

# The Role Of Energy Service Companies (ESCOs) in Developing Financially Viable Energy Efficiency Projects

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# Presentation Outline

- Who are ESCOs and What are their roles in projects
- How does ESCOs facilitate effective design and planning
- What are measurement and verification standards available
- How can ESCOs help manage risk

# Energy Efficiency

- Designing or retrofitting towards the optimal energy usage in residential, commercial, industrial, transportation and utilities sectors.
- Energy efficiency is using less energy to provide the same level of service.

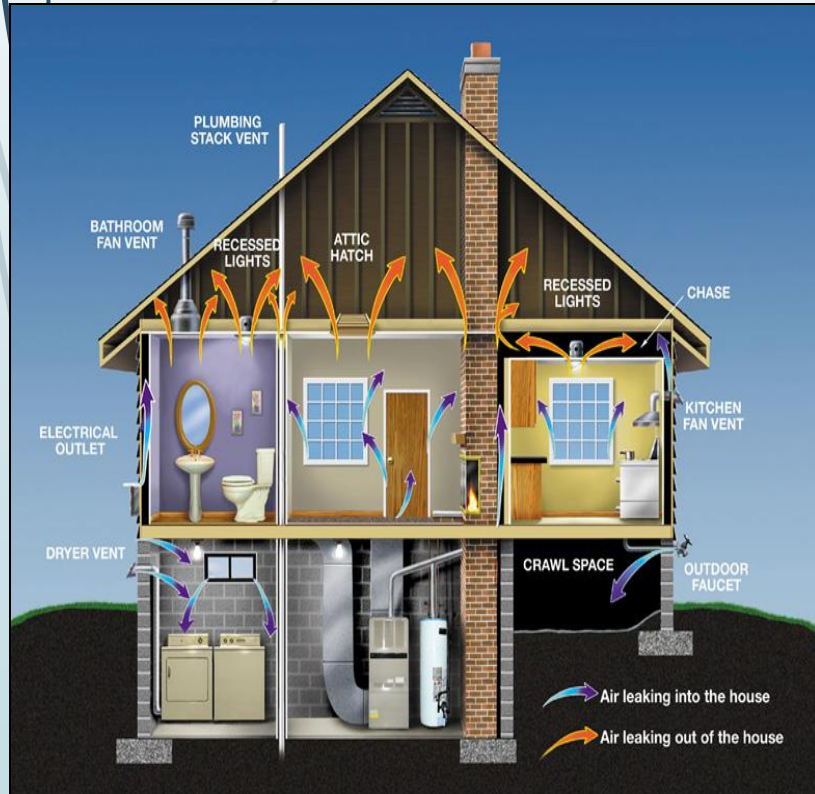
## Example:

1. Home Appliances
2. Building Design - Passive
  - Active
3. Industry
  - Co-generation (CHP)
4. High Efficiency Motors (HEM)
5. Vehicles
  - Alternative Fuel
  - Plug-in Hybrid

Think Green



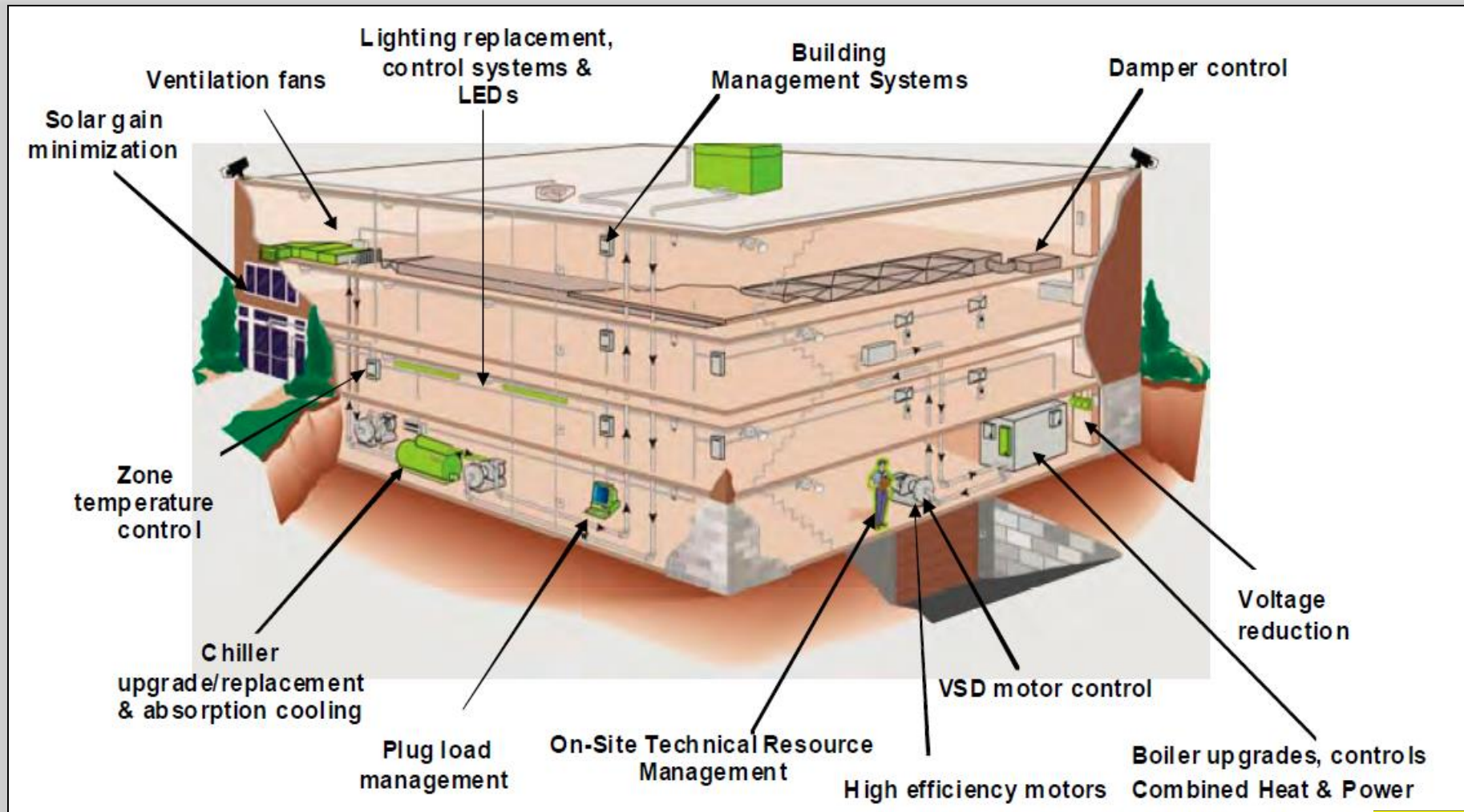
It's All Good!



