

Opinion



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Simple steps to energy savings

Should businesses be worried about the government's current strategies on carbon reduction and energy saving? I'm beginning to think so.

The effect of policies on utility bills will add considerably to the cost of business over the next two decades. While the government focuses on big, expensive ideas like fracking and wind turbines, there is surely a need to encourage companies to find agile, cost-effective ways to cut electricity usage.

According to the Department of Energy and Climate Change, the average electricity bill will have gone up 20 per cent this year from 2012, and by 2030 will have risen by a whopping 59 per cent. Energy providers forecast even bigger rises. But the government's current range of schemes leaves much to be desired. OK, so the CRC Energy Efficiency Scheme or Climate Change Agreements will compel larger companies to act and the Green Deal enables businesses to reduce their energy bills through improving heating efficiencies.

But there is no coherent, joined-up

national programme that promotes the adoption of simple, proven solutions, starting with the wholesale adoption of LED lighting, which can deliver phenomenal electricity savings.

We should all be aware that officials are making contingency plans for controlled rolling power cuts to ease pressure on the national grid. At the same time, it is paying businesses to join schemes that allow utility companies to remotely cut power to services such as air conditioning. This seems an expensive solution, and one that would not be necessary if political energy was directed at programmes based on simple steps, like nationwide LED installation.

Remember, too, that Ofgem warns of the risk of future blackouts – a threat which has trebled in the past year.

Let's not forget that there are simple steps which, combined with expert guidance, would help companies lower their bills and reduce their carbon footprints, which is what we all want.

“There is no coherent national programme that promotes simple, proven solutions like LED lighting”



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Government is right to promote controls

Delivering significant energy and carbon savings while continuing to grow, innovate and perform is a key challenge for all businesses. And lighting is an obvious place to start.

Controls are an integral part of any lighting project, but despite the significant savings in energy, CO₂ emissions and maintenance that the installation of efficient, properly controlled lighting offers, it can still be challenging for businesses to secure the necessary upfront investment. There are, however, schemes in place to encourage investment in vital energy-efficient technology.

The Government's Enhanced Capital Allowance (ECA) scheme enables businesses to claim a 100 per cent first-year capital allowance on investments in certain energy-saving equipment, against the taxable profits of the period of investment. This can provide a cashflow boost and an incentive to invest in energy-saving equipment, which normally carries a price premium.

The ECA scheme recognises lighting as an important area to address, with commercial lighting accounting for over 50TWh a year of electricity consumption in the UK and resulting in over five million tonnes of CO₂ emissions. It's great that the ECA scheme aims to encourage the purchase of lighting controls and recognises the fact that they commonly realise additional energy savings of 30–40 per cent.

Five different categories of lighting control are covered by the ECA scheme: time controllers, presence detectors, daylight detectors that switch off lighting when daylight is sufficient, daylight detectors that dim lighting to the level needed, and central control units that can manage some or all of these categories.

I welcome the government's ECA scheme as a way of helping businesses to adopt energy-efficient lighting, and in particular the recognition that controls are a fundamental component of any lighting installation.

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