

Helping Business to Reduce Energy Costs and Improve Profitability

Brian Scannell MSc Eng

SEAI Energy Advisor



- Energy Management
- Key Strategies
- Understanding your Energy Bills
- SEAI Services



Energy Management



Drivers for Energy Management

- Competitiveness
- Environment
- Security of Supply

Irish Targets (2020):

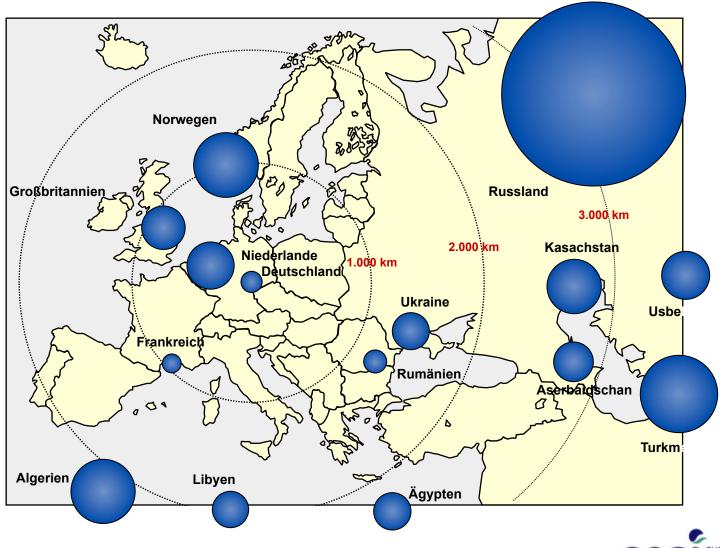
40% renewable electricity

20% GHG reduction

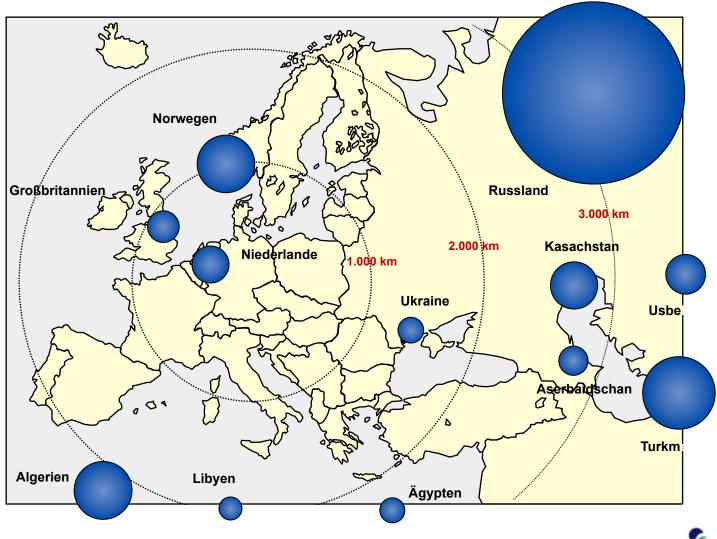
20% energy efficiency (33% in public

sector)

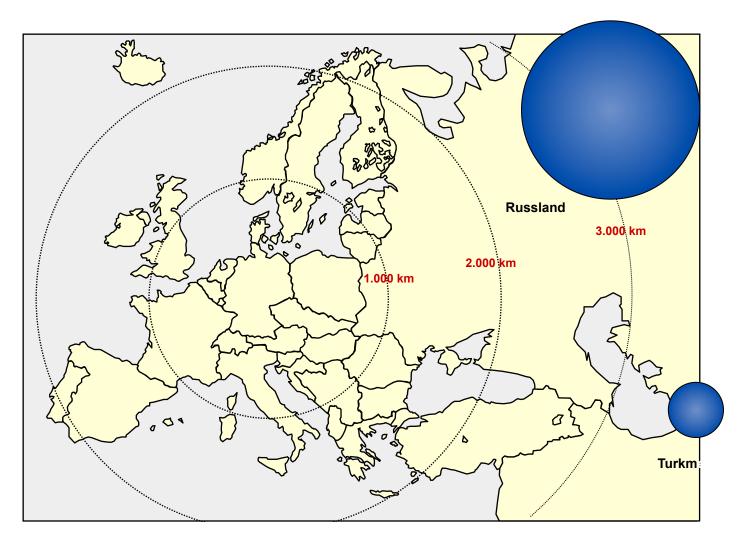














Business Case for Energy Management

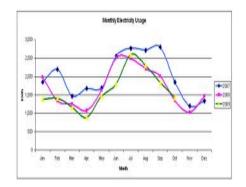
Retail Example: €100,000 p/a

- If you make 5% energy savings (~€5,000), where does that 5% / €5,000 go?
- How many retail items would you need to sell to make €5,000 in profit? - Could be worth an extra week of trade?



