

Report indicates upbeat Energy Efficiency sector and satisfied customers

20 June 2017, London – Within the latest *UK Energy Efficiency Trends* report, published today by EEVS Insight and Bloomberg New Energy Finance, UK customers reported almost universally positive feedback on supplier performance.

Within the findings, which were part of a special feature on customer satisfaction within the quarterly market research, customers appear to be satisfied with the energy saving technologies and services that UK suppliers are offering. However, in challenging economic times customers are also looking for good value-for-money and this is something suppliers will want to be mindful of when looking at these results. Overall, however, it was a very strong outcome for energy efficiency suppliers.

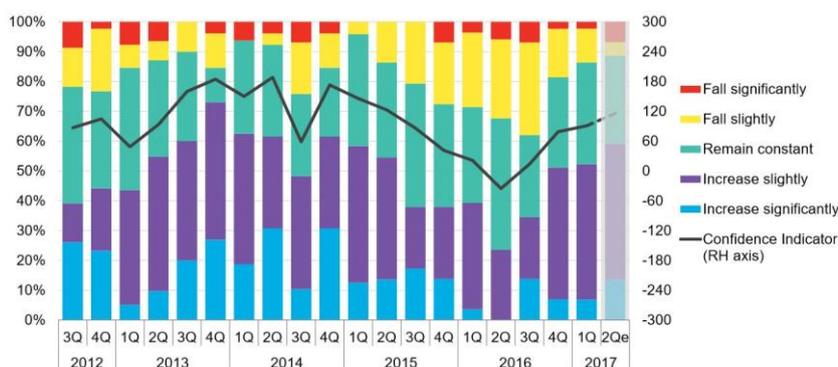
In an overall upbeat report, other positive highlights include the increasing levels of supplier confidence on the back of sustained and increasing orders; and a softening in negativity towards government action, perhaps in response to the BEIS Industrial Strategy green paper and the focus on energy efficiency therein.

A final reason to be cheerful midway through 2017 is that consumers continued to report increased spending – suggesting that energy efficiency is now a *bona fide* growth sector within the UK economy.

Supplier trends

- The sector’s positive outlook appears to reflect further increases in order book growth, allied with increased consumer spending. In Q1 2017, 8 out of 10 suppliers reported that order levels are either remaining stable or are increasing, and this optimism is carried forward to suppliers’ future growth projections. By contrast, orders from overseas have seen little material change, with no clear growth (or decline) in business activity outside UK borders.

Figure 3: Trends in orders from national customers



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.

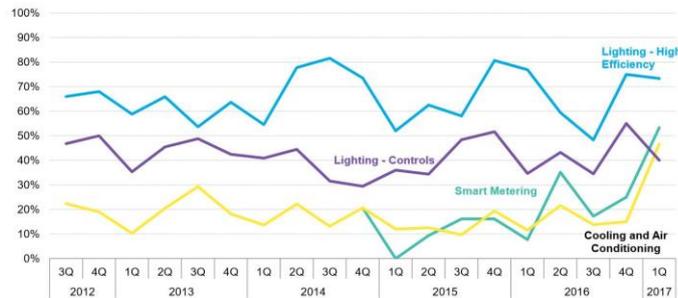
- Staffing levels remained largely flat overall. There is however a mixed picture looking at the sector in more detail; 34% suppliers reported staff increases, yet 14% still reporting headcount reductions.
- The sector’s view on government action remains negative, with over half of suppliers considering energy efficiency policy to be ineffective. However, this negative sentiment has softened over the last

six months and if this mini trend continues the government could enjoy cautious support for energy efficiency policy in six months' time.

Consumer trends

- High efficiency lighting remains the lead technology and was incorporated within 7 out of 10 consumer investments. However, this quarter also saw a sharp and atypical rise in smart metering and cooling/air conditioning technologies. By contrast building energy management systems (BEMS), behaviour change and solar PV projects all saw material declines on typical uptake levels.