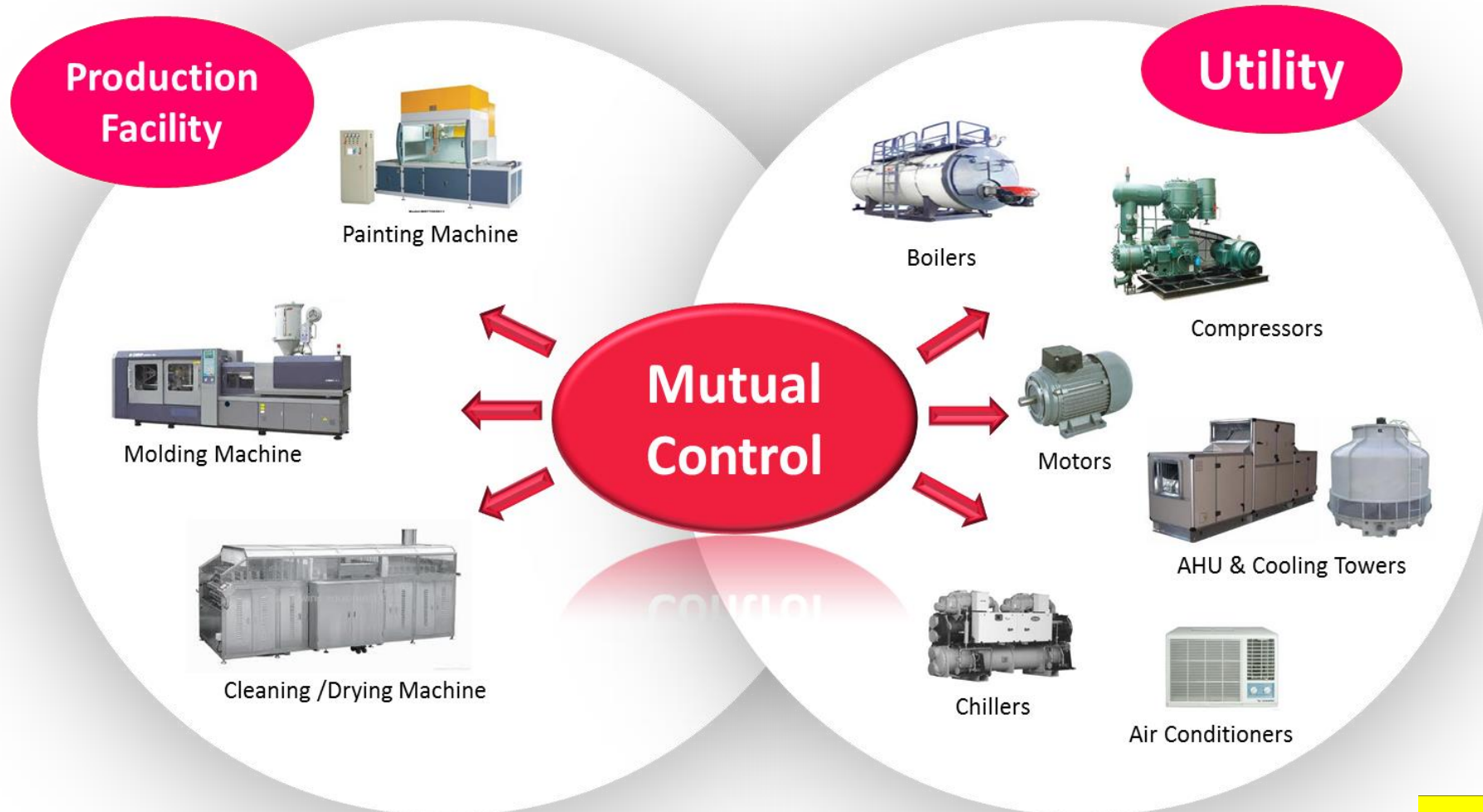
**MAESCO**

(Pertubuhan Syarikat Syarikat Perkhidmatan Tenaga Malaysia)  
Malaysia Association of Energy Service Companies

# Typical Active Energy Conservation System in Commercial Buildings



# Energy Conservation System In a Production Facility



# Commercial and Financial Benefits for implementing Energy Saving Measures (ESM)

- **Increase productivity** while **reducing costs** and your impact on the environment;
- Increase shareholder value—**improve your profits**, image and performance;
- Achieve **improved rates of return** on your investment;
- **Minimise controllable costs**—such as energy, waste, and equipment wear and tear;
- **Minimise peak load costs**—understand and manage your peak/off peak energy profile;
- Achieve **process efficiency improvements** right across the board;
- Demonstrate the **responsiveness** of your industry sector and company **to key environmental issues**; and
- Become an **employer of choice**.

# Benefits Working with ESCOs

**ESCO is a one-stop solution provider which aims to bring together capital and technology to develop and implement turnkey solutions that enable companies to reduce their energy consumption and operating costs while meeting sustainability goals.**

- No upfront investment for the Host on Shared Savings Basis.
- Enduring Operating Cost Savings.
- Asset Upgrade and Value Uplift.
- Carbon Emissions Reductions/Compliance with Building /Energy Management Regulation.
- Corporate Social Responsibility agenda.
- Highest Performance Standards with equipment and technology that is commercially proven and with warranties and guarantees as to the performance of contractors and suppliers.
- Savings Cover the Investment Cost.
- Risk Transfer.
- Service payment only starts when the equipment is fully installed and commissioned. As a result, the Host transfers all the procurement and construction risks to ESCO
- Flexible Service Payment including shared savings, progressive payment, buy-out clause etc.
- Collateral or Guarantee Requirement subject to a credit risk assessment funding for the project without any collateral or corporate/directors guarantee from the Host.

# Role of an ESCO

1. Carry out Energy Performance Contracting (EPC) in facilities and shows an understanding of issues inherent with working on similar sites
2. Ability to carry out Investment Grade Audits (IGA) in:
  - Energy Management
  - Mechanical
  - Electrical and Thermal
  - Control Systems
3. Ability to:
  - identify potential EE projects
  - design solutions
  - procure required equipment
  - project manage the implement and energy saving measures
4. Ability to provide post implementation services such as:
  - operational and maintenance support
  - energy management support
  - inhouse training

# Typical ESCO Service

- Detailed/Investment Grade Audit
- Establish baseline of energy use for specific equipment or facility as whole
- Design project in consultation with customer
- Undertaking turnkey supply/installation and commissioning of equipment
- Training, briefing customer personal
- Operating and maintaining the equipment for the life of contract
- Conducting Measurement and Verification (M&V) to determine the actual savings
- Provide savings and equipment guarantees

Total packaging the main difference to conventional contracting

# Who need to understand Energy Performance Contracting (EPC)

- Business owners and CEOs and MDs of organization
- FMs, building owners/managers, plant and process engineers, financial controllers and procurement office
- Financial institutions, Insurance companies, Leasing companies
- Government agencies and relevant regulators
- Professionals such as Engineers, Green Building Specialist, Architects, Lawyers

# COMMON Options for EPC MODEL

## 1. GUARANTEED SAVING

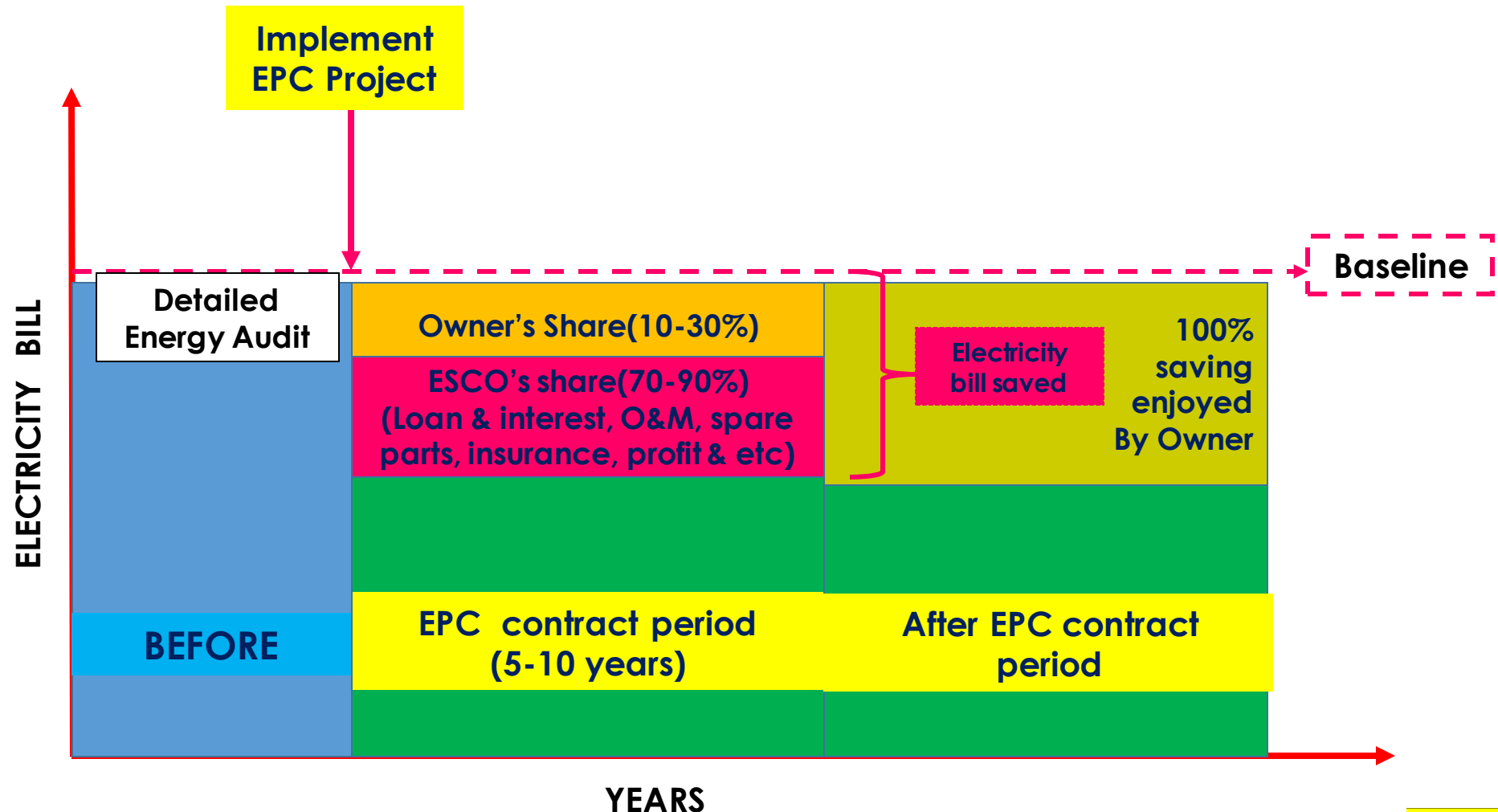
- The loan goes on the client's balance sheet