Energy Management





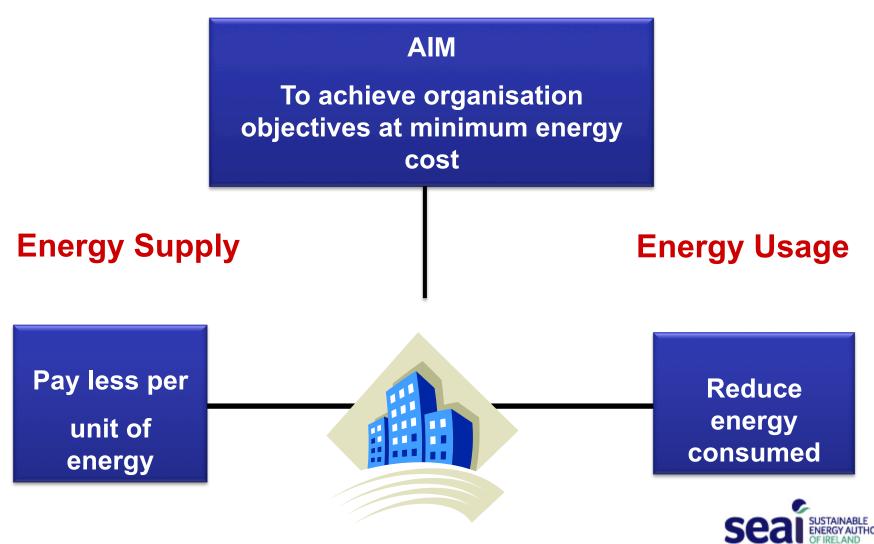




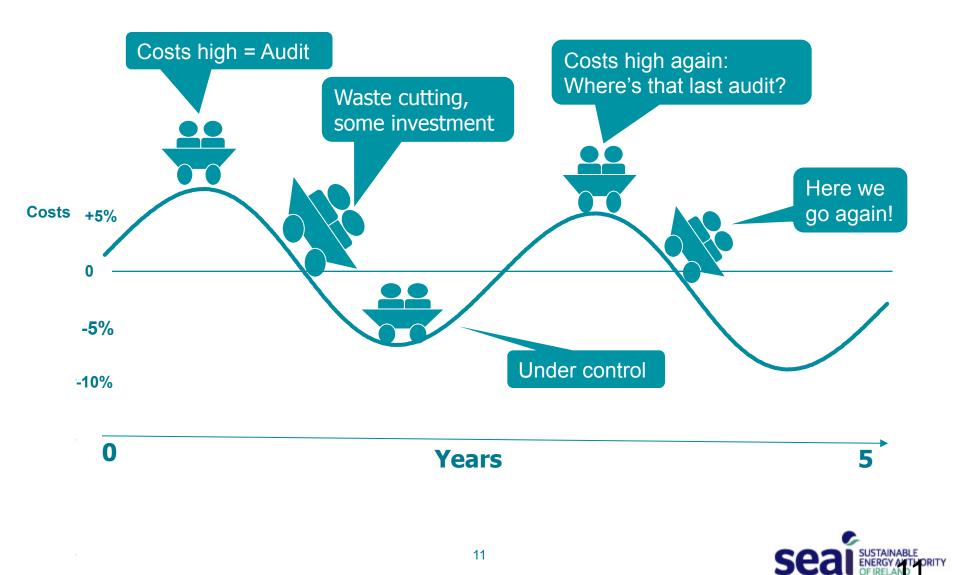




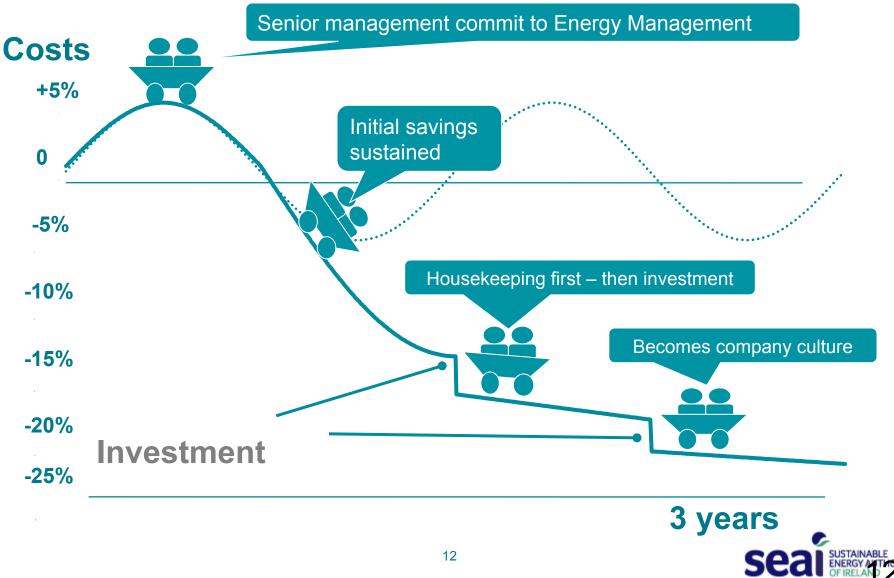
What can you do to ?



Why an Energy Management Focus?



Structured Approach



Key Strategies



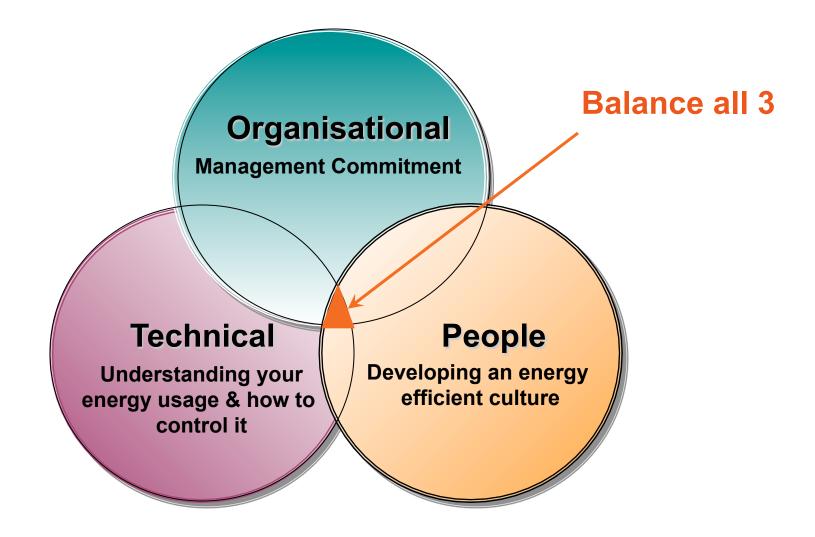
Key Strategies







Structured Energy Management





5 Pillars of Energy Management

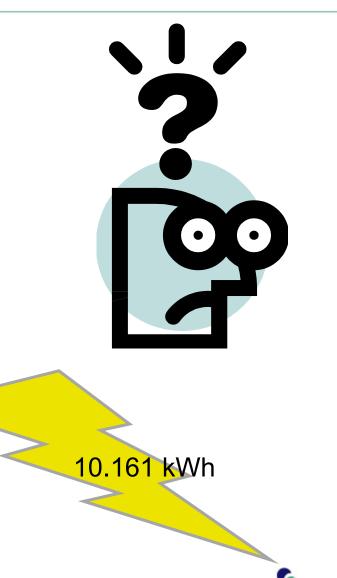






- Power: kilowatt (kW)
- Energy: kilowatt hour (kWh)
- 1 kilowatt = 1,000 watts

2.68 kg



- A 100W light bulb = 100W
- Ten 100W light bulbs = 1000W or 1kW

kW multiplied by hours = Units of energy (kWh)

- 1kW x 8670hrs = 8670kWh p/a
- @ 16c/kWh = €1400 p/a



- Simple
- Cheap
- Awareness





• We always start with the energy bills

 When you go back to your office dig out some electricity bills.....



Historical Electricity Tariffs

• General Purpose If night use <10%

General Purpose NightSaver
 If night use >10%

Low Voltage Maximum Demand
 If MIC > 50kVA

Medium Voltage Maximum Demand If MIC > 450kVA

High Voltage Maximum Demand



Alternative Electricity Tariffs

- Bundled
- Unbundled
- STOD
- Gas Tracker
- Managed
- Variable
- Fixed
- Etc.



