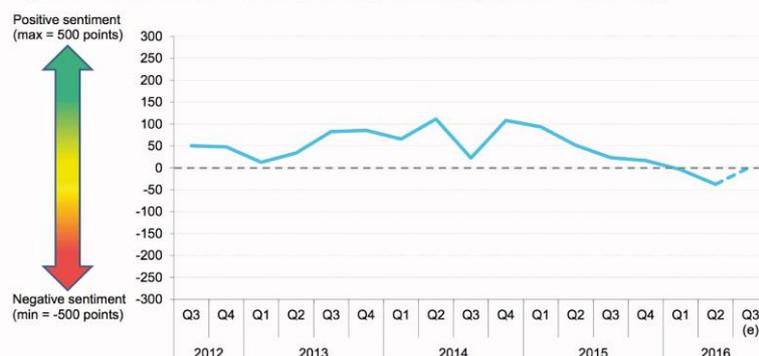


## ENERGY EFFICIENCY SECTOR REPORTS POST-BREXIT GLOOM

6 September 2016, London – The latest issue of the UK *Energy Efficiency Trends* report (Volume 16, published today) shows another drop in supplier confidence. In the first quarter of 2016 supplier confidence dropped 21 points, dipping into the red for the first time since publication commenced in 2012. Now, in Q2 the report’s market monitor, which combines trends in supplier order books, staffing levels, sale prices and government action – fell further from -4 to -38 points (see Figure 1 below).

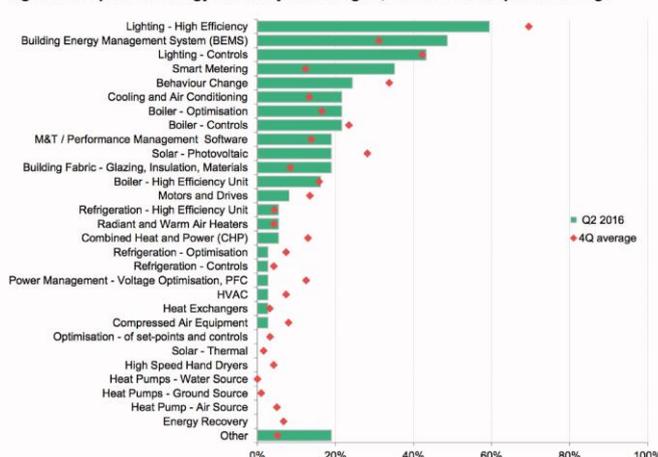
**Figure 1: Market Monitor – tracking industry confidence, Q3 2012 – Q3 2016(e)**



Source: EEVS, BNEF. Note: based on weighted confidence indicators from Figures 3, 4, 5, 6, and 9. Zero represents neutrality. 500/-500 indicate the maximum degrees of positive/negative sentiment possible.

In addition, consumer responses showed one of the biggest drops in high energy efficiency lighting deployment to date, falling from a rolling four-quarter average of 70% down to 59%, although it still remains the leading technology deployed (see Figure 11 below).

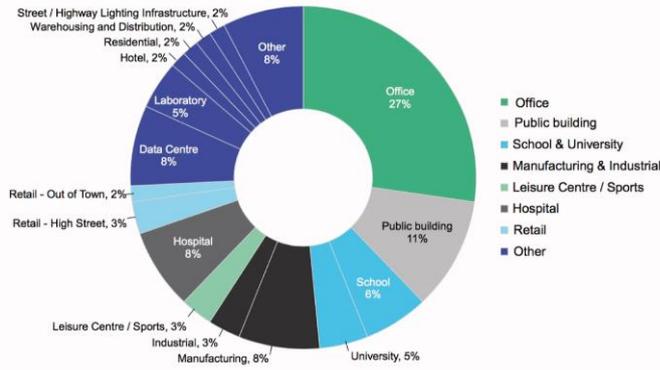
**Figure 11: Uptake of energy efficiency technologies, Q2 2016 v four-quarter average**



Source: EEVS, BNEF. Note: ranks technologies according to the proportion of consumers who commissioned a project in each technology out of the overall number of consumers commissioning projects. PFC = power factor correction.

On the plus side, the commercial property sector continues to lead the way in terms of energy efficiency technology deployment (see Figure 13).

