ENERGY
MANAGEMENT

MAKING
A CORPORATE
COMMITMENT

CHAIRMAN'S CHECK LIST
THE NEED FOR ACTION

IMPROVED COMPANY PERFORMANCE

Industry, commerce and the public sector spend over £13 billion each year on energy. Yet 20% of this figure could be saved through improved energy management. Companies who have made a corporate commitment to effective energy management are beginning to reap the benefits that improved energy efficiency can bring. You too can put your organisation at a competitive advantage. Your energy spend is not an unavoidable overhead – it is a controllable cost, perhaps your largest one.

What’s more every pound of energy savings feeds directly into increased profits. Investment in energy efficiency can lead to a larger increase in profits than similar investment in your core business because it does not incur additional running or marketing costs.

IMPROVED ENVIRONMENT

Today saving money is not the only reason for cutting your energy consumption. Growing public concern and increasingly stringent environmental legislation mean that the environmental impact of your organisation’s energy use must be considered. Energy use contributes to global warming, one of the greatest environmental challenges facing the world. Energy efficiency is one of the quickest and most cost-effective ways to reduce the threat of global warming.

THE WAY FORWARD

EFFECTIVE LEADERSHIP

First it is important to appreciate that energy management is not a technical specialism – it simply requires good management practices. But Board level commitment is required if your organisation is to develop and successfully implement an effective energy management policy. The lead and the direction must come from you at the top.

THE POTENTIAL

Consider what you can achieve.

- By adopting appropriate management practices and ‘good housekeeping’ measures, you can reduce your energy consumption by 10% or more with little or no financial support.
- By investing in tried and tested technology, you can then reduce your energy bills by at least the same amount again.

Your main reasons for starting a programme of vigorous energy management are to:

- increase profits
- lower production and maintenance costs
- improve products or services
- upgrade working conditions
- reduce your organisation’s environmental impact.
YOUR NEXT STEP

PUT ENERGY MANAGEMENT ON THE AGENDA OF YOUR NEXT BOARD MEETING.

Call for a report which will:
- review your organisation’s current level of energy efficiency
- contain an action plan and investment strategy for immediate improvement of your energy performance
- outline recommendations for future development of your energy policy.

Then keep energy management as a regular item on your Boardroom agenda.

Asking the following questions may help your review.

FIVE KEY QUESTIONS

HOW DO ENERGY COSTS AFFECT YOUR PROFITABILITY?
- How do they compare with other controllable costs?
- What would be the impact of a 10% energy saving on profits?
- What is the most cost-effective energy saving measure you can take?

HOW ‘GREEN’ IS YOUR ORGANISATION?
- Does your record on energy efficiency support your commitment to the environment?
- How does your commitment compare with that of your competitors?

HOW COMPREHENSIVE IS YOUR CORPORATE ENERGY POLICY?
- Does it establish standards of performance and your potential for savings?
- Does it require an annual Action Plan?
- Does it require reports on measured progress to the Board?
- When was your policy last reviewed?

HOW IS YOUR ENERGY MANAGEMENT STRUCTURED?
- Which Board member is responsible for energy management?
- Do you demand regular reports on energy?
- Does the Board consider these?
- Do you assess performance against targets?
- Do you report back to shareholders and staff?
- Do energy costs appear as a separate line in your annual accounts?

WHAT RESOURCES HAVE YOU ALLOCATED?
- Do you invest a specific proportion of your energy costs in improved energy efficiency every year?
- What return on investment do you demand?
- Do you relate the number of your energy staff to your energy bill?
- Have you set up training facilities for them?
- What have you done to raise awareness among all your staff?

The Executive Action Plan which supports this document contains useful guidance for the Director or Manager you nominate to report back to the Board.
USEFUL INFORMATION

MAKING A CORPORATE COMMITMENT CAMPAIGN
The Making a Corporate Commitment campaign is aimed at company directors and is designed to persuade them that energy efficiency should become a regular item on their boardroom agenda. Details are outlined in the campaign’s introductory guide. A promotional video which explain’s the environmental and financial importance of energy efficiency has now been produced. Copies of both these items and details of how to join the campaign can be obtained from the:

Campaign Office,
Energy Efficiency Office,
Department of the Environment,
1 Palace Street,
London SW1E 5HE
Telephone: 071-238 2999/3339

REGIONAL OFFICES
There are 11 Regional Energy Efficiency Officers around the UK who can offer practical help and advice on the opportunities for better energy efficiency and useful techniques and management systems. For details of your local office, ring 072-238 3103.

BEST PRACTICE PROGRAMME
The main advisory programme for industry and commerce developed by the Energy Efficiency Office is the Best Practice programme. Its primary aim is to provide authoritative guidance on energy efficiency techniques, technologies and management practices in industry and in buildings.

Publications and further details of the programme, including seminars, workshops etc., are available from the Energy Efficiency Office’s two support units.

For Industrial projects, contact the:
ETSU Enquiries Bureau,
Energy Technology Support Unit,
Building 156, Harwell Laboratory,
Didcot, Oxon OX11 ORA
Telephone: 0235 436747, Fax: 0235 432923

For buildings-related projects, contact the:
BRECSU Enquiries Bureau,
Building Research Energy Conservation Support Unit,
Building Research Establishment,
Garston, Watford WD2 7JR
Telephone: 0923 664258, Fax: 0923 664097