Maximum Import Capacity (MIC)

• Maximum Import Capacity (MIC)



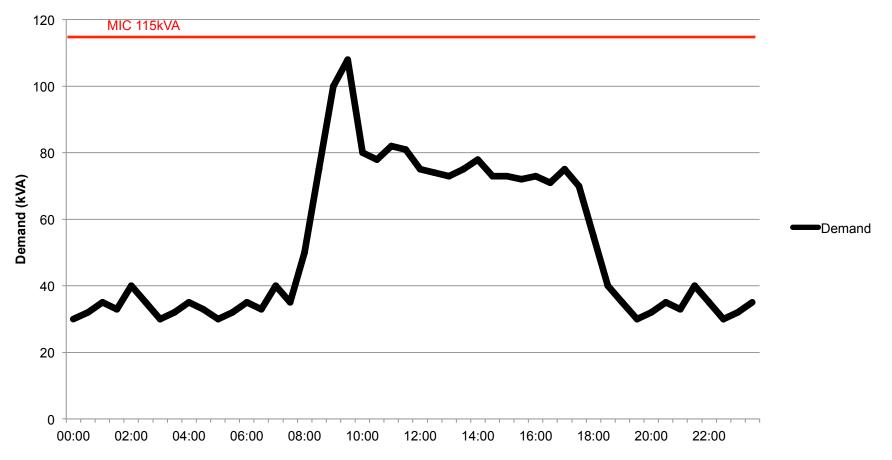






Maximum Import Capacity (MIC)

Electrical Demand Profile

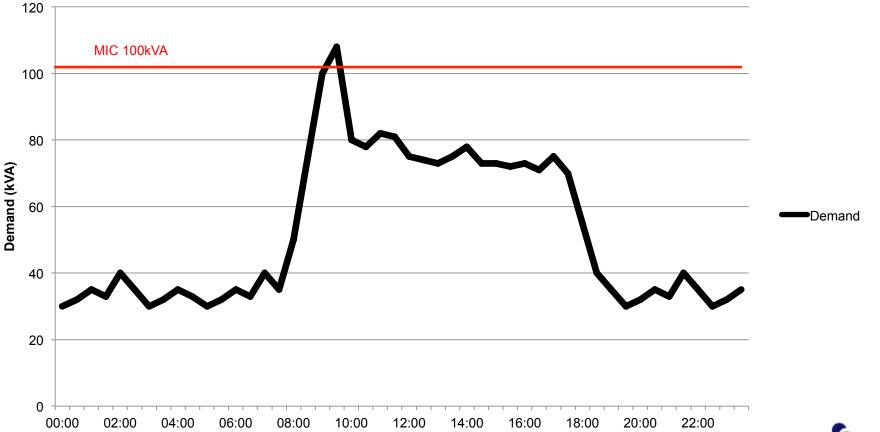




Maximum Import Capacity (MIC)

Excess Capacity Charge

Electrical Demand Profile





Maximum Import Capacity

Excess Capacity Charge

DETAILS OF CHARGES

ACCOUNT INFORMATION	Bill No:
Account Number	
Accounting Period	1 Feb 2009 to 28 Feb 2009

TARIFF: Low Voltage Max Demand (Online Meter)

Billing Period: 1 Feb to 28 Feb

Standing Charge €84,56 Day units 28,043 KWH @ €0. .37 Night units 7.050 KWH @ €0. .26 LVMD Maximum Demand Charge Winter 81 213.19 @ €2.632 €202.00 Service Capacity Charge (KVA) 100.0000 kVA @ €2.02 Excess Capacity Charge kVA @ €10.95 €87.60 8 €53.62 Low Power Factor Surcharge 7,749 kVArh @ €0.00692 PSO Related Rebate 100.0000 kVA @ €0.95-€96.00 CR VAT @ 13.5% on 6____.60 € 73 **Total Charges For This Period**



Excess MIC Penalties



- HEAVILY PENALISED for the excess
- ONCE for 15 minutes in a month.
- Measured in kVA



Example of Excess MIC Penalties

• This is an EXTREME example !!!

