Effective Energy Policy

Washington Energy Summit 2011

Paul Hamilton
VP Government Affairs

Schneider Electric

1st .....Schneider Electric at a glance

15.8
Billion global sales in 2009 (in €)
34% of sales in new economies
x2 compared to 2004

100000+
people in 100+ countries

5%
Sales devoted to R&D

A Recognized Sustainability commitment

Dow Jones Sustainability Index Member 2008/09

ETHIBEL SUSTAINABILITY INDEX EXCELLENCE EUROPE

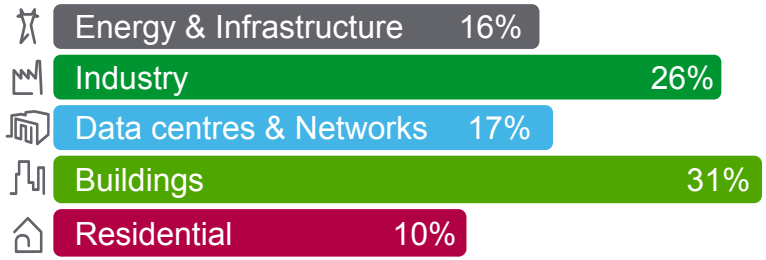
ASPI

The global specialist in Energy management

Energy production & transmission

Energy usage

Sales by End markets – 2008



EE Should a key objective of any comprehensive energy policy

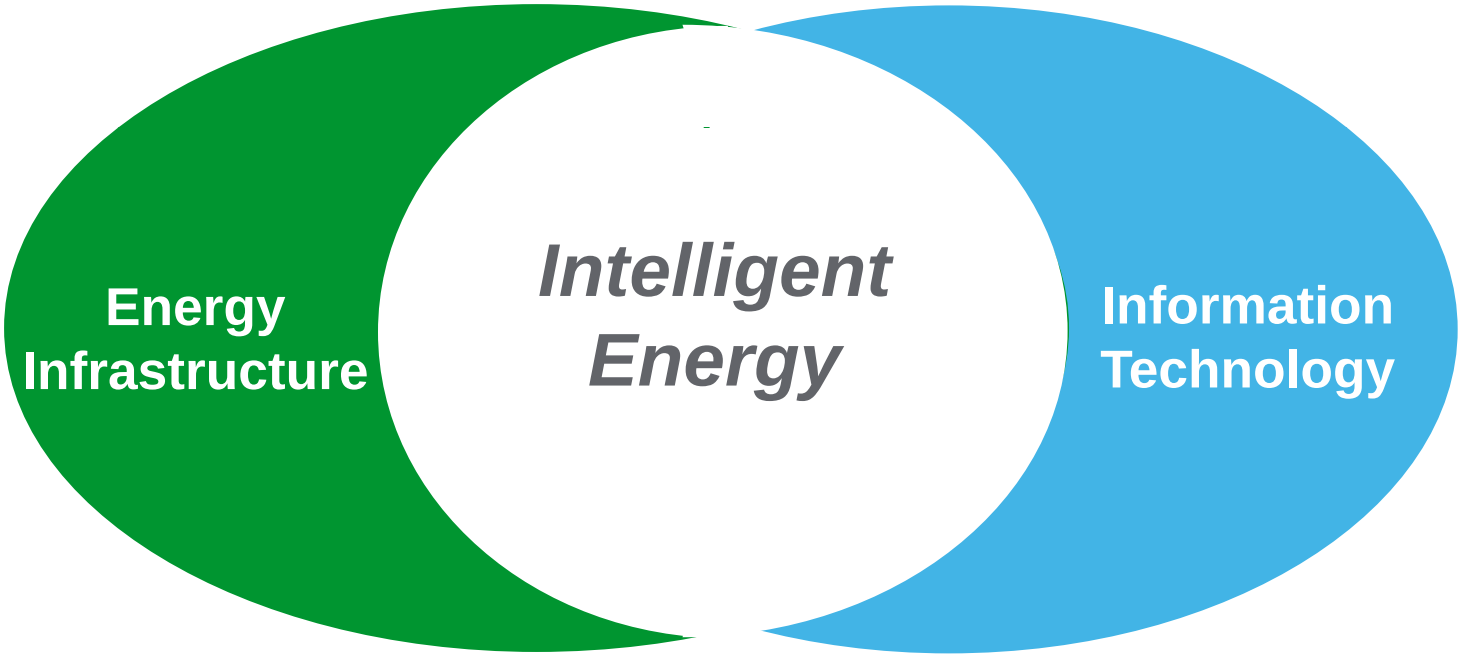
- Cheaper
  - Each energy unit saved avoids 3x the energy units used for generation
  - Demand response programs cost about half of the cost of generation
- Quicker
  - Technology is available today with short term results
- Cleaner
  - “Negawatt” produces no environmental footprint
- Enhanced Security
  - EE is homegrown, it reduces dependence on imports

