



£135k
 Cost Recovery
 saving delivered

£144k
 Savings
 on electricity

Case study: Managed Energy Services

Background

When you have 11 UK sites, including 4 manufacturing and processing facilities, energy is a major cost to your organisation. That was the case for this client, whose Board were eager to identify ways of reducing costs and improving efficiency.

They asked Optimised Energy to tender for a Managed Energy Services solution that would include historic cost recovery, energy procurement, Climate Change Agreement (CCA) management and energy efficiency.

A key requirement for the client was transparency: in supply contracts, budget certainty, safeguarding compliance obligations and identification of savings opportunities.

Challenge

Existing supply contracts had no cap, seasonal parameters or price benchmarks, and the client had little transparency around fees and trading decisions. Procurement was divorced from CCAs, and very little emphasis was put on invoice validation and reporting.

Quick Facts

Manufacture for a range of national supermarkets

Coordinated Procurement and Energy Efficiency strategies

Savings delivered across both supply and demand side

Long term approach to procurement of energy including renewables

Advanced Sustainability program to minimise carbon and water

[See the solution overleaf](#)

Solution

Our review recommended a trade cap to protect against unexpected price increases. We agreed a new risk policy and transparent trading approach, reviewed regularly against market conditions. And while our analysts got to work recovering historic overcharges, our engineers identified and implemented various energy saving initiatives on site. These included the installation of sub-meters combined with a Monitoring and Targeting system, optimisation of skilled storage areas, reviewing transport fuel efficiency in the fields, and behavioural change in the packing lines.

Results

A historic Due Diligence review identified and recovered 12.9% of 2015 annual energy costs, which we arranged to be directly repaid by suppliers:

- Optimised Recovery delivered refunds of over £130,000 from a range of complex billing issues despite a bureau service being place prior to our involvement.
- Our Compliance team continued to oversee CCA's at 3 sites to protect annual CCL relief of over £60,000 per annum.
- Through the renegotiation of energy supply contracts and deployment of a new trading and risk management strategy, we instantly delivered electricity savings of 14.5% (£37.20/MWh versus a cap of £42/MWh).
- Our Engineers also identified over £90,000 worth of savings from projects including VSD retrofits, LED lighting upgrades, HVAC improvements, and cold store management with a blended payback of 1.5 years.

About Us

At Optimised Energy we take a strategic approach to solving our clients' challenges. Our consultant engineers conduct detailed feasibility studies in order to understand people, processes and technology within our client's environments, before designing and implementing solutions that are focused on delivering outcomes. This approach ensures that we deploy a multi-disciplinary team of engineers and analysts with the best of breed technology to address our clients' needs, be that cost saving, process efficiency or risk management.

▶  Optimised Recovery

▶  Optimised Procurement

▶  Optimised Bureau

▶  Optimised Compliance

▶  Optimised Renewables

▶  Optimised aM&T

Summary

Sites	11
Supplies	15
Contract Term	01/10/16 – 30/09/19
Annual Consumption	8.5 GWh

Savings Delivered

Due Diligence:	12.9%
Energy Procurement:	14.5%
CCA Management:	2.0%

15
Projects
identified

-9%
of on-site energy
saving delivered

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