



2016 ENERGY AND SUSTAINABILITY PREDICTIONS

FINDINGS FROM LEADING PROFESSIONALS

Dec. 2015

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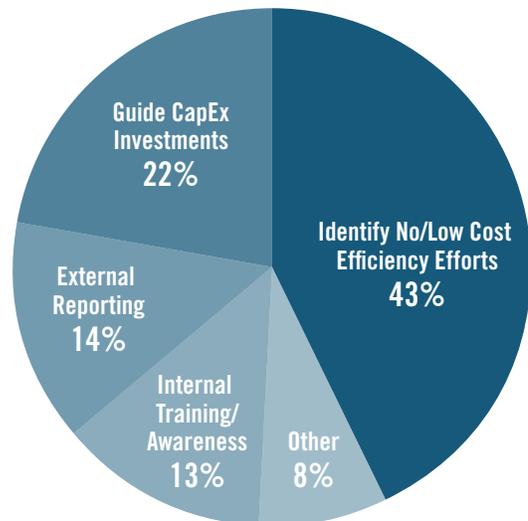
43 PERCENT SEEK TO LEVERAGE ENERGY DATA TO INCREASE FINANCIAL EFFICIENCY, GUIDE BUDGETARY DECISIONS

In a separate Q2 2015 survey of 200 operations, facilities, energy management, real estate, construction, property management and c-suite executives, Ecova found that a full 90 percent of energy management and sustainability executives understand that trend data analysis enables a baseline that guides a number of strategies and initiatives. Chief among them are low cost/no cost energy efficiency opportunities. In our Outlook Survey, when we asked respondents about their top priority for leveraging energy data in 2016, 43 percent of all respondents stated that their primary goal is to identify no cost/low cost efficiency initiatives. When organizations leverage their energy data in 2016, their goal will more often than not be to increase financial efficiency and guide budgetary decisions.

That's been the case in each of the three years we've conducted our Outlook Survey. Many companies reaped the rewards of reduced operational costs after implementing no cost/low cost efficiency measures during the recent recession, and they're eager to continue to do so; however, that continuing opportunity comes with a caveat. Much of the low-hanging no cost/low cost fruit has been picked, so respondents are realizing they must engage and create new energy and sustainability programs if they're to drive continued results. Thus, we're seeing more professionals shifting their focus from small, quick-win projects to long-term strategy and capital investments that will produce a sustained impact, and that require data. With the formation of more strategic programs, companies are recognizing the need to understand how they consume resources. Nearly a quarter of respondents to our Outlook Survey—including 34 percent of facilities managers—indicate that leveraging energy data to guide capital expenditure investments will be a priority in 2016. The installation of sub-meters and smart meters, which accounted for 21 percent of respondents' low-cost "smartest investments" in 2015, is seen as part of the long-term energy and sustainability strategy that will provide insight into consumption on a more granular level.

While these statistics provide evidence that organizations are seeking a more granular understanding of their utility data to guide longer-term CapEx investments, our survey also illustrates that companies are looking beyond energy for no cost/low cost sustainability opportunities. This year, for instance, over half of respondents reported water conservation efforts.

TOP PRIORITIES FOR ENERGY DATA



LED RETROFITS LEAD CAPEX INVESTMENTS FOR THIRD YEAR RUNNING

Asked about the smartest energy efficiency/sustainability investments they made in 2015, CapEx projects topped the list for nearly 60 percent of respondents. LED lighting was far-and-away the most popular among them at 36 percent, followed by EMS /Monitoring Controls at 14 percent. Evidence of the promise of DERs such as solar, storage, wind, and geothermal resources rounded out the top three CapEx energy expenditures, with 13 percent of respondents indicating investment there (see the preceding Distributed Energy Resources Catching On subhead in this report).



LED lighting was the top CapEx investment in 2015.

COMPANIES ARE AWARE OF THE VALUE OF STRATEGIC SUSTAINABILITY PLANS

2016 will be marked by the continuation of a dynamic energy procurement and management landscape for both facilities and utilities. At the organizational level, this year's survey affirms the need for strategic, holistic and long-term energy efficiency and sustainability programs that are based on data, insight, and action. While certain measures offer a quick and effective ROI, such as the LED lighting retrofits that led CapEx spending in 2015, organizations will need to implement long-term programs—such as EMS/BMS—and consider alternative energy sources—such as DERs—in order to continue their momentum and remain competitive as regulations evolve, the price of energy changes, and new resources come to bear. Our 2016 Outlook Survey indicates that companies are more aware of the value of strategic sustainability plans than ever. They're also increasingly cognizant of the importance of a total sustainability plan that includes the effective management of resources beyond energy, such as waste and water.

As the future of energy production and consumption unfolds, leading organizations will actively employ data, insight, and action-based sustainability strategies to reduce the use and cost of resources and reinvent processes in a way that will drive financial, operational and reputational results.

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ABOUT ECOVA

Ecova makes businesses and utilities more successful through energy and sustainability management. Ecova blends data and technology, with people and insight, to drive powerful results. Using insights based on consumption, cost and carbon footprint data spanning thousands of utilities, hundreds of thousands of business sites and millions of households, Ecova provides fully managed, technology-optimized solutions for saving resources, which in turn increase returns, reduce environmental impact, lower risks and enhance reputations. Ecova is the total energy and sustainability management company whose sole purpose is to see more, save more and sustain more for its clients. Ecova is a wholly-owned subsidiary of ENGIE, a worldwide global energy player. For more information, visit the company's website at www.ecova.com, on LinkedIn, or follow Ecova on Twitter at @EcovaInc.



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