

## Energy Management Gold Standard for Successful Energy Management Program

Presented by

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### **Efficiency**





#### **Effectiveness**





### **Malaysia Electricity Demand**





### **Energy Supply Mix**





# Govt: Be ready for higher electricity bills

#### PRESS DIGEST

#### BY KONG SEE HOH

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newsdesk@thesundaily.com

**ENERGY**, Green Technology and Water Ministry secretarygeneral Loo Took Gee says liquefied petroleum gas (LPG) prices and electricity tariff will be allowed to float freely by 2015, and urged the public to be prepared for higher electricity bills.

She said the government is currently distributing LPG to power-generating sector at RM10.70 per MMBtu (million British thermal unit), which is more than 70% lower than the market price.

"Crude oil is currently traded at USD75-80 (RM232.50-RM248) a barrel in the world market. We don't know the trends of the world oil market in the future, it could soar again. We feel that the people would surely find it unacceptable if the price (of LPG) is adjusted one-off (instead of gradually)."

In an interview with Nanyang Siang Pau, Loo, 54, the first Chinese woman to be appointed a secretary-general in Malaysia, reminded the public to be prepared for the days of high power tariff. She said the price of LPG will be adjusted gradually so that the people and businesses are prepared.

In line with the government's gradual subsidy rationalisation programme, electricity tariff will be reviewed every six months beginning next year, she said.

"I expect the government to adopt the recommendations of the National Key Economic Areas (NKEA) laboratories, and start to make adjustments from next year, i.e. we will make 10 adjustments in the next 10 years."

Loo said the government will use the money saved from subsidy rationalisation in other areas, including raising the people incomes, and subsequently their purchasing power.

She said the government will also continue to take care of the lower-income group through its social safety net instruments, such as distributing discount coupons.

She said between 1997 and 2009, the government provided RM97.45 billion in energy subsidy – of which 75.31% went to electricity supply.

#### 26<sup>th</sup> October 2010

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#### Malay Mail Online Government 'no option' but to raise power rates, PM says

- By Syed Jaymal Zahiid May 16, 2014
- Prime Minister Datuk Seri Najib Razak today said Putrajaya had no choice but to raise electricity tariffs as subsidising Tenaga Nasional Berhad (TNB) using public funds would hamper development spending. He is seen here giving a speech at the opening of the Taiping Umno building, May 8, 2014. Bernama picKUALA LUMPUR, May 16 Driven by the high cost of fossil fuel, Putrajaya had no choice but to raise electricity tariffs despite knowing the move will shoot up the prices of basic goods and services, Prime Minister Datuk Seri Najib Razak said today.
- Najib said refusal to increase tariffs would result in the government having to subsidise the country's sole power company Tenaga Nasional Berhad (TNB) using public funds and this would hamper development spending.
- "It's not that we want to raise (the) tariff. The cost of fossil fuel is rising so we have to raise it.
- "What options do we have? If not, we would have to use public fund(s) to subsidise TNB. The reality is, we have no options," he told TNB staff at the government linked company's anniversary here.
- Najib, who is also finance minister, said it would be the duty for TNB staff to explain to consumers the rationale behind the move to raise power tariff.
- Power tariffs rose by an average of 15 per cent effective January 1, after Putrajaya announced on December 2 last year that it had approved the increase by utility firm Tenaga Nasional Berhad (TNB).
- Despite the increase, Energy, Green technology and Water Minister Datuk Seri Dr Maximus Ongkili said the government would still have to spend RM14 billion on subsidies and rebates.



## Kadar Tarif Elektrik

Tarif C2 – Voltan Median Tarif Komersil Biasa	Unit	1 Julai 2008 – 28 Februari 2009	1 Mac 2009 - 31 May 2011	1 Jun 2011 – 31 Dec 2013	I Jan 2014 - kini
Untuk setiap kW Maximum Demand setiap bulan	RM/k W	36.60	35.60	38.60	45.1
Untuk setiap kWh semasa peak period	Sen/k Wh	29.60	28.80	31.20	36.5
Untuk setiap kWh semasa off-peak period	Sen/k Wh	18.20	17.70	19.20	22.4
Cas minima bulanan ialah	RM	600	600	600	600



#### Energy Tariff C2 2008-2015



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## **2. WHY ENERGY EFFICIENCY?**



### **GOVERNMENT DRIVES**

- Legal requirement
  - Efficient Management of Electrical Energy Regulations 2008
  - MEPS
- Sustainable Development Policy and Government drives
- Business driver
  - Going Green
  - Reduction of cost



