



# Energy Efficiency Plan Development Opportunity



MIT CoLab's Green Economic Development Initiative (GEDI) is seeking local, regional and/or state Economic Development Organizations (EDO) interested in receiving training and technical assistance to develop an **Energy Efficiency Market Transformation Strategy (EEMTS)** to support and grow their **energy efficiency services sector**. GEDI will select a cohort of 3-6 EDOs to participate in this process.

The process will run from **March to August, 2013**. **All GEDI's services will be rendered free of charge.** **EDO's are asked to commit staff approximately one day per week to this project during this time period.**



## About GEDI

The Green Economic Development Initiative (GEDI) is a project of the Community Innovators Lab (CoLab), a center for planning and development within the Massachusetts Institute of Technology's Department of Urban Studies and Planning. GEDI envisions the triple bottom line priorities of environmental sustainability, social justice, and economic opportunity applied broadly within the economic development field. To realize this vision, GEDI partners with economic development organizations to conduct applied research; develop tools and resources for practitioners; disseminates knowledge; and formulate policy and strategy.

# WHY SUPPORT THE ENERGY EFFICIENCY SECTOR AS AN ECONOMIC DEVELOPMENT STRATEGY?

Energy efficiency is key to realizing economic, health, and environmental benefits, including:

- **Job creation** - A strong energy efficiency sectors helps foster a job-rich economy. Careers in energy efficiency services are typically well-paying, and many are accessible to less-credentialed workers – for example, building HVAC systems operators have an average annual wage of \$43,000, while 45 percent of these workers have a college degree or less.<sup>1</sup>

Energy efficiency also creates a more job-intensive economy, as households and businesses shift spending from capital-intensive utilities to other sectors of the economy that are more capital intensive. Spending on these other sectors is estimated to create 2.2 to 2.8 times more employment than spending on utilities, and more of these jobs are local.<sup>2</sup>

- **Improved indoor environmental quality** - Better building operations and equipment can improve air quality, thermal comfort, lighting quality, reduce illness related absence, and improve worker productivity. The combined potential value to the US economy that could be achieved by addressing these issues is estimated to be \$37 - \$198 billion.<sup>3</sup>
- **Added real estate value** – Green building certifications designating efficient facilities like LEED and Energy STAR have been shown to increase rental prices 2-15 percent, sales prices 2-25 percent, and occupancy rates 3-11 percent in commercial buildings.<sup>4</sup>
- **Local business and cluster development** - Energy efficiency provides opportunities for local construction, design, software and diagnostic firms. As regions increase the size of markets for these activities, they can develop local expertise to export these services beyond local markets.

## WHY ARE ECONOMIC DEVELOPMENT ORGANIZATIONS' IMPORTANT TO TRANSFORMING THE ENERGY EFFICIENCY SECTOR?

Despite substantial research showing that energy efficiency is cost-effective, its adoption is hindered a array of **market barriers**, including a need for greater innovation, worker skill gaps, insufficient customer information, unnecessary transaction costs, landlord-tenant split incentives, and lack of access to capital. Economic development practitioners are well positioned to reduce these

barriers, given their experience convening industries, incubating new ventures, conducting workforce development, providing financing, and connecting businesses with services and technical assistance. Moreover, economic development organizations have a mandate to engage in market transformation to improve the health of our economies, which more transactional utility programs lack.



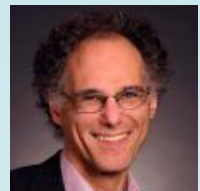
# How can GEDI ASSIST YOUR ECONOMIC DEVELOPMENT ORGANIZATION SUPPORT THE EFFICIENCY SECTOR?

GEDI's staff and MIT faculty have extensive experience in regional economic development, energy efficiency and climate policy. The EEMTS process will be led by:



**Brendan McEwen – Program Coordinator, GEDI.** Brendan manages the MIT CoLab Green Economic Development Initiative (GEDI). In this capacity, he coordinates research with MIT faculty, students, and economic development practitioners from across the country, developing and disseminating innovative economic development strategies. Brendan holds a Masters in City Planning from MIT, which focused on energy policy. He has five years of experience consulting local governments on their energy policy and programs.

