

Energy Management for SME's

#3 – The Energy Policy

Shannon Region

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Energy Policy Elements

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Energy Policy

Draft Policy available to download from LCEA web site

[WWW.lcea.ie](http://www.lcea.ie)

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Energy Policy Statement

- Do write this in the business language that you normally use
- Do identify the ethos of your business and encompass it in your statement
- Do make a short statement that everybody can identify with
- Don't make false claims about the past, present or future
- Don't make the statement too long (less than 100 words)
- Don't be too specific at this point

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Energy Policy - Aims

Set out your overall aims from the Energy Policy. What is motivating you to do this

2.0 AIMS
It is the aim of The YOUR COMPANY to effectively manage its energy consumption & cost, in such a way as to: -

2.1 *Protect our local and global environment.*
The Company is aware that all consumption of energy resources has an environmental impact both locally and globally. YOUR COMPANY is committed to "Thinking Globally and acting Locally", as encouraged by the United Nations Convention on Climate Change^[1].

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Energy Policy - Aims

2.2 **Improve cost effectiveness, living and working conditions.**

As a service provider we are always open to ways that will improve the living conditions of our clients and the working conditions of our staff, where this can be done in a cost-effective way.

2.3 **Avoid Unnecessary Expenditure**

We are conscious of expenditure of public money in the delivery of services for the public good. . Therefore we feel a responsibility to avoid all unnecessary expenditure.



Energy Policy - Objectives

Objectives need to become more specific. Here you are stating the outcomes that you expect as a result of implementing your plan. You can put figures to these objectives if you wish, but this is usually better left to the Energy Plan.

3.0 **OBJECTIVES**

In order to implement its Code Of Practice the following objectives have been identified: -


- 3.1 Use All Energy Efficiently
- 3.2 Reduce Energy Related Emissions, Particularly CO₂
- 3.3 Promote the Use of Renewable Energy Resources
- 3.4 Purchase All Energy At The Most Economic Cost.
- 3.5 Purchase All Energy from environmentally sound sources



Energy Policy - Plan

4.0 **ENERGY PLANS**

- In order to meet these objectives the Energy Manager shall submit an "Annual Energy Plan" of recommendations / projects to be undertaken during the forthcoming year.
- The Energy Manager shall also present a three or five-year Energy Plan that will include items which may not normally be considered for funding from an annual budget. The Energy Plan will form part of the Energy Code of Practice for the organisation.
- The Annual Energy Plan will include: -
 - A costed programme of works.
 - Details of energy consumption reductions
 - Details of the environmental benefits.
 - Details of the financial benefits.
 - Project(s) timetables with milestones.
 - Allocation of responsibilities to personnel.




Energy Policy - Resources

5.0 RESOURCES & COSTS

5.1 Energy Management
 YOUR COMPANY recognises the need to commit resources to Energy Management. The Company will annually review the investment requirement.

5.2 Staff Training
 YOUR COMPANY recognises the need for ongoing staff training. Staff training programmes will be prepared and presented by the Energy Manager. The date and time of staff training modules will be co-ordinated with the manager of Human Resources and the relevant departmental managers.

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Energy Policy - Resources

5.3 Action Plans
 YOUR COMPANY is committed to providing the financial and human resources, required, to implement the projects detailed in the Energy Action Plans, as approved by the Energy Committee (see 6.2). The Council's guidelines for project approval will be:

5.3.1 Short - Medium Term Projects
 These projects are considered to have an individual cost of less than €10,000 and / or payback period of less than one year. Approval for these projects may be authorised by the Energy Management Committee.

5.3.1 Medium - Long Term Projects
 These projects are considered to have a cost of greater than €10,000 and / or payback period of less than five years.. Approval for these projects must be sought from the board of managers

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Energy Policy - Management

6.0 MANAGEMENT

6.1 Energy Manager
 Responsibility for overall energy management will be with the energy manager. The Energy Manager will meet with *Chairperson of the Energy Management Committee* every month to discuss any energy related issues. The energy Manager will present a quarterly report, detailing energy consumption cost and consumption, against predetermined targets.

6.2 Energy Management Committee
 Responsibility for formulating and implementing the Energy Management Code of Practice lies with the Energy Management Committee. The Energy Management Committee members are:

| | |
|----------------|-----------------|
| Chairperson, | Name & Position |
| Secretary | Name & Position |
| Energy Manager | Name & Position |
| Member | Name & Position |

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Energy Policy - Management

6.3 Energy Consumption

Responsibility for energy consumption resides with the relevant energy consumer nearest to the point of use. The consumer is accountable to a budget holder for that consumption.

6.4 Energy Cost

Responsibility for energy cost resides with the budget holder nearest the point of use, who is directly accountable to the relevant Director, for such expenditure.

6.5 Management Review

All energy management activities will be subject to periodic review. The energy manager will indicate progress towards meeting the organisation's objectives as detailed in the Energy Action Plans. The projects will be evaluated in terms of value for money and benefits accrued. The environmental implications of the works carried out, will also be presented.



Energy Management Process

Five Step process





Step 1



- Throughout organisation
- Must start at the Top
- Energy Policy - Statement of Commitment
 - Link to business objectives
 - Measurable targets
 - Allocate responsibility
 - Link to environmental policy

Step 2

- Making use of available data
- Carrying out a site survey
- Get hold of the last 12-months energy and water bills, longer if possible.
- Prepare a summary spreadsheet and chart the consumption pattern
- Read the supply company meters, record the data and check the bill

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Step 3


- Establishing objectives and targets
- Organise the human resources
- Identify financial resources
- Prioritising energy schemes
- Gaining support

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Step 4

- Initiating prioritised energy schemes
- Appoint "Energy Champion"
- Involve all areas of workforce
- Address:
 - Programme
 - Resources
 - Responsibilities
 - Priorities

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Step 5

Get Commitment → Understand → Plan & organise → Implement → Control & monitor

- Establishing a management framework
- Monitoring & targeting
- Establishing continual improvement
- Energy Awareness and Motivation Campaign
 - Training
 - Low Risk/Low Cost
 - Potential Savings : 5 to 25%

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| Level | Energy Policy | Organising | Motivation | Information Systems | Marketing | Investment |
|-------|--|--|---|--|---|--|
| 4 | Active commitment of top management | Fully integrated into general management | All staff except responsibility for saving energy | Comprehensive system with effective management reporting | Extensive marketing within and outside organisation | Positive discrimination in favour of 'green' schemes |
| 3 | Formal policy but no commitment from the top | Clear delegation and accountability | Most major users motivated to save energy | Monthly monitoring and targeting for individual premises | Regular publicity campaigns | Same appraisal criteria used as for all other investment |
| 2 | Unadopted policy | Delegation but line management and authority unclear | Motivation patchy or sporadic | Monthly monitoring and targeting by dual type | Some ad-hoc staff awareness training | Investment with short-term payback only |
| 1 | Unwritten set of guidelines | Informal part-time responsibility | Some staff awareness of importance of energy saving | Invoice checking | Informal contacts used to promote energy efficiency | Only low cost measures taken |
| 0 | No explicit policy | No delegation of energy management | No awareness of the need to save energy | No information systems or accounting for consumption | No marketing or promotion | No investment in energy efficiency |



Work Shop

- Examine your own energy policy
- Complete the draft policy for adoption by management

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Energy Solutions for Sustainable Development

Energy Management for SME's

#3 – The Energy Policy

Thank You
