

BARRIERS AND SOLUTIONS TO CORPORATE ENERGY EFFICIENCY

Energy efficiency is often the least expensive way for businesses to reduce GHG emissions and also comes with added benefits of reduced operational costs and risks. Yet, there remains a gap between the available energy efficiency measures and those actually undertaken by companies. The following chart is a compilation of the most common barriers companies face in developing and implementing energy efficiency strategies as well as some of the tools that can help overcome these barriers. Many of the barriers were identified in the Pew Center’s report, “[From Shop Floor to Top Floor: Best Business Practices in Energy Efficiency](#),” a comprehensive study of corporate initiatives to reduce energy use. This chart examines both private and public solutions to the barriers, which are organized under separate categories for internal operations, supply chain, and products and services. “Private solutions” entail internal and external measures companies can take to overcome a barrier. “Internal actions” refer to measures companies can take independently, whereas “external measures” describe various partnerships or other programs companies can participate in that rely on collaboration with another private or non-governmental entity. Under “public solutions,” “public resources” consist of informational guidance provided by federal and state governments, whereas “public policies” refer to regulatory programs and grants, loans, and other financial incentives offered by federal and state agencies.

SUPPLY CHAIN ENERGY EFFICIENCY				
Barriers	Private solutions		Public Solutions	
	Internal Actions	External Actions	Public Resources	Public Policy
<p>Collection and management of supply chain data Difficulty obtaining data from suppliers, who may not want to measure, gather and share data due to high costs, privacy issues and/or complexity of energy data collection. Companies may find measuring their supply chain footprint a daunting task due to the size, number and/or variety of their suppliers.</p>	<p>-Consider supplier-to-customer reporting in which suppliers incorporate the emissions of their suppliers, so a company’s direct suppliers’ energy usage represents the total usage across the company’s entire supply chain and does not require companies to gather data from tertiary suppliers.</p> <p>-Aggregate and/or mask supplier data to address privacy issues.</p> <p>-Develop a secure online reporting format with simplified inputs and reporting dashboards.</p>	<p>-Various trade associations are developing industry-wide reporting systems such as Electronic Industry Code of Conduct (EICC) and Electric Utility Industry Sustainable Supply Chain Alliance (EUSSCA).</p> <p>-World Resource Institute (WRI) and World Business Council for Sustainable Development (WBCSD) are developing Scope 3 protocol for emissions associated with full life cycle of products and corporate value chains.</p> <p>- EICC supplier reporting system makes it easier for electronic industry suppliers to disclose their carbon emissions using one common template.</p>		
<p>Lack of knowledge of energy saving opportunities Lack of commitment from suppliers due to</p>	<p>-Clear communications from suppliers on benefits.</p>		<p>-Encourage suppliers to leverage government program partnerships such as</p>	

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lack of awareness of the cost reductions from energy efficiency measures and other co-benefits.			Save Energy Now and Industrial Assessment Centers.	
Lack of supplier knowledge/expertise on energy efficiency Suppliers may not have the expertise to identify and implement energy efficiency measures.	-Provide suppliers with technical assistance in the form of documentation, webinars, facility visits.		Green Suppliers Network¹ works with large manufacturers to engage their small and medium-sized suppliers in low-cost technical reviews that focus on process improvement and waste minimization.	
Lack of adequate monitoring and verification of supplier energy efficiency policies/goals Ensuring energy efficiency measures are implemented and monitoring energy performance is difficult since companies do not have direct control over suppliers.	-Publicly report on suppliers' energy efficiency measures (e.g. PepsiCo's Outreach Implementation Scorecard reports how many of its suppliers have joined third-party energy efficiency programs such as Energy Star). -Make implementation of energy efficiency measures a contractual requirement with suppliers. -Develop a rating system on how suppliers are performing on energy efficiency.			Mandatory Greenhouse Gas Reporting Rule: Large sources are required to report greenhouse gas (GHG) emissions to the EPA.

¹ The **Green Suppliers Network** is a collaborative venture among industry, the EPA, and the Department of Commerce's National Institute of Standards and Technology's Manufacturing Extension Partnership (NIST MEP).