## 2. SHARED SAVING

- The loan goes on ESCO's balance sheet

**BOTH PERFORMANCE GUARANTEED!**

# EPC –shared saving



“ZERO Upfront Cost” to the owner

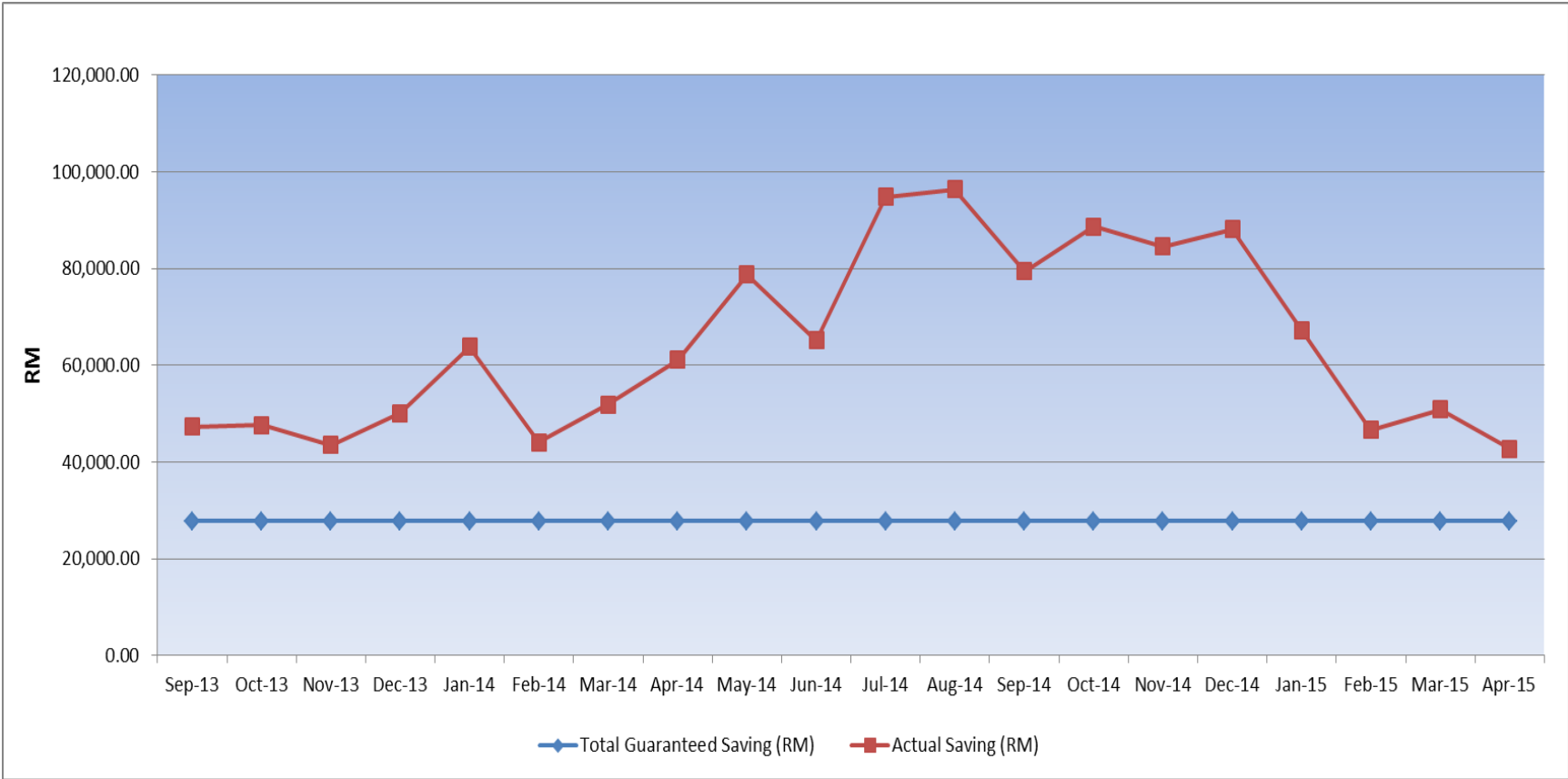
# Fundamental Funding Principal of EPC

**If the cost of ESMs installed under EPC contract is to be paid from savings, the accumulated savings over the life of the contract need to be equal or greater than the total cost of the project, including financing cost.**

# Main Factor Influencing the Effectiveness of using EPC

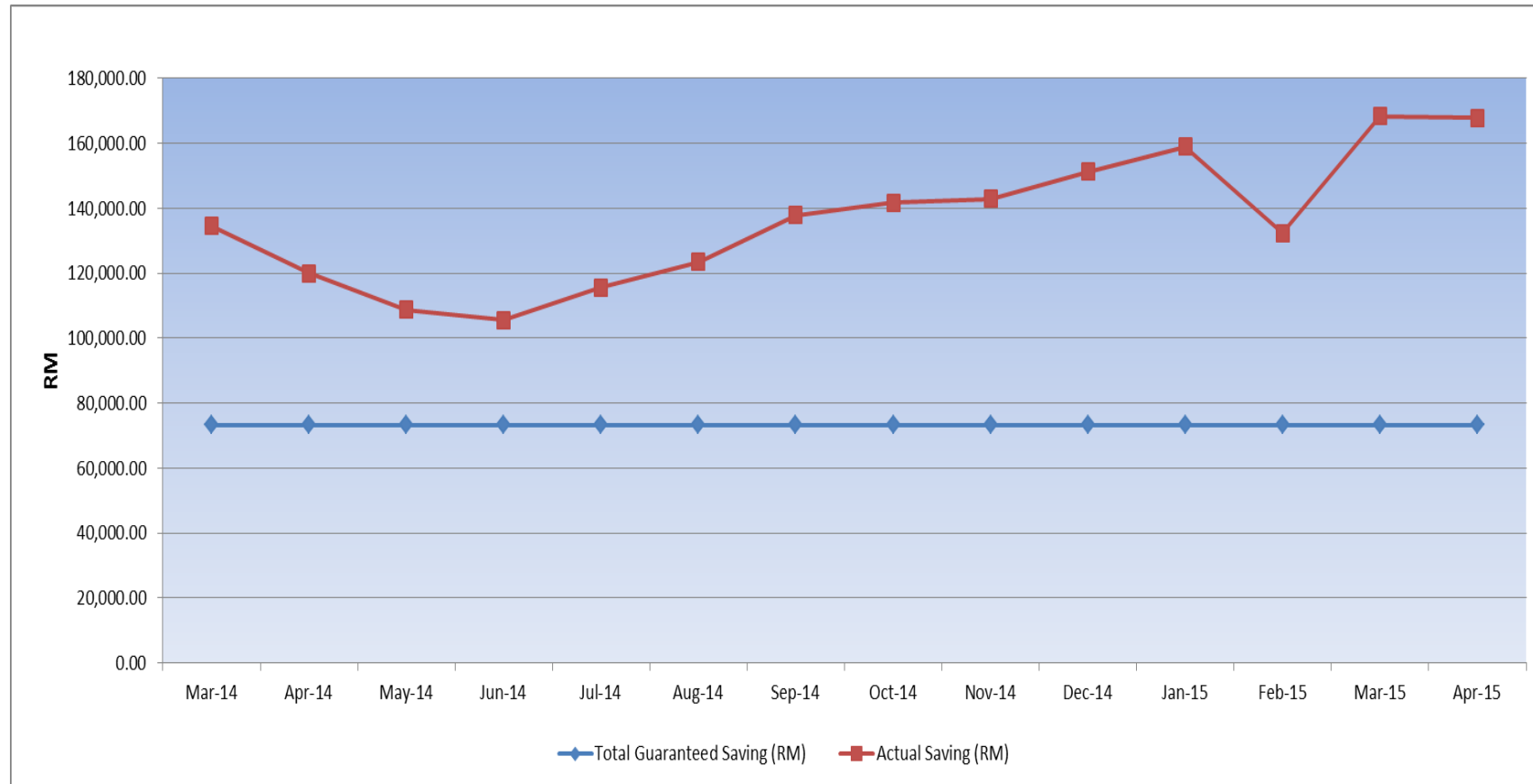
1. Facilities in one location and not scattered in different locations
2. The tariff structure of the facility
3. The total area/size of the facility
4. Total annual energy bill (all fuels)
5. Age of the facilities
6. Years since last significant upgrade

