

Facilitator — February/March 2016



Smarter Savings

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An energy-savvy approach to managing your utilities

How do you manage your electric and gas accounts? Are they set up locally by Facilities or Operations personnel, or are they piecemealed together as stores are built or converted? How much electricity and gas are consumed in your stores? How often are supplier charges reviewed and changes made?

Most companies know what their costs are but are not aware of the individual account consumption. P&Ls show period charges comparing each timeframe to budget and/or last year's numbers. But what are the usages? In most cases, contracts determine the utility rates—which you have no control over. Usages, on the other hand, are definitely controllable, which is why we're going to take a look at various energy management programs that can help you lower the demand and rate charges at your restaurants.

Benchmarking and Reporting

Before any savings initiatives are implemented, you'll need to know how much energy is being used. This information is required to monitor usages and costs and to set realistic goals for consumption reductions.

The information is readily obtained by reviewing the invoices from your current providers. Create a report that shows individual store locations, along with the billing dates, usages and costs for the electric and gas accounts. (Water can also be added.) It should have locations grouped by geographical areas, which will keep weather variations between stores minimized. Other parameters to consider include store sizes (in square feet), operating hours, different types of HVAC and/or cooking equipment used (gas versus electric) and more.

This report can be completed in a simple Excel spreadsheet, using in-house personal to input the data or by contracting with an outside organization. Companies with multiple locations (100 or more units) should use an outside source. In general, these types of organizations will process every invoice, input the data and supply the reports. This service is inexpensive, and charges are usually based on a per-invoice basis.

Utility Purchasing

How are your utilities purchased? For most companies, the accounts are set up locally and then forgotten. Energy is a very expensive commodity, and the rates vary by market throughout the country.

In "regulated" markets, the suppliers' rates are not negotiable. If you know your estimated usages and kilowatt/hour demand, there may be some room for lower costs if you can show that your peak electric demand is hit during "off-peak" hours. Most restaurants will hit their peak demand on either Thursday, Friday or Saturday between the hours of 5:30 and 7:30 p.m., when the restaurants are busy, ACs are running at maximum and the cooking equipment is on 100 percent.

Generally this is outside of the providers' peak demand time, which generally runs from 9 a.m. to 5 p.m. Monday through Friday. If this is the case, request a demand-time-of-day meter, which will show exactly when the highest demand is achieved during the billing period. Since kilowatt demand can be up to 50 percent of the total invoice, a lower demand charge will result in a possible savings of several hundred dollars per month.

For deregulated utility markets, you are free to obtain numerous proposals from all the providers in the region. Knowing your usages and bidding out the service will generate a savings compared to the regulated markets. Since there are so many different types of usage plans, I would recommend utilizing an energy broker company that specializes in this field. In most cases, there is no cost to the end user as the electric provider pays the broker for the contract. They will be able to generate substantial savings for your gas and electric accounts. In addition, since they will be handling the invoices, they will be able to provide the usage and cost reporting mentioned above.

Rebates and Savings

As energy providers do not have the capital available to build additional power plants to meet future needs, they provide financial incentives to keep their customers usage down. Your energy broker is a great source of incentive initiatives designed to lower your usage and costs. To investigate on your own, check out what is available in your market at www.dsireusa.org. Simply type in your zip code and review what programs, loans or rebates are available.

Lastly, consider implementing some of the easiest steps for lowering energy usage and cost:

- Install LED lights throughout the restaurant for almost every fixture and application.
- Install and manage programmable thermostats to ensure proper temperature settings and night setback capability.
- Install timeclocks for all exterior lights.
- Install motion/occupancy sensors for interior lights.
- Ensure all HVAC and cooking equipment PMs are being completed properly and in a timely manner.
- Use Energy Star-rated equipment wherever possible.

Would like to hear from other members their success stories in conserving energy. Feel free to contact me at (972) 805-0905, ext. 3, or email jeff@rfmaonline.com.

Dover and out.

Jeff Dover's facilities career started in 1985. He has been employed by several major chains (Ponderosa, Steak & Ale, Bennigan's, TGI Friday's, Fuddruckers and recently Five Guys Burgers and Fries). His technical education enabled him to take the lead as Energy Manager, Facilities Manager and Director of Facilities at the various brands.