

EMSOL UPDATE OCTOBER 2012

Please feel free to forward this newsletter to business colleagues or others who have an interest in energy savings.

Many of your equipment items cost more to operate than to purchase. For example, energy and maintenance for most motor systems cost ten times the purchase cost. Energy management makes good business sense.

Emsol's October 2012 update includes for you four important energy saving topics:



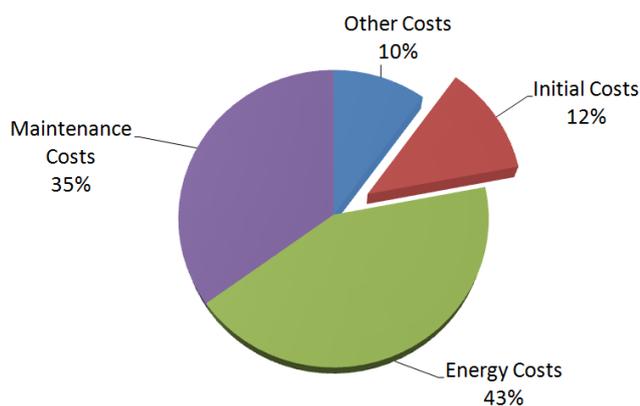
- ✓ Feedback on your energy saving goals
- ✓ Boilers, motors and compressed air grants
- ✓ Future energy prices
- ✓ Profit from more than just energy savings

Feedback on your energy savings goals

Emsol develops its services to meet your needs. Please reply to this email and let Emsol know what your energy goals are for the next 12 months. Emsol can assist by proposing cost effective energy management services to match your goals. We will make it easier for you to achieve your energy goals.

Boilers, motors and compressed air grants

EECA has a boiler tuning programme with funding assistance (40% of the cost of 6-monthly tunes). A reminder though, an annual boiler service is not a boiler tune. It is not uncommon for comprehensive and well managed boiler tuning to reduce your annual fuel bill by 5%–25%. A trial of 15 boiler tunes assisted by Emsol resulted in an average saving of \$22,000 per boiler. Please contact Emsol (info@emsol.co.nz) if you believe your business would benefit from this service.



A range of energy audit options are also available. For example, to get started, a walk-through audit of fan systems, pumps or compressed air can be up to 100% funded. An investment-grade audit can be funded up to 40%. Emsol would like to arrange these for you now and schedule them into your plans and energy goals for the next 12 months.

Future energy prices

Caution should be taken before entering electricity purchase contracts. Long-term energy prices will increase and short/medium-term prices may decrease for some businesses. Energy prices are volatile and will continue to be so. The weather, international supply and demand, and local events (such as upgrades to the North Island/South Island DC link and the possible downsizing of Huntly and Tiwai Pt Aluminium Smelter) affect energy prices to varying degrees. A further insight into NZ future electricity prices is available at www.asx.com.au/products/asx-nz-electricity-futures-and-options.htm. South Island three-year prices are now at least 1 c/kWh less than what was available just three months ago. Starting at least six months in advance for fixed price contracts or a portfolio of hedges will assist in managing energy costs.

Other options for reducing energy prices include an investigation of network fees and providing an interruptible load service. Interruptible load is currently sought from business in the lower North Island and upper South Island and can reduce costs by \$20,000 per MW. This will suit your business if it has a backup generator or refrigeration, or other short-term non-essential loads.

Profits from more than just energy savings

Normally, energy efficiency will achieve more benefits than energy cost savings. Are there other benefits or business improvements you want to achieve? These may include:

- Better product quality
- Health and safety
- Less maintenance
- More time available



Examples of energy efficiency include: not over-drying timber, insulating steam valves, using correctly sized motors for fans/pumps/compressed air, upgrading lighting and adopting preventative maintenance. These will save energy and result in other improvements in your workplace.

For more information please contact Erin Roughton (erin.rougton@emsol.co.nz) or for general enquires Kylie Cornish (kylie.cornish@emsol.co.nz) Phone 03 538 0686.