Our Perspective on Inhibitors

- Market Inhibitors
  - Low awareness and inadequate skills
  - Limited incentives for designers and builders
  - Comparative usage understanding
- Technology Inhibitors
  - Systems level solutions/integration
  - Measurement & verification
- Financing Inhibitors
  - Incentive misalignment
  - Limited or inadequate financing
- Regulation
  - Inconsistent implementation of compliance with codes & policies
  - Inconsistent & immature policies
  - Inconsistent utility engagement across states

A New Evolution for technology and markets

The intersection of IT and Energy Management will create new opportunities to accelerate energy efficiency

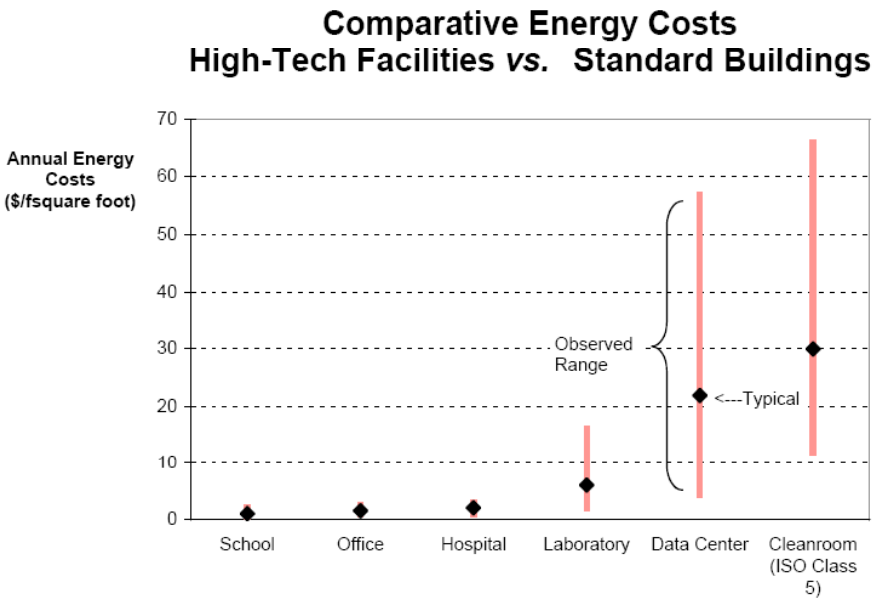


Make energy visible and automate its management through integrated open systems

Energy is invisible.
We need to make it visible!

