

# Results

WEC Roundtable, hosted by Johnson Controls Inc.  
November 9<sup>th</sup> and 10<sup>th</sup> 2010 in Brussels, Belgium:

## “STRATEGIES TO IGNITE BROAD BASED MARKET DEMAND FOR ENERGY EFFICIENCY”

### WHAT:

Although energy efficiency is one of the most powerful tools to combat climate change and reduce costs and dependency on energy providers, the energy efficiency revolution has not yet happened on a large scale. As an earlier WEC Roundtable in 2009 (in Berlin) showed, important barriers to energy efficiency investments include (i) substantial lack of cooperation and leadership from both business and government not recognizing that long-term business strategies need to go hand in hand with clear government rules, (ii) business' demand for short pay-back periods and (iii) often a culture of refraining from innovation and change if a firm's survival is not at stake.

Since the necessary technology for energy efficiency already exists and the cost-effectiveness is well known to companies and governments, the Roundtable focused on practical solutions to motivate action and discuss the next steps in building the energy efficiency marketplace. It was structured into four parts:

- (a) Business strategies for expanding energy efficiency marketplace applications
- (b) Achieving energy efficiency market scale
- (c) Branding and marketing energy efficiency
- (d) Next steps in building the energy efficiency marketplace

### WHO:

The Roundtable was structured to provide a highly interactive process of discussion amongst 30 sustainability experts from six countries. 63% of participants came from WEC member companies, 17% from non-member companies, and 20% from government, scientific bodies, and consultancies.

#### HOST

**Johnson Controls:** Mr. Agostino Renna

#### MODERATORS

**Johnson Controls:** Dr. Adam McCarthy  
**Merck KGaA:** Mr. Gerd Vollmer  
**WestLB:** Mr. Foster Deibert  
**WEC:** Mr. Frank Werner and Dr. Terry F. Yosie

#### SPEAKERS

**Advancing Sustainability:** Mr. Chris Tuppen  
**Bayer:** Mrs. Ursula Mathar  
**Bristol Myers-Squibb:** Mr. Henri Celma  
**Cisco Systems:** Mr. Bas Boorsma  
**Ernst & Young:** Ms. Cat Watkins  
**European Commission:** Dr. Christof Schoser  
**IBM:** Mr. Kurt van der Hertem  
**Johnson Controls:** Mr. Agostino Renna  
**LyondellBasell Industries:** Mr. Karsten Gross  
**Osram:** Mr. Christian Merz  
**Ricoh Europe:** Mr. Olivier Vriesendorp  
**Saatchi & Saatchi S:** Mr. Niall Dunne  
**WWF International:** Mr. Oliver Rapf

### MAJOR POINTS OF DISCUSSION:

- (1) **There is a growing market for energy efficiency** and an increased interest for energy efficiency investments, especially as their financial return is increasing. Markets have developed especially on issues such as smart grids that account for 2/3 of total energy efficiency investments globally. As governments have also well understood the growth opportunities of the low carbon economy, their regulatory frameworks are driving demand in countries such as China, where four out of seven emerging industries with strategic importance relate to energy efficiency today.
- (2) Energy efficiency plays a vital role in establishing the **resilience of urban infrastructure** and the **creation of smarter cities**, since it helps reducing costs. And as the most successful businesses, communities, ideas and policies tend to be the ones that are organized in a 'distributed' fashion (other than decentralized or even centralized systems), cities and businesses will best achieve their energy efficiency goals this way. To build these distributed, smart, and efficient communities ICT technology will play a central role. The EU's European Smart City initiative that will provide funding for 20-30 cities is a notable step.
- (3) When optimized through a systems approach, **energy efficiency becomes a more powerful integrator of core competencies**. Company experience showed that qualified marketing of energy efficiency solutions – within companies and with customers – can quickly lead to further innovation such as (i) substantial improvements of internal processes once the financial officer was convinced of the energy efficiency gains, (ii) strengthened customer ties once customers were enabled to use the energy efficient features of the product, and (iii) innovative marketing concepts once solutions had to be found to showcase Eco Commercial Buildings in different environments.
- (4) **New methods of financing** can accelerate energy efficiency's marketplace penetration. One example is to provide customer's financing for energy efficiency investments and get paid from the savings achieved. Another idea of thinking outside the box was to pay consumers/customers for every KWh they save and thereby motivate them to make their own investments.
- (5) Recognize the opportunities of **moving beyond incremental to more transformational energy efficiency improvements**. One feature of such a fundamental step is a holistic approach that includes a high degree of willingness to cooperate, a culture of openness, and a strong foresight instead of dedication to short-term customer demand. Joint industry-NGO scenario developments can lay ground for business strategies, which encompass more transformational thinking, rather than extend the usual incremental business planning approach.