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INVESTING IN ENERGY EFFICIENCY

Improving an existing building's bottom line

BY JEREMY MILES

Improving the energy efficiency of a building or business is a sure way to reduce operating costs over time and help improve the bottom line. Reducing a building's environmental footprint can also have a positive impact on a company's corporate image.

An energy efficient building provides numerous added benefits, including better air quality, increased productivity and higher equity value resulting from equipment upgrades. Lowering energy consumption today also cushions the impact of tomorrow's energy prices and reduces greenhouse gas emissions.

Energy savings between three and five per cent can be achieved by modifying behaviours and changing operating procedures. Some examples include operating equipment only when necessary, lowering heat and air conditioning levels and turning lights off when the facility is unoccupied. These simple, cost-free measures can add up to big energy savings — especially when thousands of dollars are being spent each year on energy use.

An even greater amount of energy and money savings can be realized by investing in upgrades that improve the energy efficiency of equipment and building components. Typically, facilities that undergo major energy upgrades attain energy savings between 20 and 30 per cent. For example, replacing an inefficient boiler with a high-efficient model can reduce energy usage by 20 per cent. Lighting upgrades can also offer considerable energy savings. Energy reductions of at least 40 per cent can be achieved by upgrading older T12 magnetic ballast lights to newer electric types. The more frequently energy efficient equipment is used, the higher the potential for energy savings. The result is a greater return on investment.

Although the concept of energy efficiency is taking flight, many businesses struggle with initiating the process. Developing an

energy management action plan that makes economic sense for the facility is a critical part of the process.

A successful energy management action plan should involve the following five steps.

Discover Energy Improvement Opportunities

This is best accomplished through a comprehensive energy assessment completed by an experienced professional. The assessment will pinpoint and prioritize energy reduction opportunities, show possible energy alternative solutions and place recommendations in a logical format. The assessment should cover energy options for all relevant mechanical systems

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(heating and cooling units), electrical systems (lighting) and the building envelope (windows and doors).

The energy assessment report is a vital piece of any energy management action plan. It provides decision-makers and key personnel with information to confidently move forward with the energy efficiency investment. The report should incorporate existing utility consumption (gas, electric, water and sewer), configuration and present condition of the facility, cost-saving opportunities, including a payback analysis, and a detailed summary of viable options.

Recommendations should be determined using a holistic or integrated design approach whereby building components and equipment are observed in relation to one another, not as isolated items.

Identify and Overcome Barriers

Not knowing where to start is just one of the many possible barriers to reducing energy use. Other common barriers are financial restraints (upgrades can be expensive), conflicting priorities and employee resistance to change. Identifying roadblocks will help develop a strategy to overcome them.

Establish Buy-In from all Levels of the Organization

This is where the energy assessment report becomes a vital tool in accomplishing project objectives. Use it to convince management of the investment's merits. Bolster the case by accentuating the numerous benefits energy improvements can bring. When creating an energy management action plan, incorporate an employee awareness campaign that encourages staff acceptance and participation.

Implement Retrofit Project

Take into consideration the short-term and long-term financial goals of the company, the potential effects on equity as a result of the investment (examine market factors, such as current rental and vacancy rates, as well as cost of financing), existing capital budget projections and the potential value to the corporate image. Once the financial viability of the retrofit project has been verified and management is on board, determine an investment schedule based on what the company deems a reasonable return on investment. With the financial plan and capital budget funding in place, the retrofit project can begin.

Continuously Monitor and Evaluate

It is critical to observe the effects of the upgrades on the energy consumption of the building. This is done to ensure upgrades were properly installed and verifies the viability of the investment. Be sure to use the baseline utility consumption data from the energy assessment as a guide when comparing figures.

Recommended monitoring tasks include:

- Collecting energy data on a regular basis to ensure it corresponds with utility meter readings;
- Establishing a base year (weather-normalized) or an average of several historical years and then comparing energy bills with the year prior; and
- Updating records and profiling the building's energy performance over 12 months, and then comparing figures with benchmark values.

Energy efficiency improvements bring various attractive benefits to a company, including long-term money savings. Consider a professional assessment to establish an effective energy management action plan for the organization and start the energy efficiency journey. ❖

Jeremy Miles, a LEED accredited professional, is the commercial supervisor at Atco EnergySense, which provides unbiased energy management advice and service to Atco Gas and Electric customers across Alberta. He has more than 20 years experience in commercial property development, facility management and energy efficiency implementation. Contact him at 403.245.7741 or jeremy.miles@atcogas.com.