THE EVOLUTION OF THE

Early Adopter

ERIC MOWER + ASSOCIATES

Energy + Sustainability

It's not about timing anymore,

it's about tuning.

We all know there are three primary types of audiences, determined by their willingness to invest in energy-efficiency practices and projects—Early Adopters, Adopters and Laggards. The Early Adopters, so named for their eagerness and enthusiasm to embrace energy efficiency solutions, were regarded as the segment du jour for being on the cutting edge of sustainability. By contrast, the Laggards were those who had no interest or intention to implement energy efficiency solutions.

However, things are changing. We have a new workforce focused on sustainability (millennials); we have more technology to create and analyze data related to energy usage and consumption (both in our personal and professional lives), and we're faced with more legislation requiring businesses to operate to codes and standards tied to energy efficiency. Add to that the state and federal incentives that make energy efficiency obtainable and attractive (like the ITC credit), and it's clear that the light bulb has gone off (literally) over the heads of America's C-level decision makers.

The behaviors and mindsets that once described Early Adopters are fast becoming "business as usual" for a world increasingly focused on sustainability — and projects once described as "cutting edge" are becoming commonplace.

A 2013 ENERGY EFFICIENCY INDICATOR (EEI) SURVEY REPORTED THAT:

76%

of companies implemented lighting improvements

6.9%

implemented HVAC and/or controls improvements

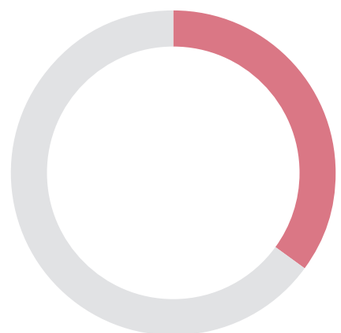
HEADING INTO 2016, COMPANIES ARE NOW CONSIDERING THE “UP AND COMING” TECHNOLOGIES LIKE ENERGY STORAGE AND ON-SITE RENEWABLE ENERGY. THE 2014 EEI SURVEY REPORTED THAT:

58%

of organizations plan to have facilities that operate off the grid

35%

of organizations invested in smart grid/building technology



30%

of organizations installed onsite renewable energy (19% in 2013)

It's not just about the bottom line for renewables.

Historically, money has been the primary barrier for decision-makers considering energy efficiency improvements. In many cases — especially with renewable energy — the math didn't work in favor of the budget's bottom line, but that has changed.

According to the Solar Energy Industries Association (SEIA), as of mid-2014 there were 4,530 MW of commercial solar PV installed on 41,803 business, non-profit and government locations throughout the U.S. Commercial users have turned to solar as the average electricity rates have increased more than 20% in 10 years, and utility bills have become unpredictable due to volatile prices. As the SEIA indicates, going solar enables businesses to reduce these costs, produce their own cleaner energy, and lower their demand charges.

When it comes to solar, it's not just about the money companies can save, but the money they can access while implementing this technology.

Many solar providers offer attractive financial arrangements to help companies take advantage of large-scale solar solutions. Whether it's through a solar power purchase agreement (PPA) or financing through a government organization (like the Department of Energy), significantly more organizations are using external capital to pay for their efficiency and renewable energy projects (the 2014 EEI reports that 23% of companies do this versus historical levels of between 10-15%).

A recent article from Greentech Media also sites "confidence in the chances there will be a high return on investment" as being a top reason for deciding to invest in a solar energy or solar technology. The same article also notes that "difficulty in accurately assessing the various risks of a solar project" and "difficulty of financing a solar project on my own" as being top barriers to making a solar investment.

Despite all the talk about money, the top reason for deciding to go solar according to the Greentech Media article was "to support a cleaner energy future" — cited by 80% of the survey respondents. It's worth noting that while "cost savings" has been the major driver for energy efficiency reported by most surveys and reports on the subject, that the world at large is shifting to the mindset that making these improvements is imperative to operate and maintain a successful business.

*It's no longer a question of timing—of **if** or **when** a decision-maker will adopt energy efficiency—it's now a matter of **how.***

How do these decision-makers tune their energy efficiency practices to best resonate with their audiences?

How do they convey their views on sustainability to stakeholders in order to position their company in the best possible way for business and beyond?

We have seen the early adopter evolve to the enterprising adopter—one who uses every resource available to best articulate their sustainability and energy efficiency initiatives through a changing business model against a triple bottom line.

EMA conducted a proprietary research study to understand the drivers and barriers of implementing energy-efficient initiatives or purchases among decision makers in medium and large organizations across a variety of industries.

For more information on our Research Study, contact:

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