

Meeting green ambitions requires a coordinated approach

The energy saving industry has moved from the traditional approach of retrofitting buildings and factories to a multidisciplinary one which is aimed at reducing energy usage and costs.

“Gone are the days when energy efficiency meant retrofitting office blocks with energy efficient lighting, replacing electric motors or reducing the cost of water heating at hotels or hostels on mines. Professionals are now required to work together so that installations, which may vary from solar to heat-exchangers, uninterruptable power services, generator installations or, the incorporation of a number of various technologies, are tackled and completed as part of individual projects to ensure that goals are achieved within defined budgets,” says Tlepe Mpe, general manager of Zamori Engineering.



There needs to be a holistic approach in the construction phase. Professionals, ranging from architects to electrical engineers, need to work together to ensure that all aspects of a building, especially energy consumption, are dealt with and incorporated so that maximum cost and energy saving benefits are derived.

“Amortisation of costs for projects is still a major consideration. Broader cooperation between representatives of different disciplines could be instrumental in reducing the period required for reaching energy project break-even points.

A few short years ago amortisation periods of up to 20 years were not uncommon, but new technologies and cooperation could significantly reduce this payback period, boosting the industry and increasing the number of projects reaching the market.

One of the major areas of concern to all involved in the energy business is up-front finance. With projects routinely requiring the input of skills and assets and payment by the contractor, and returns contingent on customers achieving savings targets, obtaining finance for capital intensive energy projects has long been a challenge.

But, points out Berrie de Jager, head of natural resources at Standard Bank Commercial and Business Banking, changing business imperatives are leading to changes in finance models.

“This has had to accommodate a reality in which the historical consumption patterns of energy users are considered, tracked and measured from where interventions can be implemented. This ultimately leads to well managed savings which translates into an improved return on investment.

“The bank, through a deeper understanding of the power sector, is in a strong position to support deserving companies that need capital upfront and for whom payment is months or years ahead.”

For clients, whether from the public or private sector, effective energy management has progressed from the realm of a "nice to have" to a necessity. Driving the change into the future, says Mpe, will be the increasing costs of energy and the imposition of carbon emission taxes.

“These trends cannot be dismissed as just a phase that will disappear in time. The clearest indication of this is the financial reporting requirements of listed companies that now demand disclosure on energy use, steps taken to reduce use and efforts taken to reduce the carbon footprint of corporations.”

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