# ESCO EPC Case Study in Malaysia



|  |                        |
|--|------------------------|
| Baselines Electricity Bill (RM)              | : ~ RM 520k per month  |
| Shared Saving Ratio                          | : 80:20 and 75:25      |
| Contract Term (years)                        | : 7 years              |
| Guaranteed Shared Saving to Client side (RM) | : RM 5,547.25per month |
| Actual Shared Saving to Client side (RM)     | : ~ RM 74k per month   |

# ESCO EPC Case Study in Malaysia



Baselines Electricity Bill (RM)

: ~ RM 1 mil per month

Shared Saving Ratio

: 80:20 and 75:25

Contract Term (years)

: 7 years

Guaranteed Shared Saving to Client side (RM)

: RM 14,644.10 per month

Actual Shared Saving to Client side (RM)

: ~ RM 98k per month

# ESCO EPC Case Study in Malaysia

## Private Commercial Shopping Complex



### Areas of Implementation:

- 1) Transformers
- 2) Cooling System – Chillers, Cooling Towers, AHUs, CHW & CDW Pumps
- 3) Lighting System – Internal, External & Parking
- 4) Demand Controls

**Total Actual Saving Achieved**  
**= RM 1,495,000/year**

Source: ESCO

## Private Warehouse



### Application Areas:

- Fluorescent Lamps
- High bay Lighting - HID

**Total annual Saving**  
**= 42.2%**  
**= 3,283,200 kWh,**  
**= RM 920,000**

**TREASURY BUILDING, MINISTRY OF FINANCE OF MALAYSIA**  
**17% reduction of electricity bill in 2011**  
**based on 2010 baseline consumption – SEDA Malaysia**

# MIEEP Experience

## Cement Sector

| No  | Measure                      | Energy Savings        |                  | CO2 Reduction<br>t/yr | Capital expenditures<br>('000) RM | Annual Cost savings<br>th. RM/yr | Payback time<br>yr |
|-----|------------------------------|-----------------------|------------------|-----------------------|-----------------------------------|----------------------------------|--------------------|
|     |                              | Electricity<br>MWh/yr | Fuels<br>GJ/yr   |                       |                                   |                                  |                    |
| 1   | Use of palm kernel shells    |                       | 1,276,686        | 118,803               | 2,986                             | 2,514                            | 1.19               |
| 2   | New transformer 132/22 kV    |                       |                  |                       |                                   |                                  |                    |
| 2.1 | Energy invoicing             |                       |                  |                       | 7,436                             | 3,195                            |                    |
| 2.2 | Load management              |                       |                  |                       | 426                               | 434                              |                    |
| 2.3 | Power factor management      |                       |                  |                       | -                                 | 79                               |                    |
|     | <b>Total new transformer</b> |                       |                  |                       | 7,862                             | 3,708                            | 2.1                |
| 3   | Local sequence controllers   | 883                   |                  | 602                   | 202                               | 174                              | 1.2                |
| 4   | Heat recovery for drying     |                       | 28,061           | 2,430                 | 90                                | 479                              | 0.2                |
|     | <b>Total</b>                 | <b>883</b>            | <b>1,304,747</b> | <b>121,835</b>        | <b>11,141</b>                     | <b>6,875</b>                     | <b>1.6205</b>      |

# MIEEIP Experience

## Ceramic Sector

| No       | Measure   | Energy Savings        |                | CO2 Reduction<br>t/yr | Capital Expenditures<br>(1000) RM | Annual Cost savings<br>(1000) RM/yr | Payback time<br>(yr) |
|----------|---|-----------------------|----------------|-----------------------|-----------------------------------|-------------------------------------|----------------------|
|          |   | Electricity<br>MWh/yr | Fuels<br>GJ/yr |                       |                                   |                                     |                      |
| <b>1</b> | <b>Raw material preparation</b>   |                       |                |                       |                                   |                                     |                      |
| 1.1      | Reduction of the grinding time<br>Continuous wet grinding               | 26.3                  | -              | 18                    | 30                                | 7                                   | 4.4                  |
| <b>2</b> | <b>Dryer</b>  |                       |                |                       |                                   |                                     |                      |
| 2.1      | Optimize dryer efficiency   | -                     | 2,854.0        | 186                   | 40                                | 95                                  | 0.4                  |
| 2.2      | Replace existing fans in the dryer with new fans                        |                       |                |                       |                                   |                                     |                      |
| <b>3</b> | <b>Tunnel kiln</b>  |                       |                |                       |                                   |                                     |                      |
| 3.1      | Optimization of kiln car loading  | -                     | 8,617.1        | 560                   | -                                 | 228                                 | -                    |
| 3.2      | Installation of low thermal mass kiln car                               | -                     | 15,882.6       | 1,032                 | 1,320                             | 527                                 | 2.5                  |
| 3.3      | Heat recovery from the cooling zone                                     | -                     | 1,278.7        | 83                    | 10                                | 42                                  | 0.2                  |
| 3.4      | Installation of kiln doors  | -                     | 3,140.9        | 204                   | 45                                | 104                                 | 0.4                  |
| 3.5      | Implementing periodic inspection and adjustment of burners in the kilns | -                     | 4,306.6        | 280                   | 30                                | 143                                 | 0.2                  |
| 3.6      | Changing to fast roller kiln  |                       |                |                       |                                   |                                     |                      |
| 3.7      | Stabilizing the pushing speed of kiln car                               |                       |                |                       |                                   |                                     |                      |
| <b>4</b> | <b>Lighting</b>   |                       |                |                       |                                   |                                     |                      |
| 4.1      | Good housekeeping   | 11.1                  | -              | 8                     | -                                 | 3                                   | -                    |
| <b>6</b> | <b>Energy Management</b>  |                       |                |                       |                                   |                                     |                      |
| 6.1      | Implementation of an Energy Monitoring and Targeting (M&T) system       | 40.5                  | 2,075.8        | 163                   | 230                               | 80                                  | 2.9                  |
| <b>7</b> | <b>Compressed Air</b>   |                       |                |                       |                                   |                                     |                      |
| 7.1      | Good housekeeping and reduce leakages                                   | 28.5                  | -              | 20                    | -                                 | 7                                   | -                    |
|          | <b>Total</b>  | <b>106</b>            | <b>38,156</b>  | <b>2,553</b>          | <b>1,705</b>                      | <b>1,237</b>                        | <b>1.4</b>           |

