

Energy Efficiency Research

Driving greater adoption of energy efficiency

April 2013

Introduction

The *Rexel Foundation for a better energy future* partnered with research company OpinionWay to survey 2,027 UK consumers (18 years and over) and 101 electricians working for companies offering energy efficient products or solutions in the residential sector. Only companies of ten or fewer employees were interviewed.

The survey aims to identify the barriers and opportunities to: driving greater adoption of energy efficiency in homes, decreasing energy costs and wastage, providing other avenues for energy efficiency and reinstating consumer trust in the energy industry and the government. By interviewing consumers and electricians, the survey aims to provide a balanced outlook on the challenges associated with energy efficiency in the residential sector.

The fieldwork was conducted from 10-22 April 2013 in the United Kingdom, France, Germany and the USA.

The survey was conducted in accordance with the ISO 20252 best practice standard.

Attitudes to energy efficiency

Consumers:

Three quarters of British consumers are worried about their energy bills, with the elderly being hit hardest. This is not surprising after a particularly long winter but with energy prices continuing to rise, one in seven respondents admitted to feeling the 'light-switch blues' every time they turn on a light or appliance, with this figure rising to one in five among the over-65s.

As a result of this increased concern about bills, 68% of people have made energy efficiency improvements to their homes in the past five years. Four in five (79%) of these cited reducing bills as the main motivation and 27% said the environment was a key driver. In fact, most consumers see the potential of energy



REXEL FOUNDATION FOR A BETTER ENERGY FUTURE

13 boulevard du Fort de Vaux

75838 Paris Cedex 17 - FRANCE

Tel.: + 33 (0)1 42 85 85 00 - Fax: + 33 (0)1 42 85 92 02

www.rexelfoundation.com

UNDER THE AEGIS OF THE FONDATION DE FRANCE

efficiency products and solutions, with 89% of Brits convinced that investing in energy efficiency products such as LED lighting, energy efficient heating and air conditioning or better insulation will allow them to reduce their bills. Almost half (41%) think they could save up to 20% or more.

Consumer awareness of the importance of driving forward the energy efficiency agenda is also high. UK consumers are almost unanimous in their agreement that if nothing is done to improve energy efficiency in the future, the cost of energy will continue to rise (96%), more people will be unable to pay their bills and fall into fuel poverty (92%), political tensions will rise as we become more dependent on other countries to provide our energy (88%) and irreversible damage will be made to the environment (83%).

Electricians:

When asked about the top three reasons for offering energy efficiency solutions, most electricians said that they had moved into the market to respond to requests from customers looking to reduce their energy bills (64%) or because they had an interest in new technologies (52%). This was followed by the desire to win customer loyalty by providing an added value solution (41%) and legislation/regulatory restrictions, which have forced customers to review their energy consumption (39%). A guarantee that the customer will reduce his/her energy consumption (83%) and quick return on investment (77%) are the biggest drivers for customers sold energy efficient products by electricians.

81% of electricians surveyed feel well positioned to provide energy efficiency products and services and of these, 71% put this down to a growing interest in energy efficiency solutions among their regular customers. Of the 19% of electricians who do not feel well positioned in the energy efficiency market, 78% believe that it is a difficult market to penetrate, unless you are very specialised.

Barriers to adoption

Consumers:

Despite high levels of confidence in energy efficiency upgrades to reduce bills, the majority of consumers (63%) say that cost and other financial considerations are holding them back, followed by renters not feeling it would be worth their while (24%). The choice of technologies available is also too overwhelming for 21% of people.

Drilling down into the financial barriers, the top concern (35%) was a lack of disposable income to invest in energy efficiency and the reluctance to borrow money and get into debt (23%), an understandable concern in today's debt ridden climate.

Electricians:

64% of electricians agree that financial considerations are the most significant barrier to consumer adoption of energy efficiency technologies. This is followed by a lack of knowledge and awareness of what energy efficiency is all about (47%).

The greatest need highlighted by electricians promoting energy efficiency is access to more affordable products/solutions (89%), closely followed by knowing how to explain the use and benefits of the technology and products in a way their customers would understand (82%). Securing energy installation jobs can also become challenging without the credibility that goes with professional credentials, with 73% of electricians highlighting the need for accreditation, certification or high-quality training to help them advise and sell energy efficiency to their customers.

