



## Private Sector Energy Efficiency (PSEE) Presentation to the Green Business Platform



3 December 2013



## Background



### The National Business Initiative

(Not-for-profit, membership based with approximately 130 member companies)

**Vision:** Creating and supporting a sustainable, equitable, thriving society that makes South Africa one of the greatest places to live, work and do business

**Key Focus areas :** Skills, Energy Efficiency, Climate Change, Water, Human rights, Anti-Corruption

### Partnerships:

- Regional Partner to the World Business Council for Sustainable Development;
- Local network for UN Global Compact,
- Local partner for Carbon Disclosure Project
- Local partner for World Resources Institute on GHG Accounting Scope 3



## Private Sector Energy Efficiency (PSEE)



### Department For International Development

- Funding through UK's International Climate Change Fund : £8.6 million
- Under the UK-SA Bilateral relationship



### Department of Energy

- Building on existing relationship of the Energy Efficiency Leadership Network
- Leadership and support in pursuit of Energy Strategy implementation



### National Business Initiative

- Implementing agent for PSEE and secretariat to EELN
- Strategic engagement and partnership for collaborative effort on Energy Efficiency



### Carbon Trust

- Technical support to the NBI
- Resource based on over 10 years experience in the UK in private and public sector

## Project Objective

The main project objective is to support the improvement of energy efficiency in industrial and commercial sectors across various sizes of business in South Africa, through the provision of a variety of services to identify and implement energy saving measures.

## Expected outcomes and benefits to companies



- Increased awareness of energy efficiency
- Energy savings
- Energy intensity reductions
- Operational reliability
- Implementation of projects which will result in the reduction of Greenhouse Gas emissions
- Improved economic competitiveness through resource and process efficiency
- Investment leveraged from the private and public sectors through capital investment in energy efficiency projects
- Indirect social benefits such as job creation/ job retention and skills development relating to energy efficiency services



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## The Business Case for participating in the PSEE



- **Cost:** The rising cost of Energy
- **Competiveness and growth** – energy efficiency can reduce cost and promote efficient operations and production thereby enhancing competitiveness
- **Capacity:** A recent NBI study on a sample of 30 large companies found that many companies still require much improvement in: conducting energy audits, baseline setting, strategy and structure, target setting, measurement, capacity building, technology choices, finance



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## Government Policy drivers



- Government plans to introduce mandatory submission of Energy Management plans and progress against these plans
- Data collection and energy efficiency target monitoring
- Review of post 2015 baselines and targets
- Tax allowances/incentives : 12 I ; 12 L; Manufacturing Competitiveness Enhancement Programme (MCEP)
- Market development of related Energy services
- Impending carbon tax
- GHG reduction targets



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## SCOPE: Target groups



Focus	Energy Spend per annum	No. of companies
<b>Large Company</b>	Over R45 million	63
<b>Medium company</b>	R750 000 – R45 million	1075
<b>Follow up service</b>		678
<b>Small Company</b>	Under R750 000	2625
<b>Sector Focus</b>		1 sector per year



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## Overview of service offerings



Company size and complexity		
Small	Medium	Large
<ul style="list-style-type: none"> <li>• <b>Remote Advice</b> and guidance provided by:               <ul style="list-style-type: none"> <li>– Telephone advice line</li> <li>– Website</li> <li>– Publications and guides</li> <li>– Events and workshops</li> <li>– Awareness raising activity</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>&gt; As per small companies plus</li> <li>&gt; <b>4 day site survey</b> delivered by third-party energy consultant to identify priority energy saving opportunities (fully subsidised)</li> <li>&gt; Follow up support provided by account managers</li> </ul>	<ul style="list-style-type: none"> <li>&gt; As per small companies plus</li> <li>&gt; <b>Strategic Energy Management</b> assistance of up to 60 days of support from third-party consultants (60% subsidised)</li> <li>&gt; Ongoing relationship with account managers</li> </ul>



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## What do companies need to commit to?



- **Co-funding of 40% of the cost** of the third party support – estimated to be up to ZAR 200k for large companies
- A **senior executive management sponsor** to give the project internal momentum
- **Commitment of time** by the appointed energy champion to facilitate internal meetings with various key stakeholders across the business such as finance, procurement, operations, sales & marketing
- **Willingness to open up** core businesses and industrial processes to surveys
- Provision of energy consumption **data** and other relevant operational data to enable **baseline** and **target** settings
- **Commitment to implement** priority recommendations
- **Willingness** to share project outcomes in the form of **case studies** for publication by the PSEE



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## Consultant selection and on-boarding



- Expression of Interest
- Collation and vetting of responses
- Categorising of consultancies to offer on-site surveys, SEM or both, based on evidence presented
- Contracting - Framework agreements
- Induction training (5-6 Dec)



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## Customer Mobilisation



Open to all businesses in the Industrial and commercial sectors

- Communications and marketing
- Stakeholder Engagements
- Company expressions of interest
- Project Launch 4<sup>th</sup> December
- Helpdesk/website
- Direct engagement
- Letters of Intent  March 2014
- Contracting

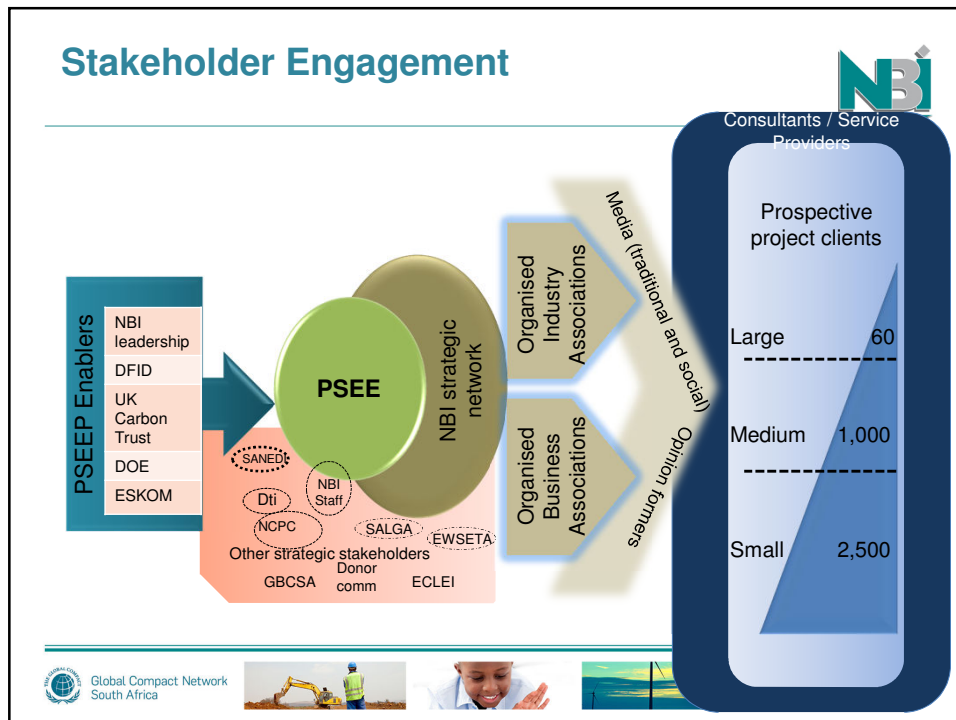


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## Contact details

If you are interested to know more about the PSEE and participate, please contact us.

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Logos at the bottom: Global Compact Network South Africa, images of a construction site, a smiling woman, a wind turbine, and the World Business Council for Sustainable Development logo.