## **3. HOW TO DEVELOP ENERGY MANAGEMENT PROGRAM?**





### **Key Steps**

- Convince your Top Executives of the benefits of SEMP
  - Saving
  - Recognition Certification
- Remind them of the regulatory requirements
- Appoint competent Energy Manager to champion the initiative
- Follow the EMGS requirements
- Set up Performance Indicators
- Monitor and continuously improve



#### **ASEAN ENERGY MANAGEMENT SCHEME**

## 4. ENERGY MANAGEMENT GOLD STANDARD



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### RECOGNITION



LAUNCHED BY YB MINISTER OF ENERGY, GREEN TECHNOLOGY AND WATER -19TH JULY 2011



- GreenTech Malaysia has been appointed by Asean Centre for Energy (ACE) as Certification Body for Malaysia
- GreenTech Malaysia has been recognized
  - by Energy Commission (ST) to support Continuous Development Program (CPD) for Registered Electrical Energy Manager (REEM)
  - Institution of Engineer Malaysia under their Continuing Professional Development (CPD) for engineers



### **Energy Management Gold Standard**

"System of certification based on excellence in energy management"

#### Training and certification of Energy Managers

 Training curriculum focused EXCLUSIVELY on managerial aspects: how to establish and manage and EnMgt system

 Two levels of certification: Certified EnMgr and Professional EnMgr

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Energy Management Gold Standard

#### Certification of companies

Based on ISO 50001 with additional requirements
Three levels of certification to progressively drive towards EnMgt best practices

### What is Sustainable Energy Management

- Process of managing the energy consumption in the organization to assure that energy has been efficiently used.
- Covers all aspects of energy consumption, technical and non-technical





### **Principle for Energy Management Gold Standard**

- Comply with organizational objective/goal
- Involve all staff in the organization
- Develop organization and staff knowledge
- Create the continuous improvement process
- Integrate with standard working procedures



#### **Non Sustainable Energy Management**



Energy cost cycle of the energy conservation programme **Without** sustainable energy management system

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#### **Sustainable Energy Management**



Energy cost cycle of the energy conservation programme With

sustainable energy management system



#### **Energy Management Gold Standard Roadmap**







## **5. CERTIFICATION**



#### **End-User Certification process**

Corporate energy policy		
Energy Management system in place and documented		
Trained and certified energy manager		
Motivation		
Budget management		
Demonstration of budget spending		
Demonstration of EE measures		
implementation Verified improvement of EEI		
	Energy Management System in place, budget allocated	Real EE improvement; Energy Management System is sustainable

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#### Energy Management Gold Standard Logo First-time certification







### **Role of GreenTech Malaysia**

- Certification Body for AEMAS in Malaysia
- Promote the adoption of Sustainable Energy Management through AEMAS
- Train and qualify AEMAS Auditor and Energy Manager
- Certify Energy Manager & Profesional Energy Manager
- Certify Energy End-User who adopt AEMAS system

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### Sample of Certificate

## Certificate of Registration



Awarded to

#### Malaysian Green Technology

ENPAP certifies that the Energy Management System of Salamat Manufacturing Co, Ltd., Philippines, has been audited and found in accordance with the requirements of the management system detailed below:

#### Energy Management Gold Standard

Audit conducted: 23-25 March 2011 Validity of this certificate: 01 April 2011 – 31 March 2013 Auditor: Mr. Abc Defg, accreditation No.: 20134 Certificate No.: 34006

Gold Standard level: 1-star The validity of this certificate can be verified fr

The validity of this certificate can be verified from the following web site: www.energymanagement.org

The Energy Management Gold Standard requires companies to establish their energy management system according to ISO 50001 and to demonstrate that their Energy Efficiency Index improves against an established energy baseline.





# **Certification of Energy Managers**

- Empowers industries with in-house capabilities to establish and manage the EnMgt system
- Enhances the professional standing of Energy Managers
- Training curriculum based on 220-page Energy Management Workbook:
- Role of the energy manager
- How to define the energy policy
- How to appraise the energy management performance
- How to set up and manage: energy baseline, EEI, Energy Accounting Centers, Energy Management Committee, Energy Management Working Procedures, Investment Appraisal for Energy Efficiency Projects, Human Resource Development in Energy Management System, Documentation in Energy Management System
- How to establish Energy Target & Plan, including organizing Energy Audit & Analysis, Measurement & Verification
- How to integrate the Energy Management System into Business Practice (working ,monitoring and reporting procedures, other management standards, ...)
- Project management and investment
- Energy Management performance review



### **Category of Energy Professional**

There are two categories of energy managers;

- Certified Energy Manager (CEM)
- Professional Energy Manager (PEM)

The purpose of having two categories of energy managers is to assist and encourage professionals in the energy management career development.