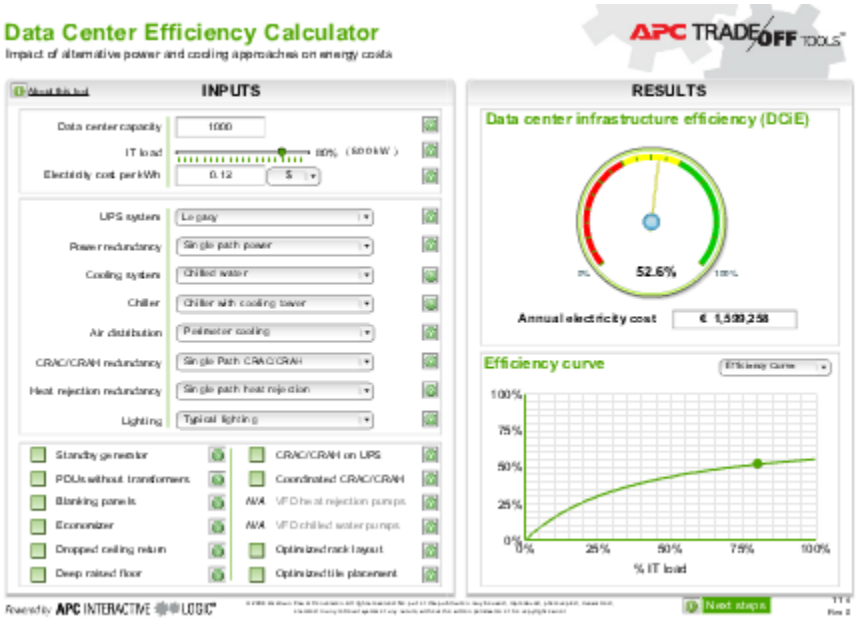
Benchmarking shows opportunity exists

……in high tech facilities energy intensity varies significantly



Integrated connectivity gives insight

…. In Data Centers Energy Dashboards allows optimize management

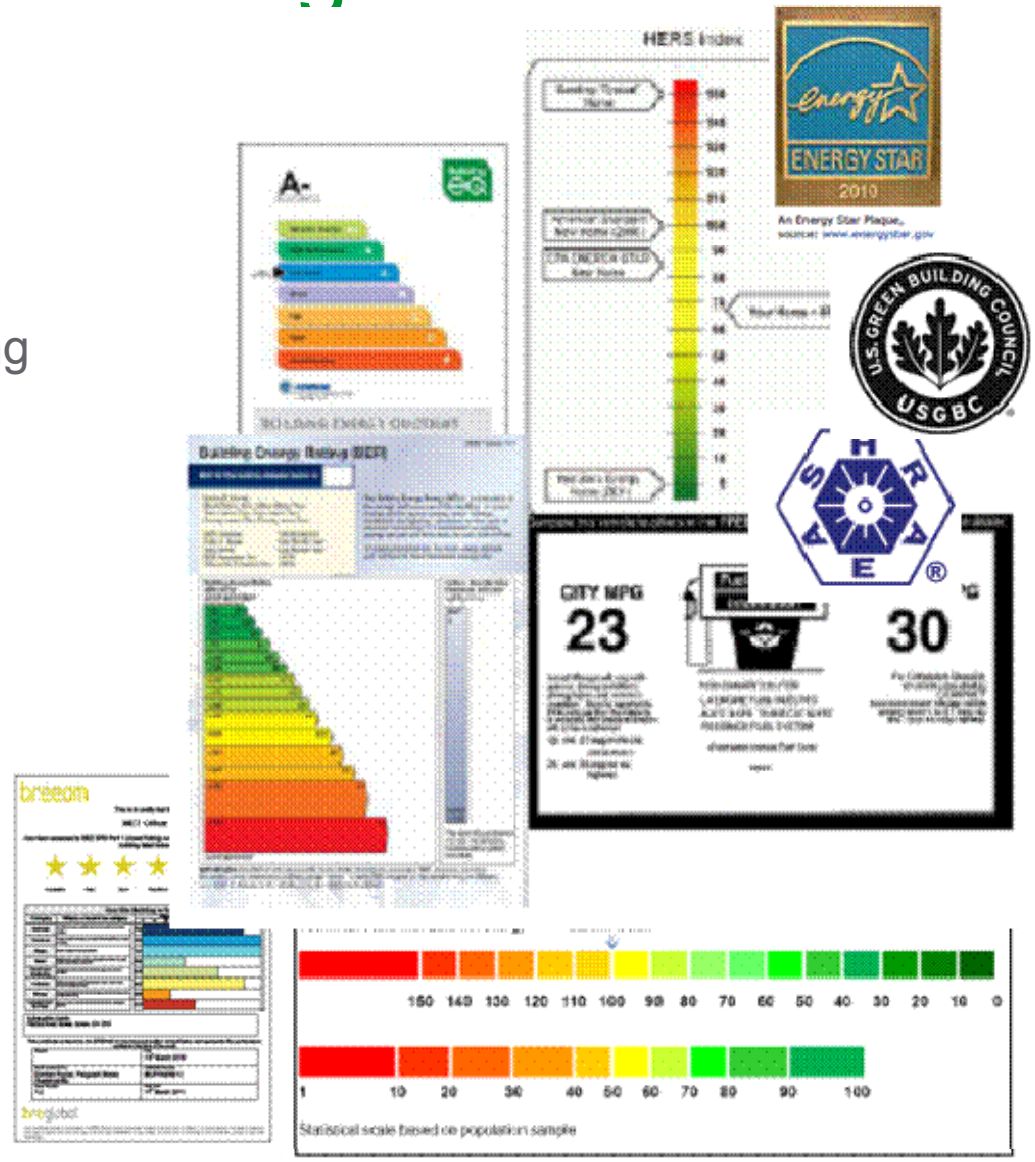


We must consider building life cycles.

Our integrated systems and comprehensive services reduce both capital and operational expenses.

Labeling is Still confusing

- Need to be clear on different labels and their proposes
  - operational versus asset rating
  - Technical versus statistical
- Need consistency between competing systems
  - Many competing labeling systems in market today
  - Many evolving



What is needed?

- Policy intervention where market barriers or failures inhibit optimal investment in EE
  - Misplaced incentives such as the landlord tenant relation in buildings
  - Distorted regulations – utility engagement in distributed generation or demand response programs.
  - Unpriced costs & goods– environmental costs, education, training, research

- Assessment of the impact and effectiveness of current policies and regulations. – Many things work today but are underutilized
    - State code programs – only two states require most current codes
    - Utility programs - decoupling, EERS,