# MIEEIP Experience

## Food Sector

| No   | Measure  | Energy savings |               | CO2 Reduc.   | Capital expend. | Annual cost savings | Non energy savings (water) | Payback time | Priority |
|------|--|----------------|---------------|--------------|-----------------|---------------------|----------------------------|--------------|----------|
|      |  | Elect.         | Fuel          |              |                 |                     |                            |              |          |
|      |  | MWh/yr         | GJ/yr         |              | th RM           | th.RM / yr          | th.RM / yr                 | yr           |          |
|      | <b>No cost</b>                                 |                |               |              |                 |                     |                            |              |          |
| 1.0  | Boiler excess air improvement                  | 0              | 4,573         | 338          | 0               | 103                 | 0                          | 0.00         | 1        |
| 2.0  | Increasing low-pressure boiler water TDS level | 0              | 193           | 14           | 0               | 4                   | 0.45                       | 0.00         | 1        |
| 3.0  | Boiler pressure reduction                      | 0              | 319           | 24           | 0               | 9                   | 0                          | 0.00         | 2        |
| 4.0  | Steam leak maintenance                         | 0              | 1,108         | 82           | 0               | 18                  | 0                          | 0.00         | 1        |
| 5.0  | Compressed air pipe leakages                   | 296            | 0             | 0            | 0               | 48                  | 0                          | 0.00         | 1        |
|      | <b>Low Cost</b>                                |                |               |              |                 |                     |                            |              |          |
| 6.0  | Main silo fan redesign                         | 181            | 0             | 0            | 17              | 38                  | 0                          | 0.45         | 1        |
| 7.0  | Insulation maintenance                         | 0              | 20,582        | 1,512        | 20              | 510                 | 0                          | 0.04         | 1        |
| 8.0  | Boiler combustion air increase                 | 0              | 3,492         | 258          | 20              | 56                  | 0                          | 0.36         | 3        |
|      | <b>High Cost</b>                               |                |               |              |                 |                     |                            |              |          |
| 9.0  | Fract plant cooling system optimization        | 548            | 0             | 0            | 131             | 131                 | 0                          | 3.05         | 3        |
| 10.0 | Monitoring & Targeting                         | 120            | 5,345         | 394          | 200             | 95                  | 0                          | 1.66         | 1        |
| 11.0 | Boiler fuel switching                          | 0              | 0             | 0            | 360             | 1,468               | 0                          | 0.25         | 1        |
| 12.0 | Installation of boiler economizer              | 1              | 14,096        | 1,035        | 400             | 331                 | 0                          | 1.21         | 2        |
| 13.0 | New scheme for condensate recovery system      | 0              | 25,377        | 1,878        | 500             | 418                 | 12                         | 1.20         | 2        |
|      | <b>Total</b>                                   | <b>1,146</b>   | <b>75,085</b> | <b>5,536</b> | <b>1,648</b>    | <b>3,227</b>        | <b>13</b>                  | <b>0.51</b>  |          |

# MIEEIP Experience

## Glass Sector

| No | Measure   | Energy savings        |                | CO <sub>2</sub><br>Reduction<br>t/yr | Capital<br>expenditure<br>th. RM | Annual<br>cost<br>th.RM | Payback<br>time<br>yr |
|----|---|-----------------------|----------------|--------------------------------------|----------------------------------|-------------------------|-----------------------|
|    |   | Electricity<br>MWh/yr | Fuels<br>GJ/yr |                                      |                                  |                         |                       |
|    | <b>Measures on the production side</b>                        |                       |                |                                      |                                  |                         |                       |
| 1  | Increase of cullet portion in the batch                       |                       | 3,533          | 258                                  |                                  | 59                      | 0                     |
| 2  | Batch preheating*   |                       | 16,958         | 1,238                                | 1,200                            | 232                     | 5.2                   |
| 3  | Reduction in production losses                                | 473                   | 9,624          | 1015                                 | 50                               | 267                     | 0.2                   |
| 4  | Reduce excess air to furnace and maintain regular control     |                       | 2,675          | 192                                  | 10                               | 50                      | 0.2                   |
| 5  | Process control saves energy and raw materials                |                       | 1,683          | 121                                  | 114                              | 64                      | 1.8                   |
| 6  | Improving annealing equipment                                 | 312                   |                | 215                                  | 150                              | 59                      | 2.6                   |
|    | <b>Measures on the supply side</b>                            |                       |                |                                      |                                  |                         |                       |
| 7  | Monitoring & Targeting system                                 | 167                   | 5,101          | 480                                  | 400                              | 79                      | 5.1                   |
| 8  | Implement compressed air leakage repair and awareness program | 233                   |                | 160                                  | 0                                | 44                      | 0                     |
| 9  | Improve lighting housekeeping                                 | 11                    |                | 8                                    | 0                                | 2                       | 0                     |
|    | <b>Total</b>  | <b>1,196</b>          | <b>39,574</b>  | <b>3,685</b>                         | <b>1,924</b>                     | <b>854</b>              | <b>2.3</b>            |

# MIEEIP Experience

## Steel Sector

| No | Measure   | Energy savings     |               | CO2 Reduction t/yr | Capital expenditure th.RM | Annual cost saving th.RM | Payback time yr | Priority |
|----|---|--------------------|---------------|--------------------|---------------------------|--------------------------|-----------------|----------|
|    |   | Electricity MWh/yr | Fuels GJ/yr   |                    |                           |                          |                 |          |
|    | <b>Energy saving measures at SM2-Steel making plant</b>     |                    |               |                    |                           |                          |                 |          |
| 1  | SM2 compressor control adjustment                           | 189                |               | 130                |                           | 33                       |                 | 2        |
| 2  | SM2-inlet air cooler installation                           | 309                |               | 212                | 30                        | 54                       | 0,6             | 2        |
|    | <b>Energy saving measures at RM1-rolling mill</b>           |                    |               |                    |                           |                          |                 |          |
| 3  | RM1-Cooling water flow reduction                            | 169                |               | 116                |                           | 30                       |                 | 2        |
|    | <b>Energy saving measures at RM1-compressed air</b>         |                    |               |                    |                           |                          |                 |          |
| 4  | RM1-RF furnace and rolling mill air systems interconnection | 308                |               | 212                |                           | 54                       | 1               |          |
| 5  | RM1 compressed air pressure reduction                       | 24                 |               | 16                 |                           | 4                        |                 | 3        |
| 6  | RM1-Repair of compressed air leakages                       | 74                 |               | 51                 |                           | 13                       |                 | 3        |
| 7  | RM1-inlet air cooler installation                           | 29                 |               | 20                 | 15                        | 5                        | 2,9             | 3        |
|    | <b>Energy saving measures at RM1-reheting furnace</b>       |                    |               |                    |                           |                          |                 |          |
| 8  | RM1RF-Furnace outlet door repair and adjustment             |                    | 7 922         | 578                |                           | 88                       | 1               |          |
| 9  | RM1RF-Lower combustion air excess resetting                 |                    | 11 960        | 873                | 100                       | 132                      | 0,8             | 1        |
| 10 | RM1RF two -stage recuperator installation                   |                    | 19 223        | 1 403              | 400                       | 213                      | 1,9             | 3        |
|    | <b>Energy saving measures at RM2-quenching system</b>       |                    |               |                    |                           |                          |                 |          |
| 11 | RM2 Steel quenching pumps VSD                               | 2 292              |               | 1 574              | 250                       | 403                      | 0,6             | 1        |
| 12 | RM2-cooling water flow reduction                            | 185                |               | 127                |                           | 32                       | 2,4             | 2        |
|    | <b>Energy saving measures at RM2-rolling mill</b>           |                    |               |                    |                           |                          |                 |          |
| 13 | RM2-cooling water flow reduction                            | 185                |               | 127                |                           | 32                       |                 | 2        |
|    | <b>Energy saving measures at RM2-compressed air</b>         |                    |               |                    |                           |                          |                 |          |
| 14 | RM2-Repair of compressed air leakages                       | 243                |               | 167                |                           | 43                       |                 | 3        |
| 15 | RM2-Inlet air cooler installation                           | 85                 |               | 59                 | 20                        | 15                       | 1,3             | 3        |
| 16 | RM2-Compressor control                                      | 1 120              |               | 769                | 15                        | 197                      | 0,1             | 1        |
|    | <b>Energy saving measures at RM2-reheting furnace</b>       |                    |               |                    |                           |                          |                 |          |
| 17 | RM2RF Combustion air fan variable speed control             | 120                |               | 82                 | 60                        | 21                       | 2,8             | 3        |
| 18 | RM2- Furnace door adjustment                                |                    | 7 110         | 519                |                           | 79                       | 1               |          |
| 19 | RM2RF-Combustion air excess immediate reduction             |                    | 2 337         | 171                |                           | 26                       |                 | 2        |
| 20 | RM2RF-Fuel atomization at upper and soaking zone            |                    | 1 846         | 135                | 20                        | 20                       | 1,0             | 3        |
| 21 | RM2RF Lower zone burners refurbishment                      |                    | 2 325         | 170                | 50                        | 26                       | 1,9             | 3        |
| 22 | RM2RF Flue gas utilization in heat recovery steam boiler    |                    | 37 966        | 2 772              | 500                       | 420                      | 1,2             | 1        |
| 23 | RM2RF recuperator pipe temperature control                  |                    | 3 020         | 220                | 5                         | 33                       | 0,1             | 2        |
|    | <b>Energy saving measures at boiler rooms</b>               |                    |               |                    |                           |                          |                 |          |
| 24 | Boiler RMD1259 excess air reduction                         |                    | 215           | 17                 |                           | 2                        |                 | none     |
|    | <b>Other energy saving measures</b>                         |                    |               |                    |                           |                          |                 |          |
| 25 | RM1 & RM2 Compressors predictive maintenance                | 126                |               | 86                 |                           | 22                       |                 | 2        |
| 26 | SM2 cleaning of the compressor 1st. stage blading           | 171                |               | 118                | 25                        | 30                       | 0,8             | 2        |
|    | <b>Total</b>  | <b>5 479</b>       | <b>93 925</b> | <b>10 622</b>      | <b>1 505</b>              | <b>2 003</b>             |                 |          |

