



Organizational Feedback and Benchmarking Data

Shorenstein

EDF Climate Corps 2012

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ORGANIZATIONAL FEEDBACK AND BENCHMARKING DATA

Introduction

Dear Shorenstein,

Thank you for hosting an EDF Climate Corps fellow this past summer. All told, the 2012 fellows identified projects that can save their hosts \$81 million dollars and avoid consuming 158.4 million kWh and 2.1 million therms of natural gas annually. These energy savings could prevent 105,000 tons of greenhouse gas emissions annually, equivalent to the output of 21,000 passenger vehicles. We hope you are as excited as we are to see these benefits realized.

Further, we appreciate you taking the time to complete the 2012 On-Boarding Tool, a survey of energy management practices in place among EDF Climate Corps host organizations. This tool helped to orient your fellow(s) to your organization's current capacities and challenges, prepare them to develop feasible project recommendations, and enable EDF to deliver benchmarking data for your organization to continue improving energy performance.

In this report, you will find a snapshot of your organization's energy management practices and opportunities for improvement based on your responses to the 2012 On-Boarding Tool. You will also find your verbatim responses to the On-Boarding Tool, as well as pie charts showing the distribution of responses across all Climate Corps organizations. We hope these benchmarking data will help your organization to understand how it compares to the wider group.

The Fall Network Event

We are excited to see so many of our 2012 host organizations planning to attend our third annual EDF Climate Corps Network Event in Cambridge, MA on November 1-2, 2012. Peter Senge and Jason Jay of MIT Sloan School of Management will facilitate what is sure to be one of the most valuable and thought-provoking events you attend this year. We have planned two days of learning sessions, focused on small group conversations and relationship-building, all with an eye toward helping EDF Climate Corps organizations break down barriers to energy efficiency by learning directly from their peers and other experts.

As part of this event, we will be encouraging organizations to identify particular "needs" they have for overcoming barriers to energy efficiency as well as "offers" that they can make to help their peers do the same. We hope that your snapshot of energy management practices and opportunities is a helpful first step in prompting your thinking on these issues, whether or not you are able to attend the event this year.

Thanks again for your participation in EDF Climate Corps 2012 – and we look forward to 2013!

Sincerely,
The EDF Climate Corps Team

Explanation of "The Virtuous Cycle of Organizational Energy Efficiency"

This year, 82 organizations submitted On-Boarding Tools to EDF – our most comprehensive data set yet. We will analyze these data in the coming months to illuminate successful energy management practices across a variety of organizations. Our aim is to refine the “*Virtuous Cycle of Organizational Energy Efficiency*,” [a dynamic model developed by EDF and MIT](#) that we believe can help organizations improve their energy performance and generate maximum financial and environmental returns. The model is shown below, with descriptions of how its interdependent components work together to improve energy performance.

EXECUTIVE ENGAGEMENT

Top-level executives recognize efficiency as a strategic priority. They shift from seeing energy as an inevitable and growing cost, and instead see efficiency as a source of continuous leverage for building a profitable and resilient organization capable of meeting its broader mission.

RESOURCE INVESTMENT

In order to empower their organization to capture energy savings, executives build capacity to invest in energy-saving opportunities. Efficiency projects pay for themselves but need dedicated seed capital to get started and attentive managers to ensure those seed funds grow and are reinvested on an on-going basis.

PEOPLE

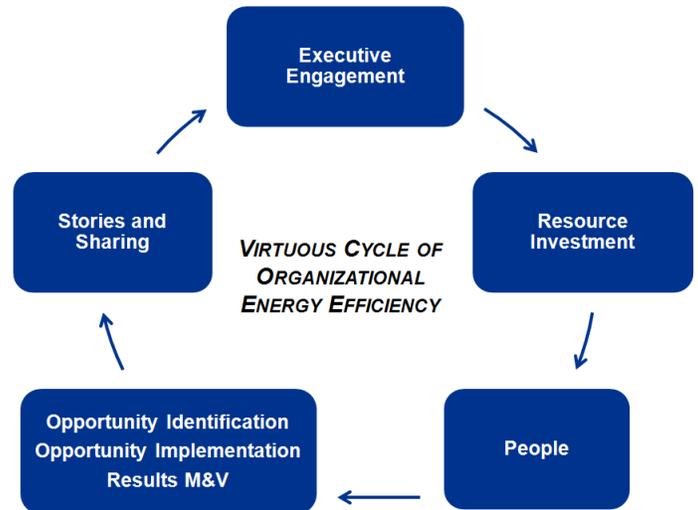
Resources are deployed to build staff capabilities and motivation to go after efficiency opportunities. A trained, collaborative workforce feels ownership and accountability for its energy use at all levels and is actively encouraged by leadership to work toward a shared vision of efficiency.

OPPORTUNITY IDENTIFICATION, OPPORTUNITY IMPLEMENTATION, AND RESULTS M&V

Practical tools and processes are developed and refined over time to identify and implement increasingly ambitious projects. Comprehensive and detailed energy data collection reliably identifies sources of inefficiency and quantifies the energy savings achieved through specific interventions—generating the verified financial and environment results that prove the benefits of taking action.

STORIES AND SHARING

To maintain momentum beyond the first round of projects, success stories are shared with executives, validating their prioritization of efficiency and proving the business case for doing additional projects. By re-engaging the executives, success stories keep energy performance at the top of the strategic agenda, encouraging the investment of additional resources to go after even bigger wins and keeping the virtuous cycle spinning.



