



# Energy management and staff awareness

## What is Energy Management?

To put it simply it's about managing your energy use as you would any other resource in the company, reducing wastage, and ensuring costs are kept to a minimum. When manufacturing a product or delivering a service material or labour costs are not left to chance - and energy should not be seen any differently. It should be well managed all of the time like any other resource; not seen as a fixed overhead, but an area where significant savings are available that directly impact bottom-line profits.

It is not uncommon, through applying simple energy management techniques, to be able reduce your energy bill by up to 20%. Depending on the individual circumstances this can represent the same bottom-line benefit as a 5% increase in sales. These simple techniques are described in this factsheet, will enable you to introduce energy management into your company, reducing costs and saving a valuable resource at the same time.

## Where do I start?

### Management Commitment

Many companies find it useful to put a commitment to energy efficiency in writing in the form of an Energy Policy. This does not need to be complicated and the advantages of doing so are:

- *Shows energy issues are being taken seriously by management*
- *Raises awareness amongst staff*
- *Communicates a good message externally to interested parties*

A simple policy statement would contain an overall commitment to energy conservation followed by the means in which this will be achieved. Producing an

energy policy is not an essential step in order for energy management to work, but what a policy does is mark the beginning of something new, and serves as a visible reminder to staff and management, underpinning the reasons for energy management.

### **Staff responsibilities**

Once you have demonstrated management commitment, and possibly a policy which sets out your intentions, it is then up to staff to make this work. Without their ownership and commitment in the process, energy management is likely to fail. To achieve staff commitment from the start, it is common to appoint an energy champion to lead the energy management programme. Apart from in the largest companies, this person is likely to perform this role alongside their normal day-to-day activities. Alternatively a small team could be formed who act as a kind of energy task force within the company. In allocating this role, it is important that they are senior enough for their opinion to matter with staff, but probably most importantly of all they should have an enthusiasm for the role. Therefore it may be advantageous to ask for volunteers rather than picking out an individual for the role.

The role would typically include the following activities:

- ***Being responsible for reading electricity meters and checking fuel bills***
- ***Developing a campaign encouraging others to use energy more efficiently***
- ***Identifying potential areas of energy savings, costs and simple paybacks***

### **Establishing the facts**

The old adage of '***what you don't measure, you can't manage***', could not be more true here. To deliver energy savings through better energy management, you need to know how much energy you currently use, so that any improvements can be measured.

To calculate your baseline figure you will need to look at past electricity and fuel bills (gas, oil, coal) and work out on average how much you are using a month, taking into account seasonal variation. Once you have these figures you can also establish the relative importance of the various different fuels that your organisation uses. If, for example, electricity accounts for 70% of your total energy spend, then you may

decide to focus on reducing your electricity usage first, as this represents the greatest savings available.

Once you have your baseline figure, you can then start to address the issues of energy use within your organisation in a bid to reduce usage. Alongside any energy saving programme, regular electricity or gas meter readings should be taken and compared with your baseline figure to establish levels of savings achieved. As a general rule of thumb, meters should be read, either monthly, if invoicing is quarterly, or weekly, if invoicing is monthly.

Taking regular meter readings will also help you to:

- *Identify exceptional consumption and attend to the causes quickly*
- *Check that all meters mentioned on your bills are present in your company's building - it has been known for people to be paying for a meter that is not connected to their premises*
- *Use the data collected to negotiate better fuel prices with different fuel companies*

#### **Involving/engaging staff**

Obtaining the commitment of your staff and motivating them to use energy efficiently is crucial to achieving success. Staff should be made aware of why energy saving is important, how their everyday behaviour affects energy consumption, and what effect saving energy will have on them and bottom-line profits. To encourage staff to participate in the campaign to save energy:

