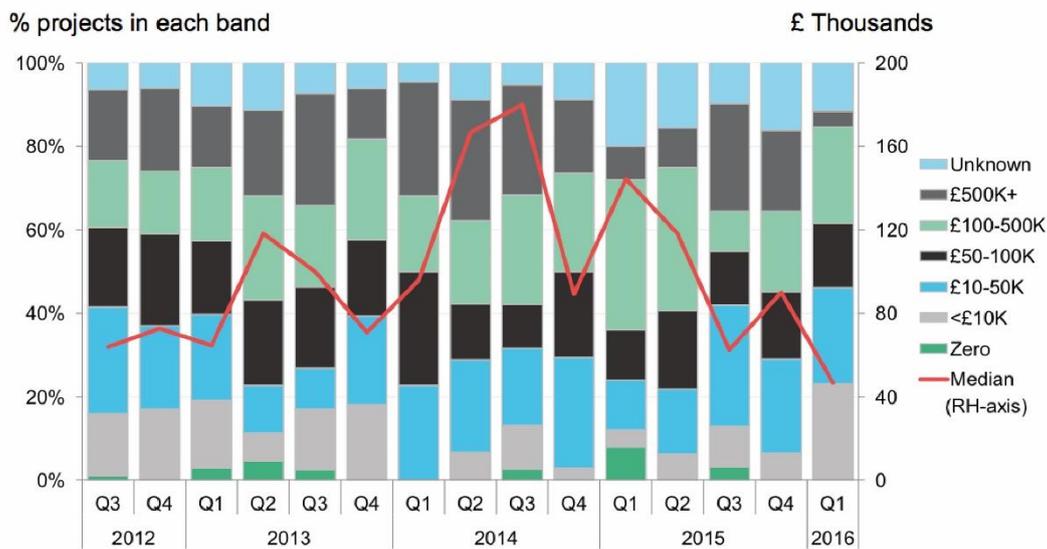


## AVERAGE ENERGY EFFICIENCY PROJECT COSTS £47k

13 June 2016, London – The latest issue of the UK *Energy Efficiency Trends* report (Volume 15, published June 2016) shows that the typical spend on energy efficiency is £47,000 per project.

This is a reduction from £90,000 in Q4 of 2015 and represents a fall of £57,000 from the 2015 four quarter average of £104,000. It is the lowest level since the quarterly report was first published in 2012 (Fig 15, below).

**Figure 15: Trends in capital costs, Q3 2012 – Q1 2016**



Source: EEVS, BNEF. Note: the line shows the cost trend for energy efficiency projects over time based on the estimated median.

Commenting on the findings, Ian Jeffries, Director at EEVS, said:

*“Consumer spending on energy efficiency technologies has been volatile over the last 4 years and this quarter’s results sustained that trend.*

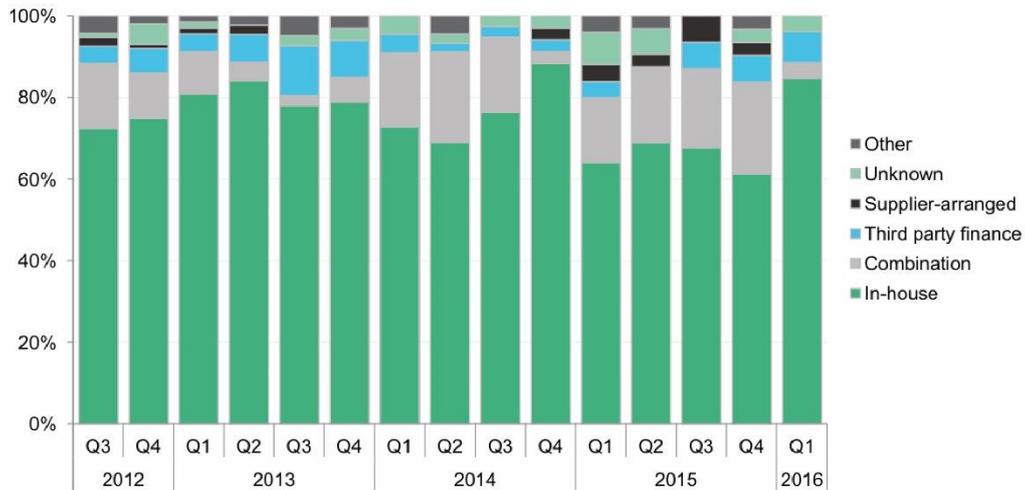
*“Organisations appear to have almost entirely shunned the ‘big ticket’ energy saving schemes in the £500k plus range. As a result, we’ve recorded the lowest ‘cost per project’ since the research began – now just £47k.*

*“Whilst the reasons for this drop-off are unclear, it’s fair to speculate that the increased uncertainty and business risk associated with a potential ‘Brexit’ means that organisations are, for now, taking a ‘wait and see’ attitude and are deferring bigger investment decisions until market confidence returns.*

*“If the long term referendum polls are correct, and the country votes to remain within the EU, perhaps we’ll see a return to material investment growth in Q3 and Q4 of 2016.”*

The report also highlighted a reversal in the recent trend towards increasing use of third party finance, with the majority of consumers reverting back to core in-house capital this quarter (Fig 16, below).

