



Will the finance director buy into your energy business case?

One of the biggest challenges facing those charged with managing energy is the effective engagement of the key decision makers, particularly where capital investment is needed, says Jes Rutter, managing director JRP Solutions and chair of ESTA's Independent Energy Consultants Group (IECG)

One of the universal findings of the thousands of Ene audits recently completed was the lack of awareness within the board rooms of UK Plc of the opportunity that energy offers organisations.

It often seems that the board is prepared to invest considerable resource in making small savings in material and production costs but is not prepared to consider that significantly more money could be added to the bottom line by an organisation becoming more energy efficient.

Why is the message not getting through to the people who make

the investment decisions?

To stand the greatest chance of success, we have to know how to communicate with the purse holders and it is critical that any business case for energy efficiency is in the right language, is robust and is verifiable.

Good quality, reliable, consistent, relevant management information is key. By this I do not mean endless reams of meaningless data written in a language alien to many board directors, most of whom don't know, let alone care, what 'kW/h' means.

Firstly, energy consumption data has



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to be reported in a format and style that is easily understood. This should form the basis of an energy report that provides a clear picture of how energy is being used across a business, the levels of consumption and cost relative to the levels of activity and the impact of any implemented improvement measures.

Monitoring integrity

The quality, completeness and reliability of the energy data will very much depend upon the integrity of the installed metering and monitoring (aM&T) infrastructure, the scale and complexity of which will vary in accordance with not only the size and energy intensity of the site but also with its organisational structure.

It is not uncommon to see organisations where the infrastructure exists but there is a lack of good quality energy data due to non-functioning meters, insufficient metering, poor data collation or simply from an inability to interpret the data into useful information.

It is important to ensure the integrity of the aM&T, as a good system will provide senior managers with definitive proof of performance against energy targets and will evidence the actual return on investment where capital projects have been implemented. This will validate the investment and ease approval for future projects.

One of the commonly cited barriers to the uptake of energy efficiency projects is the lack of trust of the level of savings being claimed.

One way to overcome this barrier is by asking for proof of energy consumption savings from a third party that uses the protocol for performance measurement and verification (M&V) as outlined in the

International Performance Measurement & Verification Protocol (IPMVP) Guidelines. The guidelines, built with the help of organisations from 16 countries and hundreds of individual experts from 25 nations, provides a consistent, reliable approach to M&V around the world.

Ene's Energy Performance Contracting Group (EPCG) considers the finer details of efficiency projects and Ene also provides the UK's Certified Measurement & Verification Professional (CMVP) training on a quarterly basis.

A further barrier is the cost of implementing improvement projects, but often improvements can be made with little or no investment. We have delivered energy behaviour training programmes, for example, that have delivered the same energy savings as capital investment programmes but at a fraction of the cost. The effectiveness of behaviour training projects can be more difficult to predict and verify but it is possible and insurers should be able to provide robust case studies of previous success to support any business case.

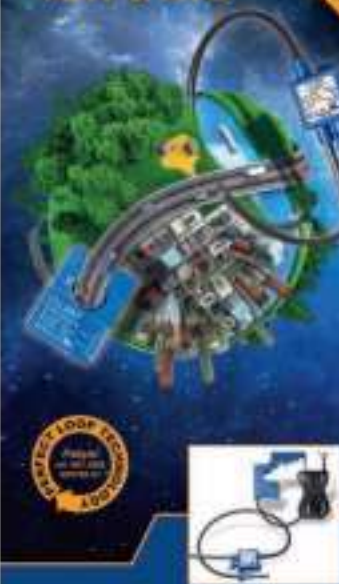
Gaining trust

Another way of gaining trust and credibility is to be able to produce reliable, timely reports on the energy improvement project pipeline as effective project tracking and reporting helps engage stakeholders, prioritise resources and ease decision making.

Many organisations use Excel spread sheets to manage improvement projects. This is a useful tool that works well for small organisations or for those with only a handful of projects but spreadsheets become cumbersome and unwieldy for bigger, multi-site organisations with a large number of improvement projects. There are now energy improvement project management systems available that provide up-to-date information in the format and frequency demanded by senior managers to give them the assurance that time, resources and money is being focused upon the projects offering the best ROI.

With good data in the right language, verified evidence to build trust and effective project management, capital investment for energy projects is likely to be more forthcoming, to

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