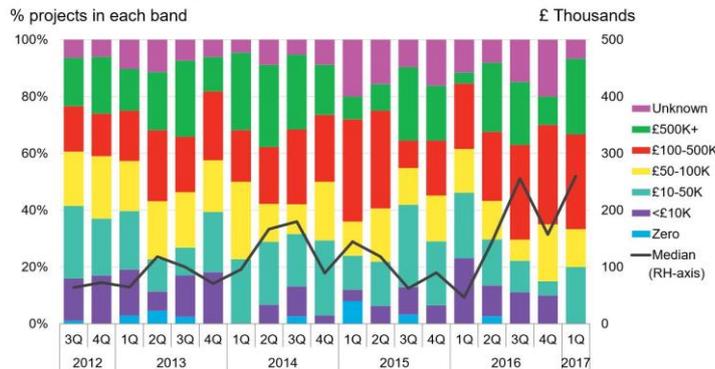
Figure 16: Trends in top technologies for consumer uptake



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 4Q 2014 onward.

- Consumer spending ratcheted up again this quarter – median project values edging to a new high of c£260k per project (against c£50-100k when the survey began in 2012). Alongside positive supplier feedback, this suggests that energy efficiency is currently a growth sector within the UK economy.

Figure 19: Trends in capital costs



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

- Customer investment payback expectations softened a touch, moving out towards 4 years. This quarter saw almost 40% of consumers reporting 5+ year payback expectations for their energy efficiency investments.

Consumer Feedback – Special Feature

- A strong set of customer satisfaction results was posted by our respondents. All respondents were, to a greater or lesser extent, satisfied with their supplier's end-to-end service. Zero respondents said that they had received an unsatisfactory or poor level of service from a UK supplier.
- Key insights include:
 - Customers were highly positive about UK suppliers' technology offering, 7 out of 10 saying that it was 'very satisfactory' or 'superior'.
 - Value for money received the lowest level of relative satisfaction, with 58% of customers reporting that they were 'mostly satisfied' and suggesting that more could be done by suppliers to demonstrate value to UK customers. This said, Figure 14 also shows that customers tend to think that overall costs were 'about right'.

- Almost all respondents (81%) said that they would recommend their energy efficiency supplier to other colleagues and organisations; 4 out of 10 respondents reported that they were likely to place further orders with their existing supplier on the back of previous performance.
- Negative or unsatisfactory experiences were rare. Only 4% of customers said that they were now less likely to work with their supplier again following their last project experience.

The Environmental Industries Commission has become the latest supporter of the Energy Efficiency Trends report, now in its fifth year. Responding to the results Matthew Farrow, Executive Director of the Environmental Industries Commission, said: “The upbeat picture that emerges from the survey comes against a background of increasing political uncertainty, and taken together with the less downbeat view of government policy suggests a sector confident that the broad cross-party consensus on retaining UK climate change targets, and the basic economic case for energy efficiency, provide a good basis for continued sector growth. There is still work to be done to ensure that a government distracted by Brexit negotiations does not lose sight of the need for a stable, progressive energy efficiency policy framework and EIC will be active on this front.”

David Richards, FBIFM, Chief Customer Officer, Bellrock, commented:

“The trends in this report match our experience with our clients. High efficiency lighting projects remain the most significant investment. Smart metering and other IOT enabled technologies are increasingly in demand to improve forecasting and manage costs. Bellrock's suite of property, facilities and project management technology is part of our solution to support organisations to reduce energy costs.”

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, Minimise Energy and the Environmental Industries Commission.

Download the Volume 19, Q1 2017 report here: <http://www.energyefficiencytrends.com>

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.com>

ENDS

To find out more, please visit www.energyefficiencytrends.com or follow the EEVS team on Twitter @EEVSInsight. Alternatively, please contact Lara Slavin at APC Technology Group plc:
Tel: +44 (0)330 313 3266. Email: press@apcplc.com

Editors' Notes

The Energy Efficiency Trends Survey (Vol.19) was conducted between 10 April and 19 May 2017 and completed by 70 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.
- Environmental Industries Commission (EIC) - trade and lobbying association representing the voice of the green economy.
- 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

Bloomberg New Energy Finance (BNEF) is an industry research firm focused on helping energy professionals generate opportunities. With a team of 200 experts spread across six continents, BNEF provides independent analysis and insight, enabling decision-makers to navigate change in an evolving energy economy.

Leveraging the most sophisticated new energy data sets in the world, BNEF synthesises proprietary data into astute narratives that frame the financial, economic and policy implications of emerging energy technologies.

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