

# Targeting climate change

With CCL targets becoming more challenging, **Donald Maclean** discusses how organisations can ensure they meet their environmental obligations.

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**T**he Climate Change Levy (CCL), introduced in April 2001, was intended to play a major role in helping the UK meet its targets for reducing greenhouse gas emissions. The government hoped that, by adding about 10% on to energy bills for all non-domestic users, large energy users would reduce their consumption and hence their carbon emissions.

Two aspects of the scheme have worked well. Many heavy energy users have been able to join industry association schemes, such as the Food and Drink Federation scheme, which covers most food producers. If an organisation is a member of the federation and agrees to reduce its energy consumption over a five-year period, it is granted an exemption of up to 80% from the CCL. Such industry association schemes have helped businesses reduce their energy consumption significantly, saving millions of tons of greenhouse gas emissions.

The free action energy surveys have worked equally well. These are paid for by the Carbon Trust, which receives substantial amounts of money from the government through the CCL. If an organisation spends over £50,000 per annum on its energy, it is entitled to apply for a free survey by a trained energy conservation consultant. The more the company spends on energy, the more of the consultant's time it is allocated. The resulting report prioritises the actions that will enable the company to reduce its energy consumption. Those measures which require the least cost and produce the biggest reductions are listed first. Those which require a high investment and have a long payback period come at the bottom of the list. Energy savings of 10% to 20% are not unusual.

## MONITORING AND TARGETING

Many organisations in industry exemption schemes found it quite easy to comply with the CCL targets in the first few years because the targets and benchmarks were not too challenging. However, in recent times, more challenging targets have been set. Together with the large rises in energy costs, these new targets have created a growing need for close monitoring and reduction of energy consumption, and it is now more crucial than ever to explore every avenue where savings could be made.

A key way for businesses to save energy is monitoring and targeting. This can be done in-house by keeping track of all energy bills, taking regular meter readings and noting how they change when energy-saving measures are introduced. It is necessary to measure existing energy costs accurately (to benchmark) before

moving on to identify inefficiencies and target lower energy consumption.

Where organisations lack the time, technology or resources to measure energy usage accurately, it is possible to commission an independent utilities consultant to track and manage their energy consumption. Some are willing to take up the challenge and be paid on a contingency basis. These consultants have recently seen a sharp increase in demand for their services, and senior personnel, such as managing directors and finance directors, are increasingly seeking their help.

New technology systems are also emerging which offer "smart metering" or "smart data loggers", which collect metering data very accurately and very frequently. They allow consultants to closely monitor electricity, gas and water consumption and use their expertise to analyse the data. The main objective is to search for inefficiencies in the use of energy and water. Reducing such inefficiencies can lead to dramatic savings in energy and water costs, and carbon emissions.

The use of these devices, coupled with expert analysis, can help organisations quickly spot problems such as undetected gas or water leaks, which, if left unchecked, can be hugely expensive. Such systems can also measure consumption in different areas of a building even where the utility supply is coming from a single source. A multitude of reports can be produced from these systems, tailored towards the organisation's needs so that areas of inefficiency can be identified quickly and rectified. In addition, the software is now so sophisticated that it can send out emails or text messages if energy or water consumption exceeds or falls below set figures.

## CUTTING ENERGY BILLS

There are several steps that your business could take almost immediately – often at no or low cost – to improve energy efficiency and reduce energy bills. According to the Carbon Trust, offices waste £6,000 on average each year by leaving equipment such as computers and lights on over weekends and bank holidays. Simply distributing a memo reminding employees to turn their monitors or lights off before they leave can make a difference to your organisation's energy costs. However, smart data loggers will provide you with the proof that equipment has been left on.

By applying energy management measures, you will ensure that your business meets its own targets, or those set under the CCL exemption schemes. Falling behind on its commitments to save energy could result in your organisation's ejection from industry schemes and the loss of its 80% exemptions. With the current high energy-price levels, this loss would be much more painful than it was in 2001, when energy prices were relatively low.