Tariff charged PES NQH LVMD (01 Jul 10 to 31 Aug 10)

Description	Units	Rate	Amount	
Standing Charge	62 days	3.02 €/da y	€187.24	
Summer MD unit rate	130 kW	0.00 cent/kW	€0.00	
Maximum Demand Summer	62 Days	0.00 €/Day	€0.00	
Maximum Demand Winter	0 Days	0.00 €/Day	€0.00	
Service Capacity Charge	150 KVA Days	€4.5520 /KVA	€ 68 2.80	
Day Units	1,100 kWh	12.540 cent/kWh	€137.94	
Night Unit Rate	100 kWh	6.730 cent/kWh	€ 6.73	
Non Chargeable Wattless	400 kVARh	0.000 cent/kVARh	€0.00	
Chargeable Wattless	6,650 kV.ARh	0.740 cent/kVARh	€49.21	
Excess MIC	615 KVA	€13.4000 /KVA	€8,241.00	



Excess MIC ? What should you do ?

- If possible reduce peak demand
- If not seek an Increase in MIC from ESB Networks
 - Possible capital cost
 - Payback varies
 - Increase in capacity charge
 - TALK to ESB Networks, NOT your supplier !





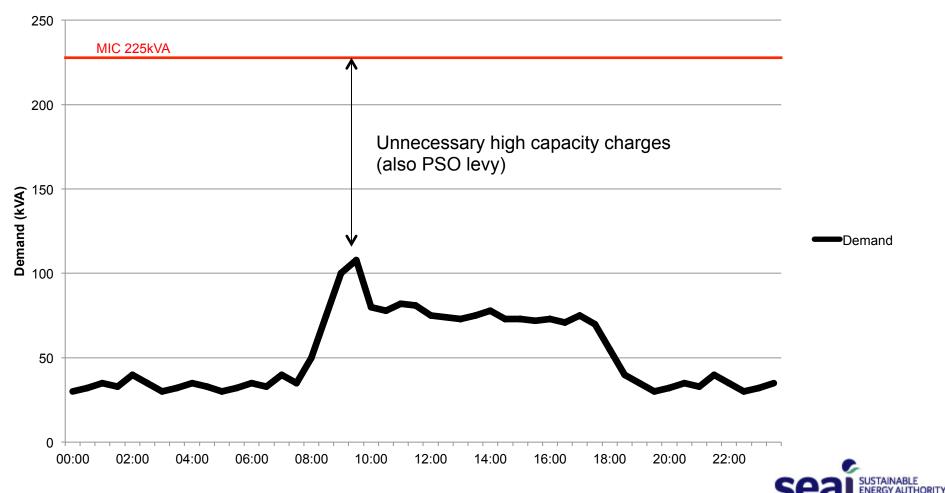
- MICs too high will attract additional 'Fixed 'Charges !
- You could be paying for capacity you will never use ...
- Capacity Charge & PSO levy is based on your MIC level





Maximum Import Capacity

Electrical Demand Profile



Max Demand Tariffs

- Other Unnecessary Charges:
 - Excess Wattless
 - Low Power Factor Surcharge
 - Excess Reactive Units



Excess Wattless /Low Power Factor

• Have you Low Power Factor Surcharge on your Bill ?

DETAILS OF CHARGES	TARIFF: Low Voltage Max Demand Billing Period: 1 Oct to 31 Oct		
Standing Charge		€184.22	
Day units Night units	41,300 KWH @ €0.1241 16,650 KWH @ €0.0666	€5,125.33 €1,108.89	
Service Capacity Charge (KVA)	150 kVA @ €4.48	€672.00	
Low Power Factor Surcharge	17,883 kVArh @ €0.0074	€132.33	



Excess Wattless /Low Power Factor

Here it is called Chargeable Wattless

Tariff charged PES NQH LVMD (01 Jul 10 to 31 Aug 10)

Description	Units	Rate	Amount
Standing Charge	62 days	3.02 €/day	€187.24
Summer MD unit rate	130 kW	0.00 cent/kW	€0.00
Maximum Demand Summer	62 Days	0.00 €/Day	€0.00
Maximum Demand Winter	0 Days	0.00 €/Day	€0.00
Service Capacity Charge	150 KVA Days	€4.5520 /KVA	€ 68 2.80
Day Units	1,100 kWh	12.540 cent/kWh	€137.94
Night Unit Rate	100 kWh	6.730 cent/kWh	€ 6.73
Non Chargeable Wattless	400 kV.AR.h	0.000 cent/kVARh	€0.00
Chargeable Wattless	6,650 kVARh	0.740 cent/kVARh	€49.21



Excess Wattless /Low Power Factor

Low Power Factor Surcharge

ACCOUNT INFORMATION	Bill No:	
Account Number		
Accounting Period	1 Feb 2009 to	28 Feb 2009

