

Why is outsourced M&T the smart way to comply with the CRC?

Outsourcing the task of collecting data and processing invoices can be the answer for many organisations having to adjust to life under the CRC Energy Efficiency Scheme says Paul Martin managing director of TEAM (Energy Auditing Agency)



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The forthcoming CRC Energy Efficiency Scheme will be a challenge for most organisations. Those who have already compiled a single, accurate and consolidated energy consumption database of electricity, gas, oil, propane and any other fuels are in a much stronger position than those who haven't. Processing invoices and collating half hourly data, however, can be a tedious task so many organisations outsource this to an Energy Bureau, where electricity half hourly data, combined with the utility bills from all the utility providers is recorded in one central M&T software database.

Although utility companies are obliged to provide statements under the scheme, in most cases an organisation will use different suppliers for different fuels and even for the above and below 100kW market for electricity. Your utility provider would also not necessarily be able to consolidate all your accounts/sites as these may have individual contracts. For CRC, to decide which 10% of your carbon emissions you could leave out of the scheme you need to know what the 100% are! This means an accurate database of everything you use is an essential requirement.

Energy Bureaus have economies of scale and are prepared to convert from paper to electronic billing at their own cost, which not only

improves data quality but processing efficiency as well. Some energy bureaus use their own M&T software, which is developed in line with current legislative requirements enabling them to provide comprehensive CRC services in addition to bill processing. While half hourly data is useful, accurate meter readings don't necessarily guarantee accurate bills. Typically between 1% and 3% of utility bills are incorrect and cost recoveries can be made. In most cases these cost recoveries cover or exceed the cost of the Bureau service, which could also mean that your CRC preparation and compliance can effectively come for free or at little additional cost.

An accurate database means that CRC compliance becomes an easy task and indeed the software system used by your bureau provider itself can become the "Evidence Pack" of data with audit trails of data quality checks and when changes were made. This can be kept for the 7 years or longer and used if an audit is carried out. An Energy Bureau should be able to produce the reports required for CRC compliance. The data compiled can also be used for setting targets, modelling and forecasting annual performance, helping to determine the amounts of carbon allowances to be purchased, tracking how you are performing throughout the year and deciding if you need to buy or sell allowances at the end of the year.

Although compliance is likely to be the initial focus of many organisations, the scheme has been designed to encourage organisations to actually cut carbon emissions. Again this is where conventional M&T tools such as benchmarking can play a part along with Display Energy Certificates, which can also be generated and held in the database. These tools can identify the

worst performing sites and therefore help prioritise actions so that those with the highest potential savings are targeted first. The accompanying Advisory Reports can also help in identifying measures that could be taken in the list of recommendations that these contain. Energy Engineers can then be sent to site to make more in-depth investigations to develop more detailed savings, costs and payback projections.

The unknown factors within the CRC Scheme are which position your organisation will have in the league table, the credits or penalties you may receive as a result, and the future price of carbon. CRC forecasting tools are available within M&T software systems used by some Energy Bureaus which allow you to model your organisation's risk exposure as the CRC legislation progresses from 10% recycling payments to 50% over the next 5 years. "What if" scenarios can be covered and projections can be made to determine which energy saving projects become "go" or "no go".

M&T software systems can contain the information from all supplier sources, but entering the data into these systems can sometimes be a chore. Using an Energy Bureau is an alternative to operating your own M&T software and allows you to access your data and analysis software via the web with all of the tedious data processing taken away. A Bureau service can also provide the required reports for CRC compliance and help with plans to progressively reduce consumption, which is key in improving your position in the CRC league table. Considering the cost recoveries from bill validation that an Energy Bureau can make, these services might even pay for themselves.

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