Kriterium used for priority evaluation (1-high, 2-middle, 3-lower) was net cost saving within 2 years.

0-Detail

# MIEEIP Experience

## Pulp & Paper Sector

| No           | Measure                      | Energy savings        |                | CO2<br>Reduction<br>t/yr | Capital<br>expenditure<br>th. RM | Annual<br>cost savings<br>th.RM | Payback<br>time<br>yr |
|--------------|------------------------------|-----------------------|----------------|--------------------------|----------------------------------|---------------------------------|-----------------------|
|              |                              | Electricity<br>MWh/yr | Fuels<br>GJ/yr |                          |                                  |                                 |                       |
|              | <b>No cost measures:</b>     |                       |                |                          |                                  |                                 |                       |
| 1            | Power shut down at night     | 171                   | -              | 118                      | -                                | 44                              | -                     |
| 2            | Air Compressor leaks         | 157                   | -              | 108                      | -                                | 40                              | -                     |
|              | Change compressor operation  | 15                    |                | 10                       |                                  | 4                               |                       |
| 3            | Compr.+Dryer shut off        | 104                   | -              | 72                       | -                                | 27                              | -                     |
| 4            | Boiler readjust              | -                     | 767            | 56                       | -                                | 14                              | -                     |
| 5            | Reduce Boiler blowdown       | -                     | 100            | 7                        | -                                | 2                               | -                     |
| 6            | Repair steam leaks           | -                     | 2165           | 160                      | -                                | 45                              | -                     |
|              | <b>Low cost measures:</b>    |                       |                |                          |                                  |                                 |                       |
| 7            | Replace pneumatic pumps      | 24                    | -              | 16                       | 3                                | 6                               | 0.5                   |
| 8            | Insulate boiler + condensate | -                     | 3503           | 256                      | 7                                | 73                              | 0.1                   |
| 9            | Insulate piping to the WWD   | -                     | 2291           | 170                      | 50                               | 48                              | 1.0                   |
| 10           | Pump condensate from WWD     | -                     | 1409           | 104                      | 25                               | 29                              | 0.8                   |
| <b>Total</b> |                              | <b>471</b>            | <b>10,235</b>  | <b>1,077</b>             | <b>85</b>                        | <b>333</b>                      |                       |

# MIEEP Experience

## Rubber Sector

| No       | Measure                            | Energy Savings        |                | CO <sub>2</sub><br>Reduction<br>t/yr | Capital<br>Expenditures<br>th. RM | Annual<br>Cost savings<br>th. RM/yr | Payback<br>time<br>yr |
|----------|------------------------------------|-----------------------|----------------|--------------------------------------|-----------------------------------|-------------------------------------|-----------------------|
|          |                                    | Electricity<br>MWh/yr | Fuels<br>GJ/yr |                                      |                                   |                                     |                       |
| <b>1</b> | <b>Thermo oil heaters</b>          |                       |                |                                      |                                   |                                     |                       |
| 1.1      | Readjustment of burners            |                       | 14,765         | 1,093                                | 0                                 | 248.6                               | -                     |
| 1.2      | Flue gas heat recovery             |                       | 7,734          | 572                                  | 100                               | 43.4                                | 2.3                   |
| <b>2</b> | <b>Waste water treatment</b>       |                       |                |                                      |                                   |                                     |                       |
| 2.1      | Reduce air intake                  | 144.3                 |                | 98                                   | 13                                | 25.2                                | 0.5                   |
| <b>3</b> | <b>Compressed air system</b>       |                       |                |                                      |                                   |                                     |                       |
| 3.1      | Reduce pressure                    | 97.9                  |                | 67                                   | 8                                 | 17.1                                | 0.5                   |
| <b>4</b> | <b>Preparation activities</b>      |                       |                |                                      |                                   |                                     |                       |
| 4.1      | Reduce agitation in active vessel  | 45.4                  |                | 31                                   | 1                                 | 7.9                                 | 0.1                   |
| 4.2      | Conduct grinding in off peak times |                       |                |                                      | 0                                 | 2.3                                 | -                     |
| 4.3      | Shift homogenation to night shift  |                       |                |                                      | 0                                 | 3.3                                 | -                     |
| <b>5</b> | <b>Leeching bath</b>               |                       |                |                                      |                                   |                                     |                       |
| 5.1      | Reduce Waterflow                   |                       | 3,867          | 286                                  | 0                                 | 65.1                                | -                     |
| 5.2      | Cover bath                         |                       | 241            | 18                                   | 3                                 | 4.1                                 | 0.7                   |
| <b>6</b> | <b>LPG shock heating</b>           |                       |                |                                      |                                   |                                     |                       |
| 6.1      | Divide LPG-burner head             |                       | 304.9          | 20                                   | 8                                 | 7.3                                 | 1.1                   |
|          | <b>Total</b>                       | <b>288</b>            | <b>26,912</b>  | <b>2,185</b>                         | <b>133</b>                        | <b>424</b>                          |                       |

