

Summary of Findings –Hotel D . (Electricity).

Date: 18th March 2015 - Electricity

SmartPower reviewed the electricity configuration for hotel D for the upcoming year 2015.

This report summarises the various options available and makes recommendations for optimising the hotels energy budget spend.

Findings:

1. We were very surprised to find that the hotel was connected to the electricity network at an inappropriate connection level DG5 rather than a DG6 level which is normal for a hotel this size. Our estimate is that switching to a correct connection level would yield a saving of approx. €3100 per annum. {DUoS DG5 charges €20,075 – (DuoS DG6 Charges €10,016 + DUoS Capacity 30.67 * 225 kVA)} = €3158
2. The Maximum Import Capacity (MIC) of the hotel is 350kVA . Last year this level peaked at 223 KVA. The hotel should consider reducing the Mic level to around 225 KVA. This would give savings on the Public Service Obligation Levy at €285 per month (annual approx €3,420).
3. The hotel currently uses a pass through tariff from supplier 1. We recommend that hotel D joins the SmartPower procurement group. This has a rate that is currently a little cheaper (about €350) than the Supplier 1 rate and has the advantage that it can switch suppliers or change tariff types as needed to get the most competitive price in the market on an on-going basis. Note there are no fees to join the SmartPower procurement group or no obligation to buy. More details below.
4. Some consideration should be given to installing a controller to manage the CHP run hours more effectively. There are extra savings that can easily be achieved by running the CHP more, but only during periods when the electricity rates and heat loads would deem it profitable. This would also have the advantage of recording monthly gas and heat usage accurately which are required for the CHP carbon tax Revenue reports. The analysis of your data for the carbon tax rebate application will give further guidance on this.

Total savings estimates from the above recommendations €3158 + €3420+ €350 =€6,927

Note: these projected saving are an estimated value. They will vary according to

- Changes in market prices which can either go up or go down
- The sites electricity usage

- Changes in regulation
- Taxes such as the PSO levy may change

SmartPower Procurement Group Scheme

The SmartPower procurement group uses our inside knowledge of industry pricing practises to negotiate cheaper electricity and gas prices for clients who are members of our procurement group. We monitor market developments to ensure that you always get the most competitive price in the market. We advise you of opportunities to save money by switching suppliers or changing tariffs as market conditions develop. It is free to join the group as there are no direct fees or any obligation to buy. There are no contracts or restrictions. You can be a member of the group but maintain your current direct supplier relationships if preferred.

SmartPower awards the business to suppliers who offer both exceptional value for money and flexibility to allow our clients lock in tariffs at the appropriate times. The fee that we receive directly from the supplier is 0.15c/kWh which generally works out at about 1% of your bill.

Best of all, we ensure that difficult to understand bills hiding high supplier mark-ups are a thing of the past....

Our buying strategy.

In the normal course of events the SmartPower buying strategy is to favour the floating tariff but to take advantage of dips in the market when they occasionally occur to lock in at very good prices. Electricity suppliers routinely offer fixed tariffs (called SToD or Standard Time of Day contracts) which are good for clients where budget certainty and risk migration are important. But in order to offer this the supplier adds a premium to protect themselves in the event of a price shock. While the latter do occur quite often, they are usually (though not always) transient in nature, with price returning to its previous break out zone allowing the buyer to re-enter.

Our preference is not to pay the premium where possible but to take advantage of dips in price towards the electricity floor (currently 5c/kWh for energy at the power station gate) which is where the best value in the market is to be found. This approach allows us to attain good prices for clients without premium loading while at the same time lock in prices at the best rates when it makes sense to do so.

Of course it is always important to be flexible and respond to new market conditions and new economic events. At SmartPower we keep a close eye on the market ready to respond to new information and take advantage of price dips as they arise.

More commentary on trends in energy prices and market conditions affecting them can be found in our free monthly newsletter.