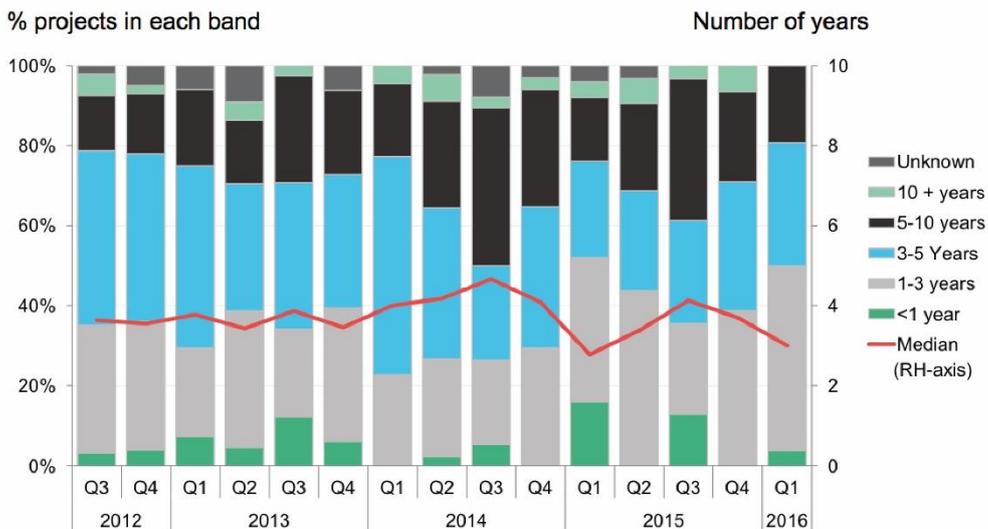
**Figure 16: Trends in finance models, Q3 2012 – Q1 2016**



Source: EEVS, BNEF. Note: the orange line shows the cost trend for energy efficiency projects over time based on the estimated median.

In addition, respondents reported a tightening of payback expectations for the third consecutive quarter, with the median payback expectation per project now three years (Fig 17, below).

**Figure 17: Trends in expected payback periods, Q3 2012 – Q1 2016**



Source: EEVS, BNEF. Note: the line shows the expected payback trend for energy efficiency projects based on the estimated median.

Richard Singleton, Managing Director, Corporate, at Bellrock said:

*"As a UK-based business with international clients, the uncertainty reflected in the report over the potential Brexit is certainly reflected by our own experience. Decision-making is stagnating, and not just for energy efficiency projects, although this is not as true for our healthcare and education sector clients.*

*"We often experience a similar but more wide-reaching slow down, coming up to a general election, however unlike an election there are ramifications beyond the decision from the referendum. The long term trend for lower capital projects will probably continue therefore, until such a time as there is confidence in the clarity for trade and stability for the economy in general."*

Download the full report here: <http://www.energyefficiencytrends.co.uk>

## About the report

Compiled from the results of a confidential, quarterly consumer and supplier survey, the UK *Energy Efficiency Trends* Report evidences industry trends and has become one of the sector's leading sources of market intelligence.

The report is delivered by a research partnership between EEVS and Bloomberg New Energy Finance, and is supported by Bird & Bird and Bellrock.

Download the full report here: <http://www.energyefficiencytrends.co.uk>

## Call for new respondents

New respondents are always needed to complete the survey. The ideal respondents fall into two categories:

- Directors within energy efficiency supply, consultancy and finance organisations
- Those responsible for reducing energy consumption within their own organisations

There is no restriction on size of organisation. Those interested in taking part in the next survey can register using this link: <http://www.energyefficiencytrends.co.uk>

## ENDS

Download the graphs in this press release using the links below:

- Figure 15 - <http://app.prmx.co.uk/collateral/100309.jpg>
- Figure 16 - <http://app.prmx.co.uk/collateral/100310.jpg>
- Figure 17 - <http://app.prmx.co.uk/collateral/100311.jpg>
- Front cover - <http://app.prmx.co.uk/collateral/100314.jpg>

## Contact

To find out more, please visit [www.energyefficiencytrends.co.uk](http://www.energyefficiencytrends.co.uk) or follow the EEVS team on Twitter @EEVSInsight. Alternatively, please contact Adrienne Robins at Green Tiger Communications:

Tel: 07855 643094. Email: [adrienne@greentigercommunications.co.uk](mailto:adrienne@greentigercommunications.co.uk)

## Editors' Notes

The Energy Efficiency Trends Survey (Vol.15) was conducted between 19 April and 13 May 2016 and completed by 62 UK-based respondents.

The insight it provides is helping to transform levels of transparency and understanding within the sector – as well as supporting better, faster, more confident decision making in relation to commercial energy saving investments.

The analysis is produced quarterly, based on survey feedback from a wide range of commercial consumers and suppliers of energy efficiency.

The survey is delivered by EEVS and Bloomberg New Energy Finance and is supported by:

- Bird & Bird – international law firm with a specialism in the energy and utilities sector
- Bellrock – providing property and facilities management services to over 40,000 retail, commercial and public sector properties throughout the UK

EEVS is a leading global provider of performance assurance, analysis and information in relation to energy efficiency. This includes working with clients to devise and develop: performance management systems and strategies; procurement policies and tender evaluations; due diligence on performance contracts and guarantees; performance and financial risk analysis. Alongside this, an established team of energy analysts provides high quality, independent Measurement and Verification (M&V) services for all sizes and types of energy saving project. Since 2011 this team has evaluated the savings performance of over 400 schemes to the global good practice standard, IPMVP.

[www.eevs.co.uk](http://www.eevs.co.uk)

Bloomberg New Energy Finance is the definitive source of insight, data and news on the transformation of the energy sector. BNEF has a staff of more than 200 based in key finance centres worldwide including London, New York, Beijing, New Delhi, São Paulo and Tokyo.

[www.about.bnef.com](http://www.about.bnef.com)