    - Equipment standards – energy star,

- Putting policy and regulation at the right place.
  - Federal, State, Local

The moment is now

for governments, the public and business

- Regulations are coming
  - 3*20% plan in Europe
  - China 5 year plan commitment to reduce energy intensity by 20%
  - Improved ASHRAE and IECC standards

- Companies are acting

Schneider Electric

- Public opinion is pushing
  - Hybrid cars sales market shares x4 in the last 2 years
  - Students are concerned and engaged
  - Consumers look for green

- Technology is here
  - Renewables
  - Energy Monitoring & metering
  - Facility automation
  - Integrated management systems
  - 30% savings is available with implementation and deployment of today's technology

The key for success: people

Individual behaviours driven by…

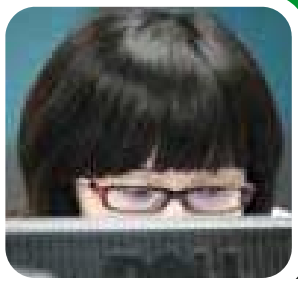
- Technology that make things visible
- Regulations
- *Incentives*

Skills

- Renew competencies
- Build new educational programmes
- Develop maintenance, audits, etc.

Collaboration

- Public-private partnerships
- Cross-business alliances
- Competitiveness projects



Respect and passion for diversity

- Loving difference
- Diversity for innovation

Make the most of your energy™

The Key to Sustained Energy Savings is…

Active Energy Efficiency & A Lifecycle Approach