

## Highlights

### Investment Levels Increasing

Overall, U.S. investment levels in energy efficiency increased by roughly 15% from 2015 to 2022 after years of stalled investment.

### Investments

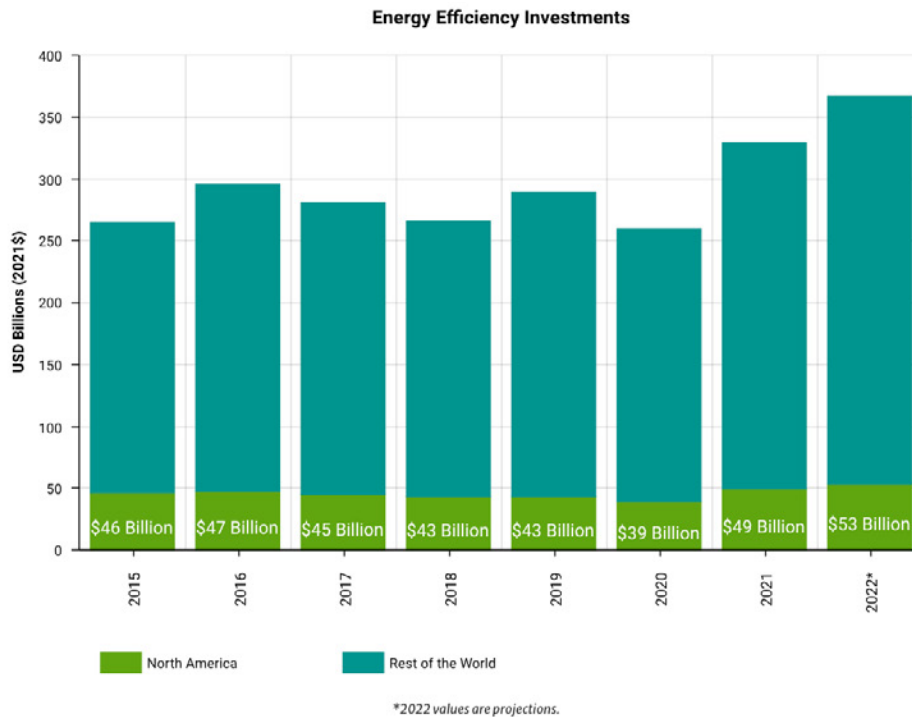
Many investments, especially ESPCs, are implemented by energy service companies, or ESCOs. The ESCO market is seeing a leveling of revenues at approximately \$6 billion between 2011 and 2018. This is just a fragment of the ESCO market potential, estimated at \$101–\$220 billion (2021\$).

### Green Bank Investments

Green Bank investments have nearly tripled since 2018, driven mainly by investments by the Connecticut and New York Green Banks.

## 20 Energy Efficiency Investments

North American energy efficiency investment levels increased by 15% between 2015 to 2022



Source: IEA (2022), [World Energy Investment 2022 database](#)

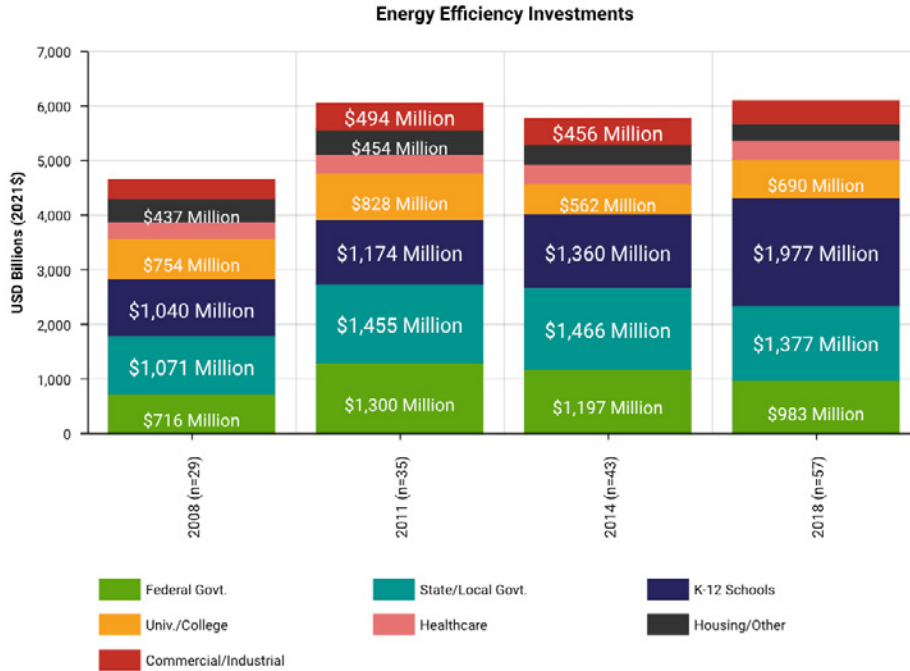
Industry estimates of annual energy efficiency investments vary due to differences in how efficiency investments are defined, how the data is collected, and what data are available. According to the IEA, global investment in energy efficiency, electrification, and renewables reached new highs in 2021, despite some rising costs and supply chain challenges.