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### **Roadmap for Energy Professional**





### **AEMAS ACHIEVEMENT IN MALAYSIA**

Certification	Quantity
1. Energy Management Gold Standard – 3 Star	Universiti Teknologi Malaysia
2. Energy Management Gold Standard – 1Star	Puncak Niaga SSP2 Attorney Chamber BHEUU Politeknik Merlimau Telekom R& D Sdn Bhd
3.Certified Energy Managers	789 – Trained 666 - Certified
4. Professional Energy Managers	2
5. REEM	198/550
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# **6. SUCCESS STORIES**





## **Energy Management Stories**

- Story 1: UTM
- Story 2: Puncak Niaga









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# **Start by Building People!** Jan 2011: **Training for 30 Energy Managers**



## **SEMP METHODOLOGY**

simultaneous

sequential

A. Building Housekeeping & Best Practices (ie Electrical Tariff Review, TNB OPTR Scheme, Retime of centralised a/c system operation, EAC Electrical Bill statement system, Operation& Maintenance Policy)

#### B. SETTING UP SUSTAINABLE ENERGY MANAGEMENT SYSTEM

- Development of energy policy
- Development of an energy management committee
- Establishment of energy accounting center (EAC) & appointmnt of Headof EAC
- Establishment of Energy Efficiency Index for overall organization and each EAC
- Establishment of overall & EAC working procedure
- Establishment of reporting and monitoring system

C. ENERGY AUDIT & RECOMMENDATION FOR IMPROVEMENT

- Overall energy survey
- Establish building energy balances and existing equipment details
- Evaluating systemsperformance
- Setting the practical utility benchmark targets and building benchmarking
- Recommendations for improvement via UTM Transformation Projects
- Economic analysis

#### D. OTHERS

- Energy saving and policy posters
- Working manuals booklet
- 'Energy Manager' inhouse workshop
- Providing Energy Awareness seminar
- Installation of electrical meters

#### **ENERGY MANAGEMENT MATRIX before SEMP**

implementation

current status as of Dec 2013 (after 3

#### years)

	Energy Policy	Organization	Motivation	Information System	Marketing	Investment
4	Energy policy, action plan and regular review, have commitment of top management as part of an environmental	Energy management has been fully integrated into management structure. Clear delegation of responsibility for energy	Formal and informal channels of communication regularly exploited by energy manager and energy staff at	Comprehensive system sets targets, monitors opsumption, identified faults, cauntifies savings and provides	Marketing the value of energy filterene, and the performance of energy management both within and outside	Positive discrimination in favor of 'green' schemes with detailed investment appraisal of all new build and refurbishment
	strategy	consumption	all levels	budget tracking	the organization	opportunities
3	Formal energy policy, but no active commitment from top management	Energy manager accountable to energy committee representing all users, chaired by a member of the managing board	Energy committee used as main channel together with direct contact with major users	M & T reports for individual premises based on sub-metering, but savings not reported effectively to users	Programme of staff awareness and regular publicity campaigns	Some payback criteria employed as for all other investment
2	Un adopted energy policy set by energy manager or senior department manager	Energy manager in post reporting to ad-hoc committee act line management and autority are unclear	Contact with major users through ad- hoc committee chaired by senior department manager	Monitoring and targeting reports based on shoply meter data. Energy unit has ad-hoc involvement in budget setting	Some ad-hoc staff awareness training	Investment using short term payback criteria only
1	An unwritten set of guidelines	Energy management is the part-time responsibility of someone with only limited authority or influence	Informal contacts between magineer and a few users	Cost reporting based on invoice data. Engineer complies reports for internal use within technical department	Informal contacts used to promote energy efficiency	Only low cost measures taken
0	No explicit policy	No energy management or any formal delegation of responsibility for energy consumption	No contact with users	No information system. No accounting for energy consumption	No promotion of energy efficiency	No investment in increasing energy efficiency in premises

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# **UTM SEMP key activities**

