 years (5.0)	18	15	20	16	16
6 but less than 10 years (8.0)	6	7	5	6	6
10 years or more (10.0)	3	3	2	3	3
Would not require ROI	4	4	3	5	4
<i>Average Maximum ROI period</i>	<i>3.6 yrs</i>	<i>3.5 yrs</i>	<i>3.5 yrs</i>	<i>3.5 yrs</i>	<i>3.5 yrs</i>

- The most common response is that the tolerance for payback on investments in energy efficiency has not changed in the past five years and this is true for all regions.

	<u>Total</u> (1138)	<u>Northeast</u> (249)	<u>Midwest</u> (300)	<u>West</u> (327)	<u>South</u> (381)
<u>ROI Tolerance Compared to 5-Years Ago</u>	%	%	%	%	%
Company will allow longer payback period today	21	25	25	21	20
Allowable payback period has not changed	38	40	35	38	38
Company allowed longer payback 5-years ago	10	10	9	12	10
Don't know	31	25	31	29	33

- Fewer than 10% of companies in any region have any green certified buildings. However, around 40% in each region have buildings with green elements.

	<u>Total</u>	<u>Northeast</u>	<u>Midwest</u>	<u>West</u>	<u>South</u>
	(1144)	(250)	(302)	(330)	(383)
<u>Current Status Vis-à-vis Green Facilities</u>	%	%	%	%	%
Have at least one green certified building	8	9	9	9	7
Have buildings with elements but no certification	40	40	43	42	40
Have no buildings that incorporate green elements	43	42	38	41	45
Don't know	9	10	10	8	8

Motivations for Energy Efficiency – by Region

- The relative influence of cost savings and environmental responsibility in energy management decisions is consistent across regions. In all regions, environmental responsibility is a factor but saving money is the primary motivator for achieving energy efficiency.

		<u>Total</u> (1130)	<u>Northeast</u> (243)	<u>Midwest</u> (301)	<u>West</u> (328)	<u>South</u> (378)
		%	%	%	%	%
100% cost savings	(7)	6	7	4	8	6
Mostly for cost savings	(6)	20	20	24	20	22
Somewhat more for cost savings	(5)	21	23	20	20	19
50% cost savings/50% environmental	(4)	36	38	38	35	37
Somewhat more for environment	(3)	10	8	8	11	10
Mostly for environmental responsibility	(2)	5	4	4	5	5
100% environmental responsibility	(1)	1	1	1	1	1
<i>Mean</i>		4.57	4.62	4.62	4.59	4.55

- The influence of climate change on energy efficiency decisions is consistent across regions.

<u>Influence of Climate Change on Energy Efficiency Decisions</u>		<u>Total</u> (1143)	<u>Northeast</u> (250)	<u>Midwest</u> (303)	<u>West</u> (328)	<u>South</u> (383)
		%	%	%	%	%
<u>Extremely/very significant</u>		28	27	25	24	27
Extremely significant	(5)	9	11	7	9	7
Very significant	(4)	19	16	18	15	20
Somewhat significant	(3)	31	34	28	36	29
Not very significant	(2)	24	24	27	22	28
Not at all significant	(1)	14	13	14	16	13
<i>Mean</i>		2.84	2.88	2.75	2.78	2.81

- Government and utilities incentives are more influential in the west than in other regions.

<u>Influence of Utilities/Gov. Incentives on Energy Efficiency Decisions</u>		<u>Total</u> (1143)	<u>Northeast</u> (250)	<u>Midwest</u> (303)	<u>West</u> (329)	<u>South</u> (383)
		%	%	%	%	%
<u>Extremely/very influential</u>		38	37	32	47	37
Extremely influential	(5)	13	14	11	16	11
Very influential	(4)	25	23	21	32	25
Somewhat influential	(3)	37	40	41	36	37
Not very influential	(2)	14	15	15	10	15
Not at all influential	(1)	8	7	8	6	8
<i>Mean</i>		3.22	3.22	3.13	3.41	3.17

- Overall, minimizing dependence on traditional energy is important to almost 40% of companies and this varies little by region.

<u>Importance of Minimizing Dependence on Traditional Energy</u>	<u>Total</u> (1139)	<u>Northeast</u> (248)	<u>Midwest</u> (300)	<u>West</u> (327)	<u>South</u> (381)
	%	%	%	%	%
<u>Extremely/very important</u>	<u>38</u>	<u>38</u>	<u>32</u>	<u>35</u>	<u>38</u>
Extremely important (5)	12	13	10	11	11
Very important (4)	26	25	23	24	27
Somewhat important (3)	39	38	43	42	38
Not very important (2)	15	17	15	14	15
Not at all important (1)	5	5	5	5	6
<i>Mean</i>	<i>3.26</i>	<i>3.25</i>	<i>3.17</i>	<i>3.24</i>	<i>3.22</i>

- Respondents from all regions are also consistent in terms of how important they believe green buildings will be in attracting and retaining future employees.

<u>Perceived Importance of Green Buildings in Attracting and Retaining Employees</u>	<u>Total</u> (1136)	<u>Northeast</u> (248)	<u>Midwest</u> (302)	<u>West</u> (329)	<u>South</u> (379)
	%	%	%	%	%
<u>Extremely/very important</u>	<u>31</u>	<u>31</u>	<u>28</u>	<u>34</u>	<u>30</u>
Extremely important (5)	11	11	10	12	10
Very important (4)	20	20	19	22	20
Somewhat important (3)	36	41	34	34	37
Not very important (2)	20	15	20	21	22
Not at all important (1)	9	8	10	8	8
<i>Mean</i>	<i>3.05</i>	<i>3.11</i>	<i>2.98</i>	<i>3.09</i>	<i>3.01</i>

- Expectations for legislation mandating energy efficiency or carbon reduction in the next two years are also consistent across regions, with about 40% of respondents in each region thinking such legislation *extremely* or *very* likely.

<u>Expectation of Significant Legislation Mandating Energy Efficiency or Carbon Reduction in Next 2 Years</u>	<u>Total</u> (1140)	<u>Northeast</u> (249)	<u>Midwest</u> (301)	<u>West</u> (328)	<u>South</u> (383)
	%	%	%	%	%
<u>Extremely/very likely</u>	<u>39</u>	<u>39</u>	<u>38</u>	<u>38</u>	<u>40</u>
Extremely likely (5)	11	13	9	12	11
Very likely (4)	28	26	29	26	28
Somewhat likely (3)	37	41	35	41	38
Not very likely (2)	16	16	17	13	16
Not at all likely (1)	3	2	5	3	3
<i>Mean</i>	<i>3.29</i>	<i>3.32</i>	<i>3.21</i>	<i>3.32</i>	<i>3.29</i>