

CASE STUDIES

CHALLENGES AND SOLUTIONS

Advisory:

FM & property
advice

Sectors:

Energy
[Buying and
managing energy]

Challenge:

Gaining control of
energy expenditure

Outcome:

Savings of over
£200k per annum

As a result of service quality audits we had carried out for our client, we were asked to benchmark their energy costs and give an initial appraisal of their options.

Our initial appraisal revealed that, from analysing their energy profiles, many of their buildings were not optimised, but critically that their energy-buying contract would automatically renew in four months if they did not take immediate action.

We carried out a more detailed review of their expenditure and obtained approval from their current provider to release meter data to us and our specialist team.

From this and the details we already had on their properties (plant/equipment/operational profile), our operational team worked closely with the energy specialist to identify areas to reduce energy consumption and create a new profile of energy usage.

This allowed us to model a revised buying profile and choose a different mix of long-term vs spot-price buying, so that the overall unit cost was minimised.

We then renegotiated the energy procurement contract and awarded this directly rather than via a broker, and at the same time put in place an independent monitoring and reporting service (which was more than paid for by the savings realised on reduced energy procurement costs alone).

With this in place we then optimised the buildings, with all of the investment being paid back within the first year of operation as many of the issues related to poor management and control of key plant infrastructure.

As a result, our client reduced their energy costs by over 25%, saving some £200,000 per annum.