Figure 13: Breakdown of commissioned projects by property type, Q2 2016



Source: EEVS, BNEF

### Supplier barometer

- Industry confidence – down
- UK orders – down
- Confidence in government’s management of energy efficiency policy – down

### Consumer barometer

- Project size – up
- Project finance – stable
- Payback period – up

### Technology barometer

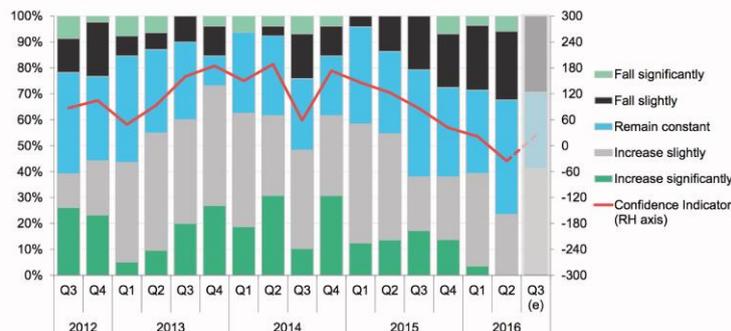
- Lighting controls – up
- BEMS - up
- Smart meters – up
- High efficiency lighting – down
- Solar PV - down

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

### In detail

Q2 Energy Efficiency Trends data shows a continuing downward trend in UK orders (Figure 3). This is the sixth consecutive fall, with around three quarters of suppliers now reporting either stagnant or declining order books. There has also been a decline in confidence in respect of the government’s management of energy efficiency policy, with more respondents falling into the ‘ineffective’ category.

Figure 3: Trends in orders from national customers, Q3 2012 – Q3 2016(e)



Source: EEVS, BNEF. Note: the confidence indicator is an input to the market monitor in Figure 1. Zero represents neutrality. 500/-500 indicate the maximum degrees of positive/negative sentiment possible.

Key concerns for the sector remain largely constant, with customer demand still the dominant issue for 38% of suppliers, followed by national competition (26%) and raising finance (12%).

Consumer responses for Q2 2016 are a little more encouraging. Although the specification of high efficiency lighting continued to fall, down 11% on the four quarter average, (down 11%) it remains the leading technology deployed. Solar PV and behaviour change also saw material declines against their four-quarter averages (See Figure 11 above and 12 below). By contrast, Building Energy Management Systems (BEMS) and Smart Metering have both seen a material increase in uptake.

Figure 12: Trends in top technologies for consumer uptake, Q3 2012 – Q2 2016



Source: EEVS, BNEF. Note: shows the proportion of respondents who commissioned a project in the respective category out of the total number of respondents who commissioned a project. Smart metering was only tracked from Q4 2014 onward.

Volatility in capital spending continued this quarter, with a significant increase in larger projects (£500k+) being reported. This increase pushed up median project costs from the £47k reported last quarter to around £145k this quarter, which could be a reflection of the move away from lighting and behaviour change, and towards BEMS and smart metering.

Project finance returned to the longer term trend line this quarter, with a broad 70/30 split reported between use of in-house capital and third-party finance respectively. And, after a period of tightening payback expectations, Q2 responses showed something of a correction, with the median payback rising towards four years (from three years last quarter).

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

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

*“The fall in supplier confidence can be directly linked to lacklustre order book growth, but it is likely to have been exacerbated by the Brexit uncertainty.”*

*“Until now, lighting has been the dominant technology of choice. It is still top of the pile, but consumer interest in BEMS and Smart Metering has shot up considerably. Lighting looks to have taken much of the hit and we saw an uncharacteristically sharp dip this quarter. It will be interesting to see if this trend continues; if so these performance management technologies could potentially challenge lighting for the top spot in the forthcoming quarters.”*

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

*“Without doubt the Brexit decision has created uncertainty whether or not organisations have international reach. The universal response is to be cautious and focus on business as usual. Reducing energy bills and creating more certainty for operating costs is a positive response for helping to stabilise for a positive future.”*

### 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, Bellrock and Minimise Energy.

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 following links:

- Figure 1 - <http://app.pymax.co.uk/collateral/104659.jpg>
- Figure 3 - <http://app.pymax.co.uk/collateral/104660.jpg>
- Figure 11 - <http://app.pymax.co.uk/collateral/104661.jpg>
- Figure 12 - <http://app.pymax.co.uk/collateral/104662.jpg>
- Figure 13 - <http://app.pymax.co.uk/collateral/104668.jpg>
- Front cover - <http://app.pymax.co.uk/collateral/104669.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:

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### Editors' Notes

The Energy Efficiency Trends Survey (Vol.16) was conducted between 11 July and 12 August 2016 and completed by 89 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
- Minimise Energy – providing clients with the manufacture, supply and installation of innovative energy efficiency technologies

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 hundreds of energy efficiency projects 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)