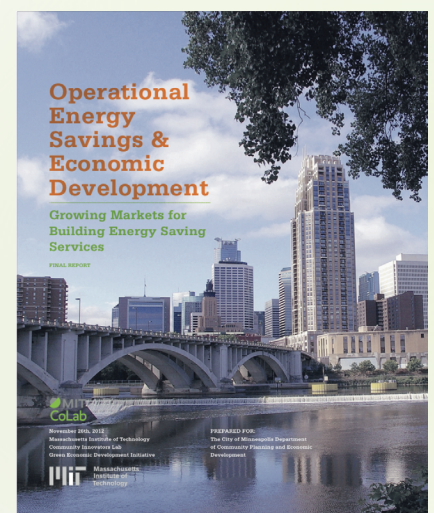
**Karl Seidman – MIT Lecturer and Faculty Director, GEDI.** Karl is an economic development practitioner with professional experience at the community, city and state level. He is active in several professional associations and is President and a Board Member of Northeast Economic Developers Association. He is also a Senior Lecturer at MIT's Department of Urban Studies and Planning. Karl holds a Master's degree in Public Policy from Harvard's Kennedy School of Government.



The EEMTS development process will be informed by recent work GEDI conducted in partnership with the City of **Minneapolis'** Department of Economic Development and Community Planning, to develop a plan to grow the emerging **Operational Energy Savings (OES)** service sector. OES refers to a range of strategies to reduce consumption of energy in existing buildings achievable within operations budgets, including best building management

practices, building commissioning, automated diagnostics, and benchmarking performance against energy models. While such services are relatively low cost and have tremendous potential to realize energy efficient building operations, their market penetration is low. To support market expansion, GEDI developed a range of recommendations to grow demand for OES, while facilitating business and workforce development. The full report is available [HERE](#).

Click [HERE](#) to see GEDI's Operational Energy Savings & Economic Development Report for the City of Minneapolis.



# WHAT WILL THE ENERGY EFFICIENCY MARKET TRANSFORMATION PLAN ENTAIL?

GEDI will provide participating EDOs with a framework and technical assistance to help them develop an EEMTS for their region, focusing on energy services for commercial buildings. GEDI's framework includes the following elements:

- **Detailed industry analysis.** The EEMTS is grounded in a detailed snapshot of the size, scope and function of efficiency markets in your region. The industry analysis comprises of a review of existing information on commercial building efficiency markets, as well as semi-structured interviews with market participants. GEDI will provide tools to rapidly map industry participants, draft interview templates, and a structure to publish your industry analysis. Guidance on key policies and initiatives to realize market transformation in efficiency sectors. GEDI will host four webinars on key policies and programs EDOs can use to: stimulate demand for energy efficiency in commercial buildings; develop a diverse and highly skilled workforce; develop business capacity in the highly disaggregated efficiency service sector; and better align incentives in both the real estate and utility industries, to incent energy efficiency.

- **Input from subject matter experts.** City EDOs will benefit from 2-4 webinars with subject matter experts over the course of the engagement. These webinars will cover demand generation, business development, workforce development, and/or utility policy. Likewise, GEDI staff and faculty have extensive experience in economic development and local energy policy.

- **Shared research.** Much of the research regarding the rationale and policies to grow the energy efficiency sector can be shared between regions. GEDI will engage in research on behalf of the EEMTS cities collective, and will also facilitate sharing between these cities.

- **Connections with a cohort of practitioners.** As your EDO develops its EEMTS, it will benefit from cross pollination with a variety of other similar organizations across the country.

A schedule of the EEMTS process is provided in [Appendix A](#) below (subject to change).





# HOW TO ENGAGE

## THE APPLICATION

Complete the application form (located online [here](#)) by March 11, 2013. GEDI will review applications and select participants by March 22, 2013.

GEDI is asking that partner organizations commit to the following:

- EDOs designate **a primary staff contact, committed to engage approximately 8 hours** a week between mid-March 2013 and August 2013.
- EDO staff commit to producing a 5-7 page case study of their efforts to develop energy efficiency sectors, which GEDI will feature on its website and other media.

## COST

GEDI will provide services free of charge.

## WEBINAR

GEDI is hosting two introductory webinars, reviewing our Operational Energy Saving & Economic Development strategy prepared for the City of Minneapolis. Those interested in the EETMS opportunity are encouraged to attend. Two versions of the same webinar will be held:

- February 13, 2pm (register [here](#)).
- February 20, 2pm (register [here](#)).