Who's responsible?**Consumers:**

Consumers are so concerned about the cost of energy that 64% are more likely to or would definitely vote for a government that could help them cut their bills. The government plays a key role in the minds of the British public. When asked who should be responsible for improving energy efficiency in the home, the most popular answer in the UK was the government (42%). This was closely followed by energy companies (40%) while only 30% said consumers themselves should be responsible. This is very different from France, where energy companies come top with 35% and Germany and the US, where consumers think they have the greatest responsibility themselves (34% and 42% respectively).

Electricians:

Again, UK electricians are on the same page as their customers, placing responsibility for promoting energy efficiency with the government (51%) and energy companies (32%). Delving deeper into the role of government, electricians believe it should be responsible for raising awareness of the benefits of energy efficiency (50%), educating the public on optimal energy usage (40%), providing greater support to product manufacturers and electricians (32%) and subsidising energy efficiency solutions (32%). UK electricians believe regulation of the energy efficiency sector should be conducted at a national level (41%).

The role of electricians**Consumers:**

Although electricians are consulted for some energy efficiency improvements, they are losing ground to specialist contractors for the majority of upgrades. When asked who they would approach to install various energy efficiency products, consumers responded an electrician for LED lighting (72%), but a larger number

said they would seek a specialist contractor to install a smart meter (48%, versus 46% for electricians), to put in an occupancy sensors (53%, versus 41% for electricians)), to perform an energy audit (61%, versus 33% for electricians), to install an energy efficient heating or air-conditioning systems (62%, versus 33% for electricians) or to install home automation solutions (64%, versus 31% for electricians). If electricians can provide advice on a wider range of energy efficient products and install them, this opens up a whole new market of trade.

Electricians:

While the government and energy companies have an important role to play; it is crucial that the UK's army of trusted electricians are able to educate their customers about the support available. Soft skills are as valuable as technical ones and the future of energy efficiency in the UK depends on the ability to communicate the benefits of energy efficiency solutions such as the return on investment, the long term cost and energy savings as well as the financial incentives available to them. This also highlights, once again, the need for training and certification as highlighted in Barriers to adoption above.

Despite the noted barriers for consumers, the vast majority of electricians have great confidence in the sector with 87% recommending specialising in energy efficiency to today's young electricians.

Next Steps

Consumers:

Almost half of respondents (44%) have no plans to make any energy efficiency improvements to their home in the next five years, so there's a clear need for better education on the benefits and options available. Utilities companies are the source consumers would listen to most when it comes to changing their behaviours and making more energy efficient improvements to their homes, according to 40% of respondents, 34% say energy research specialists, 22% would listen to their neighbours, family and friends, and 20% said the media.

Electricians:

Aside from better financing solutions (90%) and a simplified range of energy efficiency products (68%), British electricians are calling for stricter regulations from the government (76%), who they think should be responsible for raising awareness of the benefits of products and solutions (50%), as well as educating the public on optimal use and changes to behaviour (40%.) 33% of electricians and 38% from small companies of fewer than 6 employees, have also demanded greater government support for both product manufacturers and electricians themselves .

Conclusion

It is clear from this survey that a radical change in thinking is needed. People not buildings consume energy and by virtue of their usage of energy, people are therefore the most important source of energy efficiency.

It is therefore encouraging to see that consumers are very aware of the challenges and convinced of the benefits. Many have already taken practical measures to improve the energy efficiency of their homes and more plan to do so. In the future, a larger number of people will be able to produce more of their own energy but also use energy in a more customized way as innovations in technology such as home automation, smart metres, LED lighting controls, solar PV and other microgeneration technologies become widely available and adopted.

But for the time being there are still many obstacles in the path of energy efficiency. Consumers and electricians agree that cost concerns are still the biggest barrier to investing in energy efficiency measures. Despite the launch of incentives such as the Green Deal, which allows homeowners to access funding for energy efficiency at no upfront cost, this survey makes it clear that there is little awareness of the options and help available.

There is no magic bullet to these issues or a single player who can solve them. However, by working in closer partnership with all the key players in the industry and with the help of government, we can increase the rate of adoption of energy efficiency. We can do this by raising awareness of the benefits, improving understanding of energy efficiency and the incentives available and by providing the tools and knowledge required to support electricians whether through a simplified range of products, by expanding the financial solutions offered to customers or through better training and accreditation.