

# Energy Demand Management



This guide has been written by the CIPS Specialist Knowledge Energy Group (SKG) to support members in how to manage their energy demand.



CIPS members can record one CPD hour for reading a CIPS Knowledge download that displays a CIPS CPD icon.

---

# Energy Demand Management

Organisations are always looking for savings. As well as your business having a strategy on how they buy their electricity and gas, there are further opportunities for savings by also having an agreed strategy on how an organisation manages its electricity and gas demand.

The fundamental approach to improving your organisation's energy performance is to have an agreed management and technology approach, with clear and realistic savings targets. Typically businesses can achieve 25 % or more improvement in energy performance.

## Some Key Principles:

When developing and implementing an energy management strategy, there are 4 key areas of opportunity to consider:

1. Stop using the energy – e.g. switch the lights off
2. Improve the energy efficiency – e.g. switching to LED lighting and controls from traditional lighting schemes
3. Switch to other energies – e.g. is electric heating the best option or would it be more efficient to switch to distributed gas heating?
4. Re-use your waste energy – e.g. can you utilise the waste heat that may be going up the chimneys of your gas boilers or from your production process?

**Remember – If you do not measure your energy where it is being used, you will not be able to efficiently manage it**

## Getting Started

There are many sources of information on managing energy demand – the Carbon Trust, the Energy Saving Trust and your own trade organisation are all good starting points.

Senior management sponsorship needs to be obtained for developing and implementing a prioritised programme to manage energy demand and reduce costs. The organisation will recognise through this sponsorship and support that it is fully committed to reduce energy demand as well as meeting its corporate and social responsibility commitments.

A clear agreed strategy is needed that will document what the organisation wants to achieve, over what time period and how it will be organised to achieve its targets. The document will also show how it will meet the various government requirements on companies such as Climate Change Agreement (CCA) and Energy Savings Opportunity Scheme (ESOS). It should be signed off by the senior management sponsor.

---

### Next Steps

Any energy strategy has to be implementable. It is often useful to find an independent company to analyse your energy usage to achieve a base line against which improvements can be measured. Energy surveys should be conducted on the sites to identify opportunities. Additional metering particularly in areas that have high energy consumption may also be needed. This will give a more accurate usage profile which will deliver better opportunities.

The output from the surveys should be prioritised into quick wins with little or no investment, quick returns of less than 2 years, and longer term opportunities. The recommendations have to be consistent with the strategic goals of the company.

### Engaging Stakeholders

The employees of an organisation are its most important resource. Organisations that do not have a culture of seeking and delivering energy savings are likely to be less successful without involving its staff. Organisations who engage their employees with for example, energy councils, suggestion schemes, informing on successes, are more likely to achieve their targets.

### Barriers to Success

All organisations have constraints on their time and priorities. Individuals and organisations resist change and favour the status quo. As a consequence, they may neglect energy efficiency opportunities and the potential benefits. The finance needed may also in energy savings projects may also be barrier to some companies.

Through the leadership of the senior management sponsor and the increased awareness of the energy saving opportunities are needed to bring a change to the organisation. Aligning priorities to include energy demand management and by increasing the knowledge, awareness and involvement of the employees will significantly assist in the successful delivery.

The alignment of priorities may also enable the investment in energy efficiency projects. External finance is also available for audits and energy projects. Some companies offer energy performance contracts whereby they will invest in energy savings projects and expect a return over a number of years as often there is no the upfront investment and the benefits are offset until the investment is paid off.

### Summary

There are always opportunities to improve the energy efficiency of a company. Not only will becoming more energy aware and delivering improvements enhance an organisations reputation, the financial savings will improve the bottom line.

---

## Disclaimer

The above information is supplied without any assumption of liability and you accept, by accepting the information, that we are not liable to you for your use of the information. While reasonable endeavours are taken to ensure that the information in this report is obtained from reliable sources, it is not guaranteed for accuracy. The views set forth are solely of those of the authors and not intended to provide advice or recommendations as the customer is solely responsible for its market decisions. Views expressed are subject to change without notice.

To find out more about Chartered Institute of Procurement & Supply visit <http://www.cips.org/> or call +44 (0)1780 756777 or email [info@cips.org](mailto:info@cips.org)  
Easton House, Church Street, Easton on the Hill, Stamford, Lincolnshire, PE9 3NZ.

**CIPS Group** Easton House, Easton on the Hill, Stamford, Lincolnshire, PE9 3NZ, United Kingdom  
T +44 (0)1780 756777 F +44 (0)1780 751610 E [info@cips.org](mailto:info@cips.org)

**CIPS Africa** Ground Floor, Building B, 48 Sovereign Drive, Route 21 Corporate Park, Irene X30, Centurion, Pretoria, South Africa  
T +27 (0)12 345 6177 F +27 (0)12 345 3309 E [infosa@cips.org.za](mailto:infosa@cips.org.za)

**CIPS Australasia** Level 8, 520 Collins Street, Melbourne, Victoria 3000, Australia  
T 1300 765 142/+61 (0)3 9629 6000 F 1300 765 143/+61 (0)3 9620 5488 E [info@cipsa.com.au](mailto:info@cipsa.com.au)

©CIPS 2015  
**CIPS Middle East & North Africa** Office 1703, The Fairmont Hotel, Sheikh Zayed Road, PO Box 49042, Dubai, United Arab Emirates  
T +971 (0)4 327 7348 F +971 (0)4 332 5541 E [mena.enquiries@cips.org](mailto:mena.enquiries@cips.org)



*Printed on stock containing  
50% post consumer  
recycled content*

**www.cips.org**

CIPS™ is a registered trademark of the  
Chartered Institute of Purchasing & Supply