In 2021, incremental investments in energy efficiency across buildings, transportation, and industry sectors in North America increased after years of stalled investment, and IEA projects a further increase in 2022. These increases are most evident in transportation investments, with slower growth in buildings and industry.<sup>1</sup> We can expect the levels of investments to rise as a result of the Inflation Reduction Act and Bipartisan Infrastructure Law, which provide record levels of federal investment in energy efficiency over the next five to 10 years.

1 IEA (2022), [World Energy Investment](#)

# 21 Energy Service Company (ESCO) Investments

ESCO revenues have resumed their rise, reaching \$6.1 billion in 2018



Source: LBNL (2016), [U.S. Energy Service Company \(ESCO\) Industry: Recent Market Trends](#)  
 LBNL (2021), [ESCO Market Study](#)

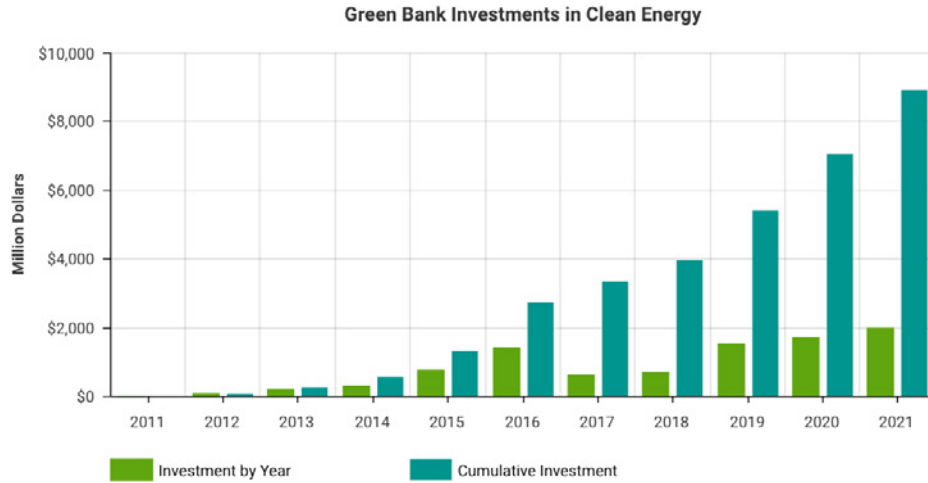
Studies show that the [ESCO](#) market had been growing steadily since the 1990s, but reached a plateau between 2011 and 2014. By 2018, the ESCO market grew once again, with industry revenue rising from approximately \$5.8 billion in 2014 to \$6.1 billion (in 2021 dollars).

In contrast, LBNL has estimated that the market potential for the U.S. ESCO industry – including through [Energy Savings Performance Contracts \(ESPCs\)](#) – could reach \$101 to \$220 billion (in 2021 dollars).<sup>2</sup>

2 LBNL (2017), [Updated Estimates of the Remaining Market Potential of the U.S. ESCO Industry](#)

## 22 Green Banks

Green Bank investments catalyzed more than \$8.9 billion into clean energy through 2021 and have been rapidly accelerating since 2018



Source: Coalition for Green Capital (2022)

Led by the Connecticut Green Bank and New York Green Bank, the most mature in the country, U.S. Green Banks have stimulated cumulative investment of more than \$8.9 billion in clean energy, including energy efficiency.<sup>3, 4</sup>

While overall energy efficiency-specific breakdowns are not available, the Connecticut Green Bank reports closing 1,300 energy efficiency projects in 2021, while the New York Green Bank has invested roughly \$95 million in energy efficiency projects to date and plans to invest \$100 million in energy efficiency and building electrification by 2025.<sup>5</sup> However, incremental Green Bank investments fell in 2017 and 2018 relative to 2015–2016.

3 Other U.S. Green Banks include Michigan Saves, NYCEEC, Rhode Island Infrastructure Bank, the Climate Access Fund, Montgomery County Green Bank, DC Green Bank, the Solar and Energy Loan Fund, Nevada Clean Energy Fund, Colorado Clean Energy Fund, California Lending for Energy and Environmental Needs Center, and GEMS.

4 American Green Bank Consortium (2022)

5 [Connecticut Green Bank](#); NY: [2021–2022 Impact Report](#), [2022–2023 Annual Plan](#)