# MIEEIP Experience

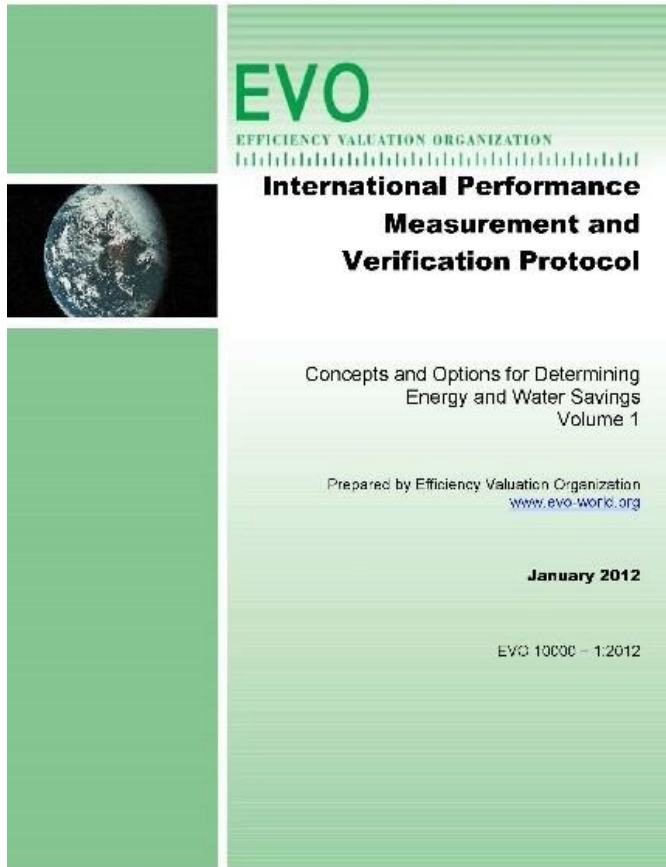
## Wood Sector

| No           | Measure   | Energy Savings        |                  | CO <sub>2</sub><br>Reduction<br>t/yr | Capital<br>Expenditures<br>th.RM | Annual<br>Cost savings<br>th.RM/yr | Payback<br>time<br>yr |
|--------------|---|-----------------------|------------------|--------------------------------------|----------------------------------|------------------------------------|-----------------------|
|              |   | Electricity<br>MWh/yr | Fuels<br>GJ/yr   |                                      |                                  |                                    |                       |
| <b>1</b>     | <b>Log yard</b>                                 |                       |                  |                                      |                                  |                                    |                       |
| 1.1          | Reduce moisture content of logs                 | -                     | 13,035.3         | 1,017                                | 270                              | 213                                | 1.3                   |
| <b>2</b>     | <b>Chip-dryer</b>                               |                       |                  |                                      |                                  |                                    |                       |
| 2.1          | Replacement of the dust-burner *)               |                       | 64,882.0         | 5,061                                | 1,000                            | 1,063                              | 0.9                   |
|              |   |                       |                  | -                                    |                                  |                                    |                       |
| <b>3</b>     | <b>Thermal oil heat supply</b>                  |                       |                  |                                      |                                  |                                    |                       |
| 3.1          | Retrofit economizer of the heater               |                       | 3,085.7          | 225                                  | 55                               | 51                                 | 1.1                   |
| 3.2          | Replacement of the oil fired heater*)           |                       | 37,385.5         | 2,729                                | 1,700                            | 440                                | 3.9                   |
| <b>4</b>     | <b>Compressed air</b>                           |                       |                  |                                      |                                  |                                    |                       |
| 4.1          | Reduce compressed air pressure*)                | 39.6                  |                  | 27                                   | 10                               | 7                                  | 1.5                   |
| <b>5</b>     | <b>Energy management</b>                        |                       |                  |                                      |                                  |                                    |                       |
| 5.1          | Load management*)                               |                       |                  |                                      | 40                               | 26                                 | 1.5                   |
| <b>Total</b> | Low cost option, items: 1.1 , 2.1, 3.1, 4.1 and | <b>39.6</b>           | <b>16,121.0</b>  | <b>1,269</b>                         | <b>375</b>                       | <b>297</b>                         | <b>1.3</b>            |
| <b>Total</b> | High cost option, items 2.1, 3.2, 4.1 and 5.1   | <b>39.6</b>           | <b>102,267.4</b> | <b>7,817</b>                         | <b>2,750</b>                     | <b>1,536</b>                       | <b>1.8</b>            |

\*) no-cost/low-cost measure

\*\*) Measure which has been considered in the evaluation mentioned in Table 0.2-1

# International Performance Measurement and Verification Protocol (IPMVP)



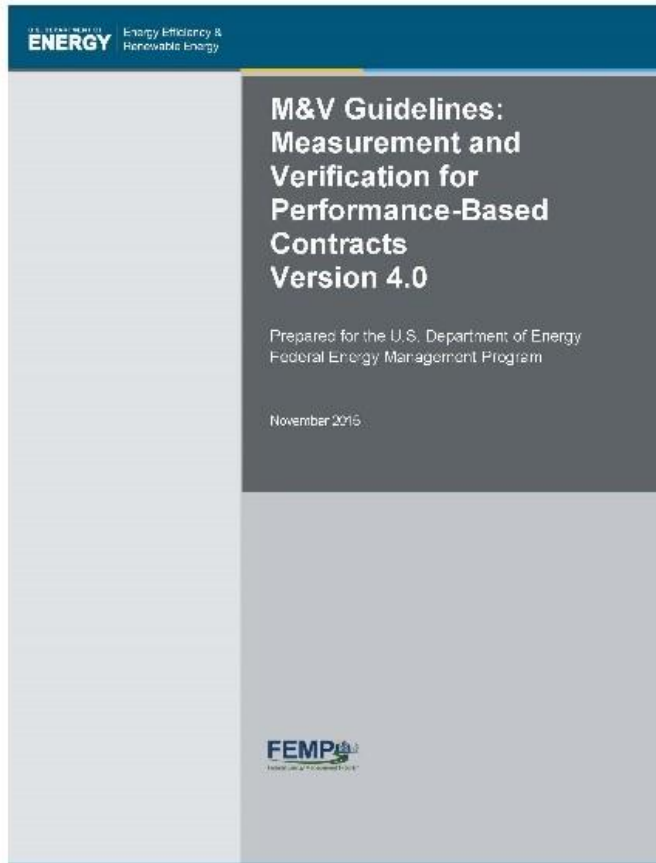
Developed by a volunteer committee under the U.S. DOE in 1994, the first version of this protocol was released in 1996 under the name North American Energy Measurement and Verification Protocol (NEMVP). At the time, investments in energy efficiency were low because of the considerable uncertainty about energy savings.

The different measurement and verification protocols that existed were for the most part inconsistent, which increased doubt about savings computations.

To reduce this uncertainty, an international protocol was established describing the different methods to determine the water or energy savings of an energy efficiency project.

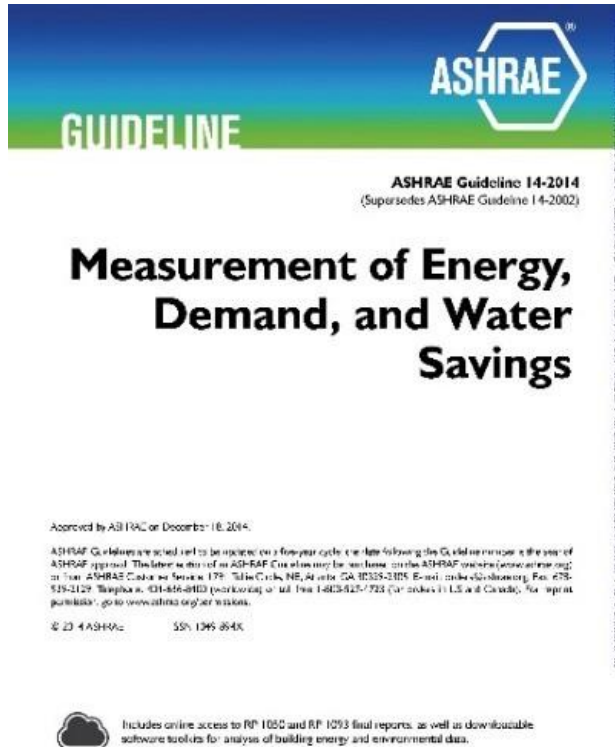
To date, the IPMVP is in its seventh edition, version, translated into more than 11 languages and is distributed for free throughout the world. Since 2001, the committee in charge of the IPMVP has developed into EVO, a not-for-profit organization to improve the protocol's content and promote its use.

# FEMP M&V Guidelines Version 4.0



FEMP M&V Guidelines was developed to provide specific methods and directives for the measurement and verification of energy savings obtained from a performance contract targeting a federal building. It contains procedures and guidelines for quantifying the savings resulting from cogeneration, renewable energy, water conservation and energy efficiency equipment projects. The current is Version 4.0 published in November 2015.

# ASHRAE Guideline 14 - 2014



ASHRAE Guideline 14-2014 provides guidelines for reliably measuring the energy, demand and water savings achieved in conservation projects.

It provides procedures for using measured pre-retrofit and post retrofit billing data (e.g., kWh, kW, others) used for the calculation of energy, demand and water savings. The procedures:

- i) include the determination of energy, demand and water savings from individual facilities or meters;
- ii) apply to all forms of energy, including electricity, gas, oil, district heating/cooling, renewables; and to water and wastewater; and
- iii) encompass all types of facilities: residential, commercial, institutional, and industrial.