## QUESTIONS? WANT TO KNOW MORE?:

If you have any questions, comments, or concerns about this opportunity, please don't hesitate to get in touch with the GEDI Project Manager, Brendan McEwen. His contact information is:

Brendan McEwen  
[bmcewen@mit.edu](mailto:bmcewen@mit.edu)  
617 253 5746

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(Endnotes)

1. Muro, Mark, Jonathan Rothwell & Devashee Saha. 2011. Sizing the Clean Economy: A National and Regional Green Jobs Assessment. Brookings Institution Metropolitan Policy Program. Appendix A. Data for energy and resource efficiency jobs.
2. Bell, Casey. October 2012. Energy Efficiency Job Creation: Real World Experiences. American Council for an Energy Efficient Economy. Andrew Burr, Cliff Majersik, Sarah Stellberg & Heidi Garrett-Peltier. March 2012. Analysis of Job Creation and Energy Cost Savings from Building Energy Rating and Disclosure Policy. Institute for Market Transformation and Political Economy Research Institute.
3. Fisk, W. 2000. Health and Productivity Gains from Better Indoor Environments and Their Relationship with Building Energy Efficiency. Annual Reviews of Energy and the Environment 25: 537-566.
4. Institute for Market Transformation. 2011. Added Value of ENERGY STAR-Labeled Commercial Buildings in the U.S. Market. <http://d.imt.org/commercial-finance.html>

# APPENDIX A: PRELIMINARY SCHEDULE (SUBJECT TO REVISION AND CUSTOMIZATION FOR EACH SITE)

Date	Description	Role	
		Partner EDO	GEDI
<b>February 13 February 20</b>	Webinar introducing Minneapolis Operational Energy Saving strategy & the EETMS opportunity (same webinar both dates).  Solicit expressions of interest from EDOs.	Attend 1 of 2 webinars (optional).	Host webinar.
<b>February 13 - March 11</b>	GEDI will accept EEMTS applications from EDOs.  Applicants will be reviewed & accepted on a rolling basis. Deadline March 11.	Submit EEMTS application ( <a href="#">link</a> ).	Receive applications. Inform EDOs of whether they will be accepted.
<b>March 15</b>	EDO cohort finalization.		Announce acceptance to all participating EDOs.
<b>March 22</b>	Introductory call. EDO cohort finalization. Introduction between cities.	Must attend.	Host call. Provide detailed workplan.
<b>Mar 28</b>	Industry analysis workshop. Outlining methods to conduct analysis of EE industry.		Develop industry analysis protocol. Industry mapping tool. Interview protocol.
<b>April 8</b>	Preliminary industry mapping, including summaries of: <ul style="list-style-type: none"> <li>• EE Service providers</li> <li>• Government, non-profit &amp; utility programs &amp; policy</li> <li>• Workforce development system</li> <li>• Demand-side actors, including owners, building managers &amp; operators</li> </ul>	EDOs deliver summary.	
<b>April 1-15</b>	Schedule interviews.	Coordinate scheduling.	
<b>April 8 - May 6</b>	Industry analysis – extensive interviews with industry participants.	Conduct interviews with industry participants.	
<b>April 11</b>	Market Transformation Webinar: Demand generation strategies.		Develop & deliver webinar workshop.
<b>April 30</b>	Market Transformation Webinar: Workforce Development programs – EE programs & credentials.		Develop & deliver webinar workshop.
<b>May 20</b>	Market Transformation Webinar: Convening business.		Develop & deliver webinar workshop.
<b>May 27</b>	Draft industry analyses <ul style="list-style-type: none"> <li>• Summarize market barriers &amp; opportunities.</li> <li>• Provide preliminary strategies.</li> </ul>	Complete industry analyses.	Assist with development of industry analyses.
<b>June 6</b>	Market Transformation Webinar: Utility Interests in Market Transformation & the Role of Economic Development Organizations.		Develop & deliver webinar workshop.
<b>June 6</b>	GEDI provides comments on draft industry analysis.		
<b>Summer</b>	EDOs develop Market Transformation Strategies.		
<b>August</b>	EDO Market Transformation Strategies complete.	Review & publish market transformation strategies.	Develop & complete Market Transformation Strategies.

**NOTE:** 2-3 webinars with subject matter experts on particular market transformation efforts will be included. Date and speakers TBD.