

When Energy Efficiency Doesn't Save Money

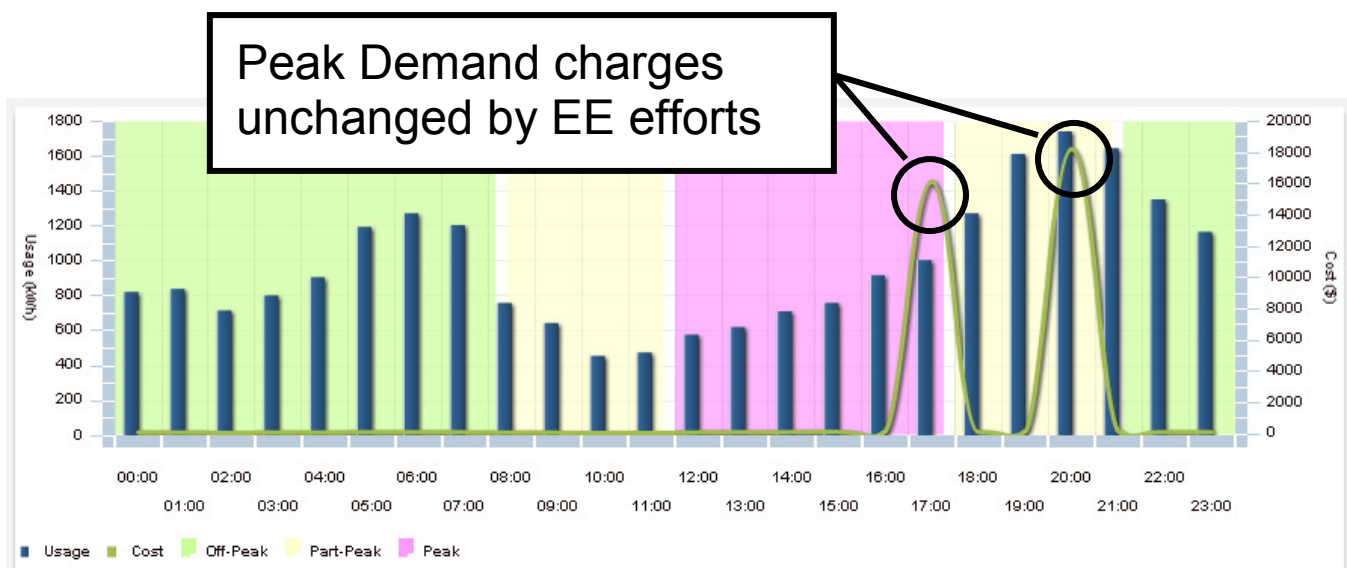
Case

A facility implemented two commonly used energy reduction projects, lighting and HVAC with disappointing results. Although the projected energy reduction goal was achieved, the reduction in energy cost was negligible. The load-use profile for the facility was determined using intelligent monitoring and demand factor (D_{max}/D_{ave}) was calculated to be 6.5. With such a high demand factor only a relatively small amount of the total energy cost is derived from actual energy consumption. The bulk of energy costs were actually due to peak demand charges.

Lesson

Energy managers of facilities with high demand factors (>3) should be putting effort towards implementing load management strategies such as load shifting and shedding. High demand factors are also often indicators of significant opportunity to implement demand response programs successfully. As demand factor goes up, energy use plays a decreasing role in energy costs.

Maximize load management when demand factor is 3.0 or higher



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