Key Elements of a Successful Energy Management Program

How Large Energy Consumers Can Reduce Utility Expenses Today and Maintain the Savings Tomorrow

Presented at the Clean Energy Coops Energy Innovation Conference

Tyler, Texas
September 3, 2013

by

Bob Manning, President

Bob Manning Associates, LLC
Background

• I have worked in energy management since the 1970s, and most recently spent 16 years heading up H-E-B Grocery Company programs.
• I spent 7 years on the ERCOT board while the Texas competitive market was being implemented; I now serve on the Advisory Council of the Electric Power Research Institute.
• As of 1/1/13, I retired from H-E-B so that I could focus my efforts on today’s topic.
What’s the Deal?

• For the attendees who represent electric coops or other utility providers, your large C&I customers really need to reduce utility costs. Consider how you can help them.

• For the end-use electric consumers in attendance, it really is possible to improve financial performance by a long-term commitment to conservation and efficiency.
So What’s the Problem?

• Almost always, the core business of large electric consumers is not energy management but is selling groceries, making tires, providing water/wastewater services to communities . . .

• Many executive teams view the electric utility industry as blindingly complex, and a “necessary evil.” Just pay the bills and move on . . .

• These same executive teams often do not understand or embrace the connection between kWh and long-term financial performance.
What’s the Opportunity?

• Utility expenses often rival wages & salaries in terms of size, and can be a huge opportunity for financial control or segment differentiation.

• A well-designed energy management program can drive 10% of energy usage out of the business, and perhaps 20%. Every year.

• While most in-house facility and process experts focus on new business, the waste is most often found in existing systems, equipment, and buildings.
What Are the Key Success Elements?

• First and foremost, **Senior Executive sponsorship**. If saving 10-20% expense per year is not seriously interesting to leadership, then no new outcomes can be created beyond best efforts by staff.

• With support, the engineering and technological efforts can translate into long-term financial and risk management benefits to the organization.

• Mid-level design and maintenance staff can bring the ideas and projects to the table, but they cannot create breakthroughs in a vacuum.
Some of the Moving Parts

- Strategic Goals
- Tactical Plans
- Data Collection & Analysis
- Risk Profile
- Staffing & Organization
- Funding & Finance
- Communication & Reporting
- New Technologies

Energy & Expense Savings

Bob Manning Associates
The Pathway to Success

• Honestly and candidly assess current energy programs, starting with the interest and involvement of senior leadership.
• Develop a meaningful energy strategy for usage reduction, and perhaps procurement.
• Staff and organize an energy team that has the right resources and visibility to the top.
• Implement fact-based annual tactical plans that are funded, measured, and reported.
Bob Manning Associates

- **Website:**
  [www.bobmanningassociates.com](http://www.bobmanningassociates.com)

- **Email:**
  bobmanning@bobmanningassociates.com

- **Phone:** (210) 857-7029