SHORENSTEIN

Snapshot of Leading Practices and Opportunities

Below is your organization's snapshot of leading practices and opportunities generated based on your unique responses to the 2012 On-Boarding Tool. As you review your snapshot and dig into the additional benchmarking data, we encourage you to keep the *Virtuous Cycle* model in mind. In particular, we encourage you to consider the following questions:

- What **leading practices** keep your executives engaged, resources invested, staff capabilities and motivations growing, opportunities identified and implemented, and project results effectively measured and turned into stories that can be shared widely?
- What barriers slow or prevent any of these steps from occurring today, and what **opportunities for improvement** exist to implement practices that help to reduce or eliminate these barriers?

1. EXECUTIVE ENGAGEMENT

Leading practices that have been implemented include:

- ✓ assigning formal roles and responsibilities for Executive Team members to improve organizational energy efficiency,
- ✓ regularly benchmarking energy practices and/or performance against third-parties,
- ✓ establishing comprehensive energy and greenhouse gas reduction strategies and goals,
- ✓ defining organization-wide metrics to measure and track progress, and
- ✓ formally considering co-benefits to improved energy efficiency and energy price growth risks in decision-making.

Your organization did not list any significant barriers currently captured by the On-Boarding Tool in this area.

2. RESOURCE INVESTMENT

Leading practices that have been implemented include:

- ✓ utilizing green leases to align incentives with those of building landlords;
- ✓ formally considering total cost of ownership (including energy costs) in equipment purchasing decisions;
- ✓ beginning to allow departments to recoup the cost-savings from energy efficiency investments they make;
- ✓ considering net present value (NPV), energy price growth considerations, environmental KPIs, and greenhouse gas reductions in investment calculations/decisions;
- ✓ utilizing a diversified portfolio approach for energy efficiency investments;
- ✓ allowing the use of utility and/or government incentives and rebates to fund energy efficiency projects;
- ✓ allowing the use of external financing (e.g., loans from banks, service providers, etc.) to fund energy efficiency projects; and
- ✓ tracking the total dollars invested in and cost-savings generated by energy efficiency projects each year.

Opportunities for improvement include:

- △ increasing funding for current efficiency investments to reduce future operational costs,
- △ restructuring lease agreements to reduce or eliminate landlord-tenant split incentives,
- △ restructuring budgets to allow decision-makers to recoup cost-savings from energy efficiency investments they make,
- △ aligning internal budget cycles to reduce timing challenges for decision-makers,
- △ raising the priority given to energy efficiency investments among decision-makers,
- △ increasing the flexibility of financial criteria to allow energy efficiency investments to effectively compete for funding,
- △ assigning an influential decision-maker to regularly advocate for energy efficiency resources,
- △ incentivizing decision-makers to develop and fund potential energy efficiency investments, and
- △ giving decision-makers the tools to articulate the financial benefits of energy efficiency investments.

3. PEOPLE

Leading practices that have been implemented include:

- ✓ utilizing green leases to align incentives with those of building landlords;
- ✓ formally considering total cost of ownership (including energy costs) in equipment purchasing decisions;
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- △ giving decision-makers the tools to articulate the financial benefits of energy efficiency investments.

4. OPPORTUNITY IDENTIFICATION

Leading practices that have been implemented include:

- ✓ utilizing energy management systems to control building energy use,
- ✓ electrical meters to measure building energy use and to sub-meter particular pieces of equipment,
- ✓ software solutions to aggregate collected energy data,
- ✓ energy dashboards to make energy data easily viewable by decision-makers, and
- ✓ energy scorecards to compare energy use between buildings.

Opportunities for improvement include:

- △ measuring an overall energy use baseline for the organization,
- △ increasing capacity to measure real-time energy usage on an on-going basis,
- △ installing detailed sub-metering systems to collect targeted energy data at the equipment level, and
- △ creating channels for collecting and aggregating energy efficiency improvement ideas from across the organization.

5. OPPORTUNITY IMPLEMENTATION

Leading practices that have been implemented include:

- ✓ ensuring that identified energy efficiency projects are quickly approved by decision-makers and
- ✓ planning energy efficiency project implementation to align with scheduled maintenance.

Opportunities for improvement include:

- △ streamlining approval processes for potential energy efficiency projects,
- △ creating processes to reduce operational disruptions from facility upgrades and retrofits, and
- △ dedicating additional time to identify leading energy efficiency technologies and vendors.

6. RESULTS MEASUREMENT AND VERIFICATION

Leading practices that have been implemented include:

- ✓ internally reviewing and beginning to commission third-party verification of energy savings generated by implemented energy efficiency projects, and
- ✓ tracking energy savings over time.

Opportunities for improvement include:

- △ creating channels for collecting and aggregating implemented projects from across the organization,
- △ collecting comprehensive energy data with sufficient frequency and detail to quantify impacts of individual projects and differentiate overall energy use before and after project implementation,
- △ encouraging facilities to aggregate and report the energy data they collect to employees performing results measurement,
- △ displaying energy data in more visually useful ways, and
- △ vetting energy data by external experts to ensure they are complete and correct.

7. STORIES AND SHARING

Leading practices that have been implemented include:

- ✓ occasionally sharing energy efficiency success stories with the Executive Team;
- ✓ framing the results of energy efficiency projects shared with executives in terms of profits generated, costs saved, risks reduced, and/or competitive advantages created;
- ✓ employing public relations/media teams to showcase efficiency success stories through various media channels (e.g., website, press releases, annual sustainability reports, etc.); and
- ✓ regularly participating in sustainability or energy-related conferences to share energy efficiency success stories and learn from other organizations.

Opportunities for improvement include:

- △ creating channels for collecting and aggregating energy efficiency success stories from across the organization and
- △ creating channels for sharing energy efficiency success stories with the Executive Team and the public.