- Change operation hours of centralised air-conditioned from 7:00am-5:00pm to 7:30am to 4:30pm
- Increase PTJ awareness on their electricity energy usage when receiving monthly electric bill statement and after Energy Saving Campaign organized in faculties, colleges, offices, UTM security guards and UTM Cleaners
- Controlling the usage of the centralized air-conditions (AC) system during weekends. All SPACE program and weekend classes are only conducted in rooms with split unit AC
- Retrofit energy saving lamps T5 of 60,000 units.
  - 50% reduction of 60,000 lamps x 20 Watt =1200 kW/h @ RM10K/month
  - Maximum Demand reduced from 15.5 MW to 13.5 MW or 2.5 MW saving
  - Maximum Demand charges reduced 2.5 MW of RM30.3/kW @ RM75K/month
- Switched to a tariff with an Off-peak Tariff Rider (OPTR), starting 19 July, 2011 a special tariff allowing UTM to enjoy a 20% discount of energy usage from 10:00 pm – 8:00 am
- Technical and System Energy Audits done by in-house team
- Training of 30 Certified Energy Managers in January 2011 and another training for 12 more Certified Energy Manager in December 2013 (the only organization that have this much certified energy manager by AEMAS/Greentech
- More organized and structured SEMP at faculties, colleges & offices



## UTM highlighted as the exemplary Energy Management Institution - In Green Purchasing Asia Magazine

# RETROFITS Practising what it preaches UTM's electricity bill bit new low in July 2011 UTM's electricity bill bit new low in July 2011 **UTM Saves > RM 7 Million in Energy Bills (2011-2014)**

the first time since 2008, the university's electricity bill dipped below the RM1 million (US\$318,000) markenergy efficient drive . Considering that the university's monthly power consumption over the past three years was as high as RM1.7 million, the July figure of RM962,345 was a sterling achievement.

To Prof Dr Zainuddin Abdul Manan, a key member of a group who

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university in ASEAN has taken up the challenge," he says.

#### Working within budget

Energy-saving initiatives began in UTM as far back as 2003, when the facilities maintenance team improved power usage at the library with the help of an energy services company (ESCO) which provided the investments, and subsequently shared the savings. Early

## AWARDS RECEIVED 2011-2014



## **ENERGY SAVING RM6.6 MILLION FOR 2010-2013**



# **The only organization to get 3 STAR ASEAN Energy Management Gold Standard** Award for the achievement of energy saving



AEMAS **Certificate of Registration** Awarded to Universiti Teknologi Malaysia (UTM) AEMAS certifies that the Energy Management System of Universiti Teknologi Malaysia, (UTM), has been audited and found in accordance with the requirements of: **Energy Management Gold Standard** Audit conducted: 14-15 January 2013 Validity of this certificate: 01 February 2013 - 31 January 2015 Auditors: Ir. Al Khairi Mohd Daud (AEMAS Country Expert-Malaysia) Hasbullah Harun (AUD-MY-001-1210) AEMAS Certificate No.: EMGS-MY-2-001-0113 Gold Standard level: 2-star The validity of this certificate can be verified from the following web site: www.aemas.org The Energy Management Gold Standard, delivered under the ASEAN Energy Management Scheme (AEMAS), requires companies to establish their sustainable energy management system with demonstration for the achievement of measurabl energy savings. Mr. AHMAE ZAIRIN ISMAL HARDIV HARRIS SITUMEANG. D. S 







"Pakas Ais Malaysia"





#### Intake Plant



#### **Treatment Plant**

- Treated water pump
- Actiflo pumps
- Others



112,677,246 kWH 67%

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56,364,438 KWH 33%

# SSP2 Load Apportioning Based on Energy Audit 2011



## **Energy Management Strategy**





## **Sustainable Improvement Teams**



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existing







## **Energy Efficiency Team Project implemented** GreenTech MALAYSIA





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# **Energy Utilization Team Control Parameters**







Awareness Team Energy Corner







## Staff and Contractors Commitment to SEMP





## **Rewarding the team: Visit To Greentech Malaysia** GreenTech MALAYSIA

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#### **Intake Plant**

#### **Treatment Plant**



**Intake Plant Annualize** 

#### Treatment Plant Annualize Energy Consumption



## **SSP2** Annualize Consumption



### Baseline

#### **2014 Performance**



## **SSP2** Intake Plant



Senior Management support is the key to the programme success

Develop the ownership of the programme

Developing Team Work requires clear roles and responsibilities

Staff support and competencies development is the key

## **The challenges**







## CONCLUSION

- Organization can't afford not to be efficient to remain competitive
- EMGS provides the system, trainings and certification for Energy Professionals
- EMGS has proved that savings are achievable and significant
- EMGS ensures sustainability in efficiency culture



## **More information**

How to register?

#### http://mepa.my/events/

Official website

http://www.aemas.org/





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# **THANK YOU**

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