

PEAK NETWORK CHARGE AVOIDANCE



An integrated approach to mitigating the high cost of peak demand energy charges, creating cost savings that can form a key part of your wider energy procurement strategy.

The benefits to you

Our fully integrated approach is designed to create cost savings that can be deployed in isolation or as part of a wider energy procurement strategy.

- **Generate 10-15% in savings on the total energy spend** - we will develop a strategy to mitigate the cost impact of peak transmission and distribution charges
- **Improve the business case for investment in energy** - by shifting the focus of energy efficiency investment to be biased towards energy used in peak demand periods we can further underpin the business case for capital expenditure
- **Anticipating and preparing for EMR Legislation** - A tried and tested fully operational approach to effectively managing demand in peak periods will be a fundamental step in mitigating the impact that the capacity mechanism will have on energy bills (£103-240/MWh) in 2018/19.

Who can access this service?

This service is designed for customers who would like to:

- Take control of their non-energy costs
- Maximise the creation of revenue through generation/ demand management assets both renewable and non-renewable
- Have an integrated approach to energy risk management

What you get

Our service has two parts. First, we help you understand the financial impact of peak demand charges, and second, we find ways to mitigate those costs.

We do this by:

- Conducting detailed site assessments and financial modelling
- Planning and delivering demand side initiatives
- Collecting the right data to transparently demonstrate and continually improve performance.

Peak network charging in context

Every electricity bill consists of approximately 60% wholesale energy cost and 40% non-energy but more often than not commercial customers are unaware of the significant impact the latter has on total energy expenditure because their contract may be “fully inclusive” which means the supplier is not required to break down individual cost elements.

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OPTIMISING SUPPLY AND DEMAND THROUGH INNOVATION

The market has offered services intended to assist customers in mitigating peak demand costs for many years but these are under used because most customers have considered them secondary to negotiating the wholesale energy element.

But energy buyers should beware. Charges that relate to using the transmission and distribution networks at peak times (including the capacity market in future) will increase significantly over the next five years as investment into UK infrastructure grows and as the impact of electricity market reform (EMR) initiatives filter through to energy bills. Now is the time to act.

Our approach

Step 1 - Tariff assessment

We will conduct an independent desktop review of your existing energy contracts to understand the tariff structure and the suppliers' peak demand charges.

Step 2 - Site survey

This is designed to identify your existing and potential scope to reduce, switch or simply adjust peak time energy demand. This will involve meeting staff, a review of main plant equipment and an assessment of the metering and building management system.

Step 3 - Business modelling and avoidance plan

Using the findings from the site survey and energy contract assessment, we will produce a bespoke business model and avoidance plan to demonstrate the impact that peak demand charges have on your total energy spend.

The model will forecast non-commodity price and structure changes in the next 5 years including those associated with the capacity market.

Step 4 - Set up avoidance strategy controls

Having agreed the contents of the avoidance plan, we will work with you to set up operational controls including; triad warning alerts, operational process to manage/reduce load at peak times.

Step 5 - Execute and manage data

We will execute the avoidance plan and obtain all relevant data required to complete a comprehensive invoice validation to ensure the benefits are realised.

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