## INTERNATIONAL STANDARD

# ISO 50015, 2014 Standard



**Energy management  
systems — Measurement  
and verification of energy  
performance of organizations  
— General principles and  
guidance**

**bsi.**

...making excellence a habit.™

In December of 2014, the International Organization for Standardization (ISO) issued the first edition of ISO 50015:2014. This Standard is labelled Energy management systems - Measurement and verification of energy performance of organizations--General principles and guidelines. ISO 50015 was developed to work in conjunction (or independently) with other standards such as ISO 50001:2012 - Energy management system that outlines the model of improving efforts for quality and environment standards. The new issue, ISO 50015, outlines the framework for measurement and verification of these energy management systems.

ISO 50015 complements the International Performance Measurement and Verification Protocol (IPMVP) although they are not officially linked. This standard sets out to establish a common set of principles and guidelines to be used for the measurement and verification of energy performance.

## LOCAL CERTIFICATION

# ACCREDITED ENERGY MEASUREMENT & VERIFICATION PROFESSIONAL (AEMVP) TRAINING

Organised by :



Supported by :



Date : 02 - 04 April 2019

Venue : PKNS BizPoint, Seksyen 7, Shah Alam, Selangor

12 CPD Points

Fees :

- RM 3500.00 / person (Public / Non members)
- RM 3200.00 / person (MAESCO members)



### Trainer's Profile



Dr. Hassan Bathish is a Chartered Engineer (Institution of Engineers, Australia) and hold an MBA (Technology Management), a Ph.D in Power System Engineering, a M.Sc. in Electrical Drives and Automation of Industrial Plants, and a Certified Measurement & Verification Profession by EVO (USA) with more than 40 years of professional experience. Dr Hassan is a leading energy management trainer with world class expertise in, energy efficiency, monitoring & verification, least cost renewable power generation and Smart Grid applications from feasibility studies to design, installation and commissioning.

| Participant Eligibility  | Training Objectives  | Course Outline   |
|--|--|--|
| <p>Each candidate for AEMVP certification must attend the 2.5 days training of Energy Measurement &amp; Verification training prior to sitting for the AEMVP exam. Each candidate for AEMVP certification must pass the 3-hour written open-book exam as well as meet one of the following criteria:</p> <ul style="list-style-type: none"> <li>4-year degree from an accredited university or college in science, engineering, architecture, business, law, finance or related field, AND 3 years of experience in energy or building or facility management, or energy measurement and verification; OR</li> <li>Registered Professional Engineer or Professional Architect with AND 3 years of verified experience in energy or building or facility management, or energy measurement and verification; OR</li> <li>4-year non-technical degree from an accredited college or university in a field not specified above AND 5 years of verified experience in energy or building or facility management, or energy measurement and verification; OR</li> <li>2 year technical degree AND 5 years of verified experience in energy or building or facility management, or energy measurement and verification; OR</li> <li>10 years of verified experience in energy or building or facility management, or energy measurement and verification; OR</li> <li>Current Status of Registered Electrical Energy Manager (REEM). Current Status of Registered Electrical Energy Manager (REEM).</li> </ul> | <ol style="list-style-type: none"> <li>Raising the technical understanding of Energy Measurement &amp; Verification (EM&amp;V) fundamentals by specialist involved in EM&amp;Vs;</li> <li>Maintaining existing accreditation of existing AEMVPs;</li> <li>Familiarizing with the status of International Measurement and Verification Standards, Guidelines and Protocols widely used globally;</li> <li>Learning how to develop and implement an effective EM&amp;V Plan;</li> <li>Learning on how to decide on the acceptable level of metering accuracy to be used for EM&amp;Vs;</li> <li>Learning how to deal with metering errors, missing or corrupted metering data;</li> <li>Learning how to model energy monitoring data using regression analysis and understanding statistical uncertainty and level of confidence and precision levels in estimating energy savings as per adopted EM&amp;V Plan;</li> <li>Learn how to verify the operations and savings Renewable Energy Systems; and</li> <li>Learning how to adopt the most suitable Energy Measurement &amp; Verification Option that fits your project;</li> <li>Learn how to issue an effective reporting on estimated savings within the agreed precision range.</li> </ol> | <ol style="list-style-type: none"> <li>The Need for Energy Measurement &amp; Verification Standards;</li> <li>Overview of Global Energy M&amp;V Standards, Protocols and Guidelines;</li> <li>Energy Measurement and Verification Principles;</li> <li>Energy Measurement and Verification Plan;</li> <li>M&amp;V Uncertainty and other Critical Issues;</li> <li>Energy M&amp;V Related Data Gathering and Analysis;</li> <li>Adjustments of Energy Baseline;</li> <li>Examples on Using Measurement &amp; Verification Standards;</li> <li>Verification of Renewable Energy System Operations and Savings; and</li> <li>Workshop on How to Select the Energy M&amp;V Option that Fits Your Project.</li> </ol> |

### To Register :

<http://www.maesco.org.my>

MAESCO, 9, Jalan SS7/10, Kelana Jaya, 47301, Petaling Jaya, Selangor

Contact Person: Anuar/ Waty  
Phone: 03-78730784/017-5002161 Fax: 03-78730789 Email: [training@maesco.org.my](mailto:training@maesco.org.my)

# Accredited Measurement & Verification Professional (AEMVP) by MAESCO

**MAESCO**

(Pertubuhan Syarikat Syarikat Perkhidmatan Tenaga Malaysia)  
Malaysia Association of Energy Service Companies

LOCAL CERTIFICATION

# Certified Professional in Measurement and Verification (CPMV) by GreenTech



**100% HRDF Claimable  
(SBL Khas) &  
12 CPD by  
Suruhanjaya Tenaga \***

## CERTIFIED PROFESSIONAL IN MEASUREMENT AND VERIFICATION

Certified Professional in Measurement and Verification (CPMV) is a certification training module that aims to facilitate the end users and energy service company to conduct measurement and verification activities for energy saving programs.

The module covers the fundamental concept of energy savings, available options for Measurement and Verification (M&V) activity, plan, uncertainty and statistics.

### Course Objectives

- Facilitate energy end users to develop proper M&V strategy for their Sustainable Energy Management System (SEMS).
- Provide participants with knowledge and a structured application of reporting energy savings.
- Produce Certified M&V practitioner to verify energy saving projects (upon passing of exam).
- Provide individual capacity building skills.

### Who should attend?

Sustainable Improvement Team, Energy Managers / Energy Consultants, Technical Staff, Energy Service Companies' staff, Energy Management Committee Members, Facility Owners, Architect, Trainers & Lecturers.

### Course Outline

- Differentiate characteristics of different M&V options.
- Evaluate and propose the best M&V option that suit objectives of Energy Conservation Measure (ECM) project.
- Develop a proper M&V plan according to standards and protocol.
- Calculate energy savings using cost avoidance and normalized saving techniques.
- Employ basic statistical formula for determining uncertainty in reporting energy savings.
- Perform statistical analysis from the measurement data for quantifying energy savings.
- Express savings with relative precision and confidence level.

**\*Full attendance of programme shall entitle participants to 12 CPD points from Energy Commission (Suruhanjaya Tenaga)**

### Venue

**BANGI RESORT HOTEL  
(Tentative)**

|                        |                   |
|------------------------|-------------------|
| Individual             | : RM 2,650* / pax |
| GTM member/staff       | : RM 2,438* / pax |
| Group of 4 (and above) | : RM 2,438* / pax |

*\*Inclusive 6% SST*

*\*Full payment must be made before the training date*

*\* Closing Date : 6<sup>th</sup> July 2020*

### What to do at our premise

- Temperature scan and contact tracing.
- Wear face mask.
- Use provided hand sanitizers to clean their hands before and after entering premise.
- Social Distance (1 meter).
- Wash hand regularly.

### What not to do at our premise

- No handshaking, hugging, high-fives or touching another person.
- No loitering at premise.
- No utensils sharing.

**MAESCO**  
(Pertubuhan Syarikat Syarikat Perkhidmatan Tenaga Malaysia)  
Malaysia Association of Energy Service Companies



Together we can turn this crisis around

Lend a hand

And Remember

go **RED** to go **GREEN**

Thank You

# -End of Session-

**MAESCO**

(Pertubuhan Syarikat Syarikat Perkhidmatan Tenaga Malaysia)  
Malaysia Association of Energy Service Companies

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