

# EXPORTING U.S. ENERGY EFFICIENCY

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## Reaching Growing International Markets

A white paper and audio series for US energy efficiency businesses exploring foreign sales

By: Elisa Wood & Lisa Cohn  
[www.RealEnergyWriters.com](http://www.RealEnergyWriters.com)

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## Audios

Executives with EE companies now exporting goods and services to foreign countries describe their companies, their experiences, the top markets and the opportunities and challenges. They offer tips for entering foreign markets. These six audios are interviews with:

- Jim Crouse, executive vice president of sales and marketing for micro turbine manufacturer Capstone Turbine. He's a member of a new Renewable Energy and Energy Efficiency Advisory Committee organized through the US International Trade Commission as part of President Obama's plan to increase green energy exports.
- Jim Kapsis, director of market development and policy strategy, Opower, an energy-efficiency and smart-grid company that's also taking part in Obama's advisory committee. Kapsis previously worked as a climate and energy advisor to President Obama in the US Treasury Department.
- Michael Proper, CEO of ClearCenter, which sells energy-efficient IT hardware in more than 180 countries.
- Gene Wang, CEO of People Power, which builds EE monitoring and control systems and is opening up offices in China and Japan.
- Robert Dietel, a trade and investment officer for the British Consulate General in Boston, who has seen EE exports to and from the UK pick up recently.
- Glenn Williams, president of Bell Performance, which has exported fuel additives for the past 25 years and in the past five years has seen exports jump to 40% of overall sales.

## What you will gain from this paper and audio series

For the first time in US history, the federal government is undertaking a coordinated effort to help energy efficiency companies sell their products and services in international markets. This comes as the energy efficiency industry booms worldwide and creates vast new opportunities for a broad range of industries.

Veteran energy journalists Elisa Wood and Lisa Cohn explain how market and political forces have converged to make now the time for US companies to begin exporting energy efficiency products and services. Based on interviews with government trade officials and US companies, the white paper offers insight into emerging opportunities worldwide for EE products and services. It provides tips for finding export markets, and explains new government services to help you. In the six-part audio series, energy efficiency companies that already export products describe their successes and warn of potential roadblocks in navigating international markets.

Who will benefit? This white paper and audio series is for:

1. US companies that offer energy-saving products or services and want to move into foreign markets
2. International vendors interested in partnering with US companies
3. International competitors to US companies that seek to understand new market movement in the US

***You will benefit from this white paper and audio series if you offer:***

- Energy services and management
- Information technology and software
- Automated metering and other smart energy devices
- Efficient appliances
- Efficient heating, cooling and ventilation products
- Efficient motors, chillers and other industrial equipment
- Green building architecture, design, construction and management
- Energy control and monitoring
- Efficient lighting and controls
- Energy data and analysis
- Energy or export consulting and legal services
- Home energy automation
- Environmental services

## Why there is a market for US efficiency exports now

The US is grounded in energy efficiency know-how. Three quarters of the energy needed to fuel economic growth in the US – the world’s second largest economy – has come *not* from new energy over the last 40 years, but from efficiency advances. These new technologies, many stemming from high-tech advancements, allow us to do more work using less energy.<sup>1</sup>

But that’s only the beginning. Over the next 20 to 30 years, the US domestic market for energy services and products is expected to nearly double to \$700 billion, according to the American Council for an Energy Efficient Economy. Investors are taking notice. Efficiency has become the second largest clean energy sector in terms of new investment, in a trend expected to continue three years or more.<sup>2</sup>

Internationally, many nations have set double-digit goals for reducing their energy consumption. This new demand, coupled with the growing sophistication of the US energy efficiency industry, offers opportunity for the sale of US efficiency products and services abroad. Recognizing the scope of the potential market, the Obama administration has launched the nation’s first coordinated effort to export US-made energy-saving devices, knowledge and services.

### *How this opportunity emerged*

For many years, the energy efficiency industry in the United States was characterized as a “two guys and a truck” business. Small local companies, often offshoots of the construction trade, made energy efficiency retrofits in homes, installing insulation, new windows and heating and cooling improvements. Meanwhile, large contracts for public buildings, universities and hospitals were served by larger energy efficiency service companies (ESCOs), particularly super ESCOs, sophisticated players well-versed in government and non-profit contracting. These companies install advanced chillers, motors, lighting, combined heat and power, and other high-efficiency devices for large energy users, sometimes working as subcontractors to utilities.

Energy efficiency was a relatively small player in energy markets, largely ignored by those seeking significant returns. Many utilities viewed efficiency as nothing more than a nicety, a kind of extra service for homeowners and businesses, but not a profit center. However, energy planners, utilities and government leaders began taking energy efficiency much more seriously after the electricity and natural gas price spikes that followed the 2005 hurricanes in the US Gulf Coast. Concern grew about potential power shortages and the expense of avoiding them. Energy planners began to view efficiency not as a peripheral service, but as a key energy resource on equal footing with generation resources within a balanced power portfolio. ESCOs and other established players saw their business grow, even as a proliferation of new entrants arrived.

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<sup>1</sup> American Council for an Energy Efficient Economy, <http://www.aceee.org/press/2010/04/americas-anemic-13-percent-economy-experts-warn-us-risks>

<sup>2</sup> Energy Efficiency Markets Podcast #146, <http://www.realwriters.net/rew/rtlnkpr.htm>