DETAILS OF CHARGES Standing Charge	TARIFF: Low Vo Billing Period: 1	-		d (Online Meter) €84.56
Day units Night units		KWH @ KWH @		€ <mark></mark> 37 € <mark></mark> 26
LVMD Maximum Demand Charge Winter	81	@62.6	332	€213.19
Service Capacity Charge (KVA) Excess Capacity Charge	100.0000 8	kVA @ kVA @	€2.02 €10.95	€202.00 €87.60
Low Power Factor Surcharge	7,749	kVArh @	60.00692	€53.62
PSO Related Rebate 100.0000 kVA @ €0	.96-			€96.00 CR
VAT @ 13.5% on €60				€73
Total Charges For This Period				€.,



Excess Wattless /Low Power Factor

Here it is called Excess Wattless !

	readings	Quantity	Description of charges	Amount ∈
Present	Previous	and price		CR = Credit
TARI	FF: GENERAL	PURPOSE - NIG	HTSAVER	
			·····	
225541C	219608C	6033 X €0.1	649 1484 DAY UNITS	994.84
7_210	73191C	830 X €0.0	764 NIGHT UNITS	63.41
268123C	262991C	2288 X €0.00		0.00
2001230	2029910			
		2844 X €0.00	810 EXCESS WATTLESS	23.04
	62	DAYS @ €0.4560	/DAY STANDING CHARGE	28.27
	PUBLI	C SERVICE OBLI	GATIONS LEVY NOV, DEC	0.00
		VA	T @ 13.5% ON 1109.56	149.79



- What should you do to eliminate these penalties ?
- Ask your Electrician 3 Questions:
 - Do we have a Power Factor Correction installed?
 - If we have one, is it working?
 - If it is working , is it big enough?
- Ask yourself one final question : Is it on a regular Checklist ?



Natural Gas Tariffs

Small Business User

<73,000kWh/yr

Standing Charge kWh Charge

Medium Business User

>73,000kWh/yr As above and Capacity Charge

Large Business User

Fuel Variation Tariff

Swing/Non Swing

Predictable/Flexible

Etc.



SEAI Services



Start by logging on to www.seai/business





If you are a LARGE Energy User

Spending ca. 1 million euro p.a. on Energy

Large Energy Users

For an overview of SEAI programmes fo Large Energy Users, click here...

Energy Agreements Programme »

The programme centres on a commitment to adopt the EN16001 energy management system. Click here for further details

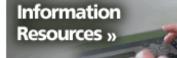
Large Industry Energy Network (LIEN) »

The LIEN is a voluntary network of companies working to maintain strong energy management practices. Click here for further details..

Energy Management Standard EN16001 »

EN 16001 represents energy management best practice, which is crucial for your success.

Click here



allh

including Case Studies and Energy Agreements Programme Success Stories DVD

To view or download, Click here.



Special initiatives are planned each year to focus on significant energy usage.

Click here



If you are an SME





Why get started with Energy Management?



Hear from SMEs that have saved energy



Tools and Resources

Easy to use materials that support a successful and profitable energy saving campaign Click here for further details

Energy Management Training

Practical training on how to develop an effective energy management programme Click here for further details









How can SEAI help?

- < 30k Euro
- Telephone consultation with an energy advisor
- > 30k Euro
- Site Visit followed by Report and 3 months telephone mentoring

Seal SUSTAINABLE ENERGY AUTHORITY OF IRELAND	Playing a leading role in transforming Ireland into a society based on sustainable energy structures, technologies and practices.				
Your Home Your Building Your I (ou are here > Home > Your Business	Businėss Renewables Your	- School Grants Publications News & Events Your Community			
 Public Sector Programme Large Energy Users SEAI's services for SMEs Quick Wins 	Registration for Energy Advice and Mentoring Fields marked with an asterix(*) are mandatory. If you do not hear from us within 2 weeks, please contact us directly on tel:				
 Energy Technologies Resources Financial Incentives Sustainable Energy Awards Inside the Smart Economy 	Organisation Detail Organisation name*: Organisation address*:	S			
Triple E Product Register Join Our Mailing List	Number of employees*: Business Sector*: (() (a)	elect One			
	9 20 20 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	Retail Retail Services / office based mercial and one commercial office buildings) Educational institutions Health Soltas, Clinics, Care Homes) Transport glicics, public transport, private hire vehicles) Food production / Agriculture			
	() Type of Organisation*: (This should describe your key	Other			



Energy Management Training

Register your

Energy Spend < 100 k per annum Small Business Training 3 X half days Energy Spend > 100 k per annum Energy MAP Training 3 x full days



Energy costs are one of the single biggest cost concerns to SME businesses in Ireland. Systemic and continuous control of energy usage can significantly increase your profits. SEAI provides a range of Applied Training Courses suited to your business needs:

- Businesses interested in training should first contact their trade representation body, that body should contact SEAL.
- Businesses without a trade representative body, or individuals should register their interest using this registration form

Small business training, if your total energy spend is less than

€100,000 per year.