- *Ask them to help identify actions that could be taken; the best energy suggestion of the month could be rewarded with a prize -possibly donated by a supplier!*
- *Initiate an energy-awareness raising campaign to promote energy efficiency*
- *Establish clear and achievable energy reduction targets*
- *Agree how key responsibilities should be allocated*
- *Report results simply, clearly and relevantly to staff*
- *Share the glory - to maintain enthusiasm for energy conservation you must ensure that people get praise and credit for making savings*

- *Promote energy measures in internal newsletters, websites, staff briefings etc*
- *Link work energy savings to measures they can take at home*

Not forgetting that:

- *Recognition and responsibility may have a bigger impact on motivation, than just monetary rewards*
- *Financial rewards can, however, be seen as a recognition for work well done*
- *Unless people want to change and are motivated to learn, training is ineffective*

### **Pay less/use less**

One way of reducing energy costs is to buy your fuel at the lowest price. Businesses can now negotiate directly with suppliers if their gas or electricity consumption is above a minimum level, so shop around for the best deal.

A good way of starting to identify where energy is being wasted is to conduct an energy walk round. Carried out by the energy representative and other key members of staff, this can help identify problems and opportunities for action and ensure staff feel part of the assessment process. Key things to note would be where:

- *Energy is being wasted because of a current lack of awareness*
- *Procedures are being ignored*
- *Repair or maintenance work is needed to reduce energy costs*
- *There is a need for capital investment to improve energy efficiency*

The pattern of energy use will vary throughout the day, so it is useful to vary the times of the walk rounds. For example; when the cleaners are on duty, lunchtimes, at night and even weekends. Good times of year to carry out walk rounds are when the 'clocks change' and at the beginning and end of the heating season.

### **Benchmarking**

Monitoring your company's performance does not have to stop at comparing current meter readings with past energy bills - in fact this is just the start. Benchmarking is a well recognised method of comparing your performance with others. Comparisons

with recognised good practice standards will help you to really understand how well you are doing compared to other similar companies, and set improvement targets.

You can also internally benchmark energy usage, meaning to compare several sites or buildings within the company with each other. In this way you can identify best practice within the company and repeat what you find across the company.

The Action Energy programme has published data on typical energy use and costs for a range of buildings, which will aid your benchmarking activities.

### **Identify funding opportunities**

Most companies will be able to make savings of up to 20% through simple measures which cost little or nothing to implement. However, to achieve even bigger savings, you may need to make some investment. Potential funding sources for energy efficiency measures include:

- Interest free Action Energy Loans - Small and medium sized companies can apply for loans of between £5,000 - £50,000 to support energy saving projects such as refurbishments or purchase of more energy efficient equipment. For details call the Action Energy Helpline on 0800 58 57 94.
- Enhanced Capital Allowances (ECAs) - are a tax break allowing the purchaser to offset the full cost of equipment (including installation) against tax in the year of purchase, providing a cashflow benefit.

To help you choose energy efficient equipment, have a look at the Energy Technology List at [www.eca.gov.uk](http://www.eca.gov.uk). The equipment listed (including lighting, boilers, motors etc) is eligible for ECAs.

### **Further Action Energy support**

Further information to help you and your staff identify savings opportunities is contained in the following free Action Energy Publications:

- The Better Business Guide to Energy Saving - containing practical information to help you get started in energy saving
- Factsheets - simple, practical measures specifically for companies in your sector
- For further information on Energy Management try the Energy Management Pathfinder

## More Information

This factsheet is only a summary of principal measures. More detailed information and sector specific publications are available from the Action Energy Helpline, **0800 58 57 94**, or on the website at [www.actionenergy.org.uk](http://www.actionenergy.org.uk)

Action Energy is a programme run by Carbon Trust and funded by the Department for Environment, Food and Rural Affairs, the Scottish Executive, Invest Northern Ireland and the National Assembly for Wales. It is designed to help businesses and public sector organisations cut their energy costs through the provision of free, professional advice and assistance. Action Energy is an integral part of the Government's climate change programme, aimed at meeting the UK's carbon reduction obligations under the Kyoto Protocol.