

Your organisation's energy policy

Formalising the energy policy process enhances your chances of success.

Once senior management has committed itself to an energy management strategy that integrates with the corporate goals of the organisation, it is possible to develop an Energy Policy.

This is your opportunity to put in writing the responsibilities and accountabilities for energy consumed by your organisation.

A written Energy Policy will safeguard your organisation's attempts to manage energy consumption. If your commitment to energy reduction is left to operate on an unofficial basis, it can be derailed or its impact lessened by changes in management personnel, or even energy management staff themselves.

Energy Policy Contents

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Reasons for an Energy Policy

There are several reasons why an organisation benefits from the adoption of a formal, written Energy Policy.

1. A clear-cut statement will give a sense of purpose that will enhance your chances of success.
2. Senior management can judge the performance of its strategy against an agreed set of targets.
3. Energy reduction matters are more likely to be understood and accepted throughout your organisation if they have the support of senior management.
4. Your activities will be more successful if adequate resources are allocated to energy management.

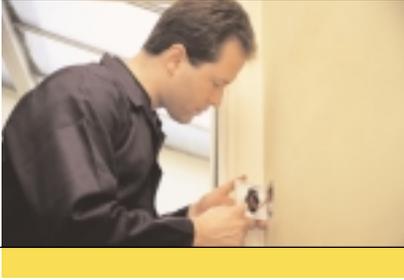
Developing an Energy Policy

Since no two organisations are exactly alike, you need to devise an Energy Policy that suits your particular corporate culture, and meets your organisation's specific activities and priorities.

However, you are more likely to gain widespread acceptance for the Policy if everyone who is affected in some way contributes and becomes involved. The document may be collated and drafted by the energy manager but it should be vetted and amended by an interdepartmental committee. Departmental representatives should be invited to participate at the Policy creation level and if any reviews take place.

Consultation is the key to a successful Energy Policy. Never give the impression to any interested group that the Policy is being imposed on them without their input or involvement. The aim is to build a far-reaching commitment to the Policy.





CASE STUDY 2

Caterpillar of Australia Ltd., manufacturers of diesel engines and construction equipment, recently reviewed its energy policy and set new objectives to reduce its consumption of electrical energy. An exhaustive examination of the plant's electricity usage patterns located numerous facets of the operation where energy losses were significant.

Several initiatives were introduced. The first, and perhaps the one with the most far-reaching environmental and financial consequences, involved re-evaluating the lighting system for a major section of the plant. The new system consumed substantially less energy and has provided electricity savings in excess of \$70 000 to date.

Sample Energy Policy

A formally documented Energy Policy that expresses your energy management ambitions and aims consists of two parts.

1. An official and public statement of your organisation's commitment to achieve energy management objectives and protect the environment.
2. A plan to guide your energy management practices that provides continuity. The plan should include setting energy cost reduction targets, timetables and budgetary limits to achieve these aims, clear specification of delegated responsibilities, and the allocation of appropriate resources.

Part one of the Policy statement should include:

- a declaration of senior management's commitment to, and middle management's involvement in, energy management;
- clear accountability for energy management, with a senior manager nominated for energy management responsibilities within the company;
- a statement of policy;
- a statement of objectives, separated into short- and long-term goals.

Part two of the Policy statement should include:

- A list of designated personnel specified by name and rank, and their responsibilities and accountabilities for actions outlined;
- a realistic action plan, specifying a timetabled program for improved energy performance. A good starting point is to set a goal of a 5–10% reduction in energy costs and consumption (per unit of production) per year for a period of 3 years, and include a planned approach of achieving this;
- a statement that energy efficiency projects will be given funding preference due to the multiple benefits of adopting energy efficient practices and technologies;
- systematic procedures for recording, evaluating and controlling energy consumption on an ongoing basis, with regular reviews held by management to ensure improvements are identified and implemented. It is suggested that senior management conduct a performance review at least once a year. Existing energy use equipment will need to be reviewed; opportunities for cost effective investment assessed, as well as appraising the performance of designated members of staff. Where appropriate, incorporate energy efficiency into new services, building projects, and when property and processes are refurbished or renovated;
- costed resource requirements, including training for all staff to achieve the timetabled program of work and highlight the benefits of energy efficiency. Informing staff with practical advice on energy efficiency will assist the organisation to achieve its goals;
- detail the nominated committee representative for each department and specify the internal and external lines of communication;
- describe a system for reporting energy performance figures to employees and shareholders through staff meetings, annual reports and other reporting avenues. Also describe the energy management committee's structure and membership.



Ratifying the Energy Policy

As soon as your Policy statement has been written, it is imperative that it be adopted and ratified within your organisation. Senior management must endorse the Energy Policy at board level. Without this, the Policy may not receive the managerial support it needs to succeed.

Subsequently, the Policy should be distributed to all parties within the organisation that have an interest in its implementation. If necessary, meetings should be held to discuss the Policy and its ramifications.

The aim is give everyone a share in the Policy, and to build good relations between the energy management team/individual and other members of the organisation who can influence the intentions of the Policy.

A formal written energy policy acts both as:

- a public expression of your organisation's commitment to energy conservation and environmental protection;

- a working document to guide your energy management practices and to provide continuity.

It is in your organisation's best interest that its support for energy management is expressed in a formal, written declaration of commitment, accompanied by a set of stated objectives, an action plan for achieving them and clear specification of delegated responsibilities.

Sample Policy Statement

Part 1

Declaration of commitment

As part of our environmental strategy, we are committed to responsible energy management and will practise energy efficiency throughout all our premises, plant and equipment, wherever it is cost-effective.

Policy

Our policy is to control energy consumption to:

- avoid unnecessary expenditure;
- improve cost-effectiveness, productivity and working conditions;
- protect the environment;
- prolong the useful life of fossil fuels.

Objectives

Our long-term objectives are to:

- buy fuels at the most economic cost;
- use them as efficiently as is practicable;
- reduce the amount of pollution, particularly CO₂ emission, caused by our energy consumption;
- reduce, wherever possible, our dependence on fossil fuels, through the use of ambient and renewable energy.

Immediate aims

To gain control over our energy consumption by reviewing and improving our purchasing and operating practices.

Part 2

Responsibilities

Nominate person responsible for controlling energy consumption.

Nominate person responsible for expenditure.

Nominate person responsible for coordinating energy management activities.

Nominate person/committee responsible for formulating and implementing Energy Policy.

State that the energy manager will be located in the section(s) most relevant and supportive to the phase of energy management activities currently being undertaken.

Structure

The energy manager will make a monthly report to his/her line manager on energy management activities.

Through the line manager, he/she will make a quarterly report to the Energy Management Committee.

Lines of communication

Formal communication on matters relating to the control of energy consumption by end users or budget holders will be directed through the energy manager who will, where appropriate, bring it to the attention of his/her line manager, other senior managers, and to the Energy Management Committee.

Resources

The number of staff employed in energy management, their mix of skills and the amount of investment (10% of our annual expenditure on energy) correspond with the demands of these activities.

Projects with an internal return of more than 15% per annum will be considered for funding approval.

Review

All energy management activities will be subject to periodic review

Action plan

During the coming year, the following energy management activities will be undertaken (indicate actions to be undertaken by designated personnel).

Tip

Return to your energy management matrix to calculate your present position. Wherever you are on the matrix, your aim is to work your way upward. Develop a strategic approach to energy management and integrate your work at a corporate level. However, have patience, as success takes time.