EnergyMAP training, for businesses spending more than

€100,000per year on energy

IS393 for businesses spending more than €1,500,000 per annum

on energy. IS393 training is delivered directly by SEI to

LargeIndustrial users

To calculate your business energy spend, total electricity, gas, heating cost. Don't forget to include petrol and diesel from your company car or commercial vehicle fleet.



Energy Management Training

- Implement an Energy Management Programme
- Embed Energy Management into the culture in your business



- SME's fully registered 2012
- AMA Service 2100
- Energy Map & Small Business training 181
- Identifying and implementing measures that result in an
 - average saving of 11% of their annual energy costs
 - within 1 year

Total projected savings amount to €50.6M



Are there financial incentives available?

- The BEW Grants are finished
- BEC Grants closing on 31st May
- **Accelerated Capital Allowances**
- National Energy Efficiency Fund

Welcome to the Accelerated Capital Allowance (ACA)



Product Providers

The ACA is a tax incentive for companies paying corporation tax and aims to encourage investment in energy efficient equipment. The ACA offers an attractive incentive whereby it allows companies to write off 100% of the purchase value of qualifying energy efficient equipment against their profit in the year of purchase.

The ACA now includes 52 technologies. Submissions are being currently invited from Manufacturers and Suppliers. To view the technology criteria please click <u>here</u>





- It's a tax incentive (not a grant!)
- Write-off 100% of eligible purchases against profit in the first year (normally over 8 years!).
- Must be a company, paying corporation tax.
- Normal Capital Expenditure write-off rules apply (but term is "accelerated" to one year)



Consider the example where a company has **€100,000 profit** at the end of their accounting period, on which they must pay 12.5 % corporation tax. The same company has during that period, purchased capital **equipment that cost €20,000**.

	Without Capital Allowances	Standard Capital Allowances	ACA
Proportion of deductable Capital Equipment costs	NA	1/8 (12.5%)	8/8 (100%)
Deductable Capital Equipment costs	NA	€2,500	€20,000
Taxable Profit: (minus deductions)	€100,000	€97,500	€80,000
Tax payable on profit @ 12.5%:	€12,500	€12,188	€10,000
Tax saved with deductions	NA	€313	€2,500



National Energy Efficiency Fund

- Nov 12 National ESCO Action Group established by DCENR
 - Dept. Public Expenditure & Reform
 - Dept. Of Finance
 - New Era (division of NTMA)
 - State Solicitors Office
 - Energy Suppliers
 - ESCOs
 - Consultants
 - SEAI
- Objectives
 - Remove barriers to development of EPCs and LESCs
 - Help meet 2020 EE targets
- €35m seed Funding announced in December budget
- 2013: Dedicated Pilot Working group
 - Limited to organisations committed to developing and procuring EPCs in 2013



Energy in Industry



Energy In Industry

- Electricity Use some examples
 - Lighting
 - Motors
 - Fans
 - Pumps
 - Refrigeration
 - Compressed Air
- Thermal Energy
 - Degree Days
 - Boilers



Lighting Projects

- Energy Efficient Lamp Replacement
- Controls
 - PIR
 - Dimming
 - Switching
- Switch Off Campaign



Electric Motors

- Energy efficient replacement – 10%
- Variable Speed Drives 12 to 50% Saving
- Cleaning 1-2%
- Switch off when not needed





Refrigeration

- Free air cooling
- VSD on Pumps
- Recycle warm exhaust air
 - Water heating
 - Space heating
- Draft sealing on fridge doors
- Defrost cycles
- Lighting



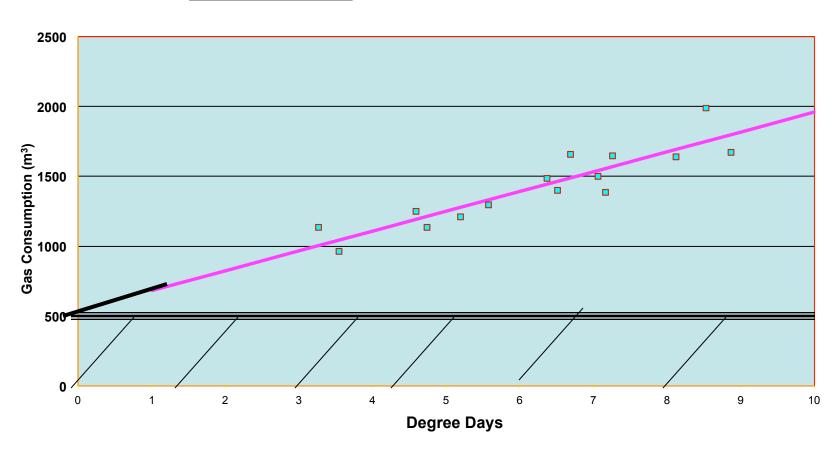
Compressed Air

- Air Intake temperature
- Leaks
- Pressure Required
- Receiver
- Heat recovery
- Design
- Maintenance





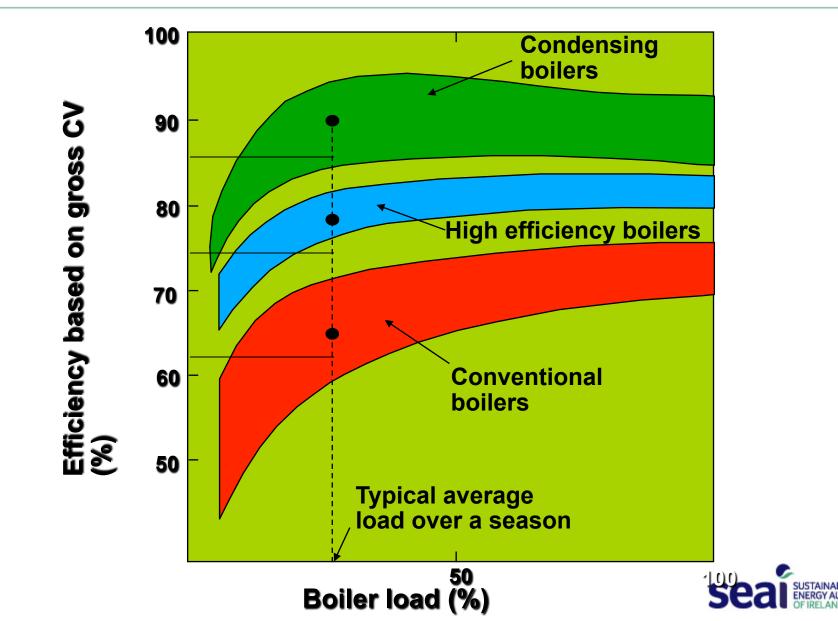
Thermal Energy



Regression Line for Office



Small Boiler Efficiencies



- Smaller boilers for space heating
 - Time clock
 - Optimum stop/start
 - Weather compensated
 - Zone Control allows areas of building be separately controlled



Can you do something straight away?

Quick Wins

Choose your sector for a top ten list of quick wins which are easy to implement and will start to save you money straight away



Quick Wins by Sector

Quick Wins by Technology





What others have achieved.....

There are a huge number of success stories on the website..... Here is a selection Have a look and see is there something similar to your situation !

Case Studies for SMEs

Monitoring and Targeting - e3 Energy Management Bureau (PDF, 700KB)

Monitoring and Targeting - Jurys Energy Management Bureau (PDF, 1.13MB)

Transport - Collins Travel (Web)

Transport - Louth Ecodrive (Web)

Transport - Matthews Coach Hire (Web)

Building Energy Management Systems -BMS at UCD (PDF, 195KB)

Building Energy Management Systems - BMS at Stratus Computers (PDF, 280KB)

Building Energy Management Systems - BMS at Google (PDF, 230KB)

Building Energy Management Systems - BMS at the Mater Private Hospital (PDF, 240KB)

Combined Heat and Power -CHP ESCO Model at Goodbody (PDF, 180KB)

Combined Heat and Power - MicroCHP at St. Dympna's Hospital (PDF, 250KB)

Combined Heat and Power -CHP at Jurys Hotel and Towers (PDF, 260KB)

Variable Speed Drives - VSDs at Ascent International (PDF, 200KB)





- Register today for BeGreen REA
- Register today for SEAI Energy MAP Training
- Check your bills for penalties...

Remember the energy you don't use is the cheapest energy of all





