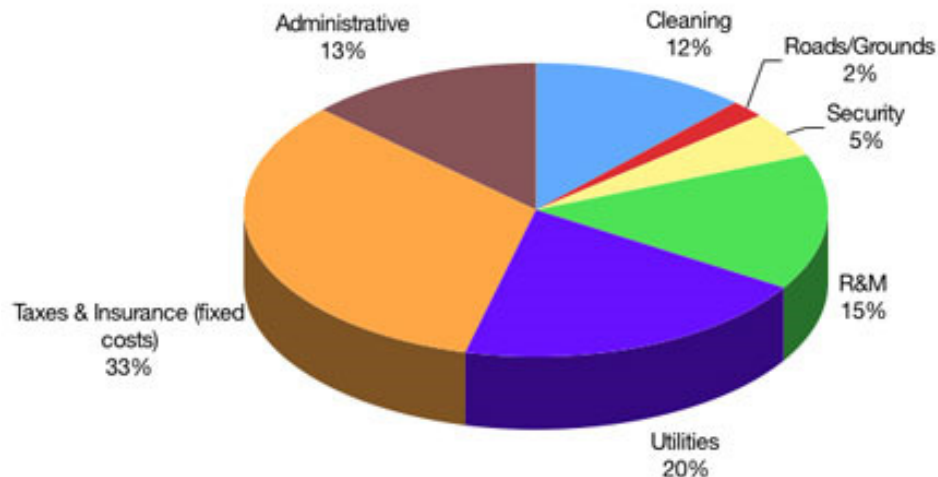


How to Reduce Your Energy Costs

As the chart on this pages shows, energy costs represents approximately 20% of a building's operating costs.



With increasing electricity prices and volatile natural gas prices, energy costs are becoming an increasing part of the costs of owning and running a building. As a result, managing a building's energy has become an important issue for many building owners and property managers.

Energy management can mean different things to different people. However, Energy Management can simply be defined as: "Effective use of energy to minimize costs, maximize profits, and improve competitive position." This broad definition can cover many areas such as:

- Choice of energy (e.g. natural gas or electricity)
- Energy procurement strategy and selection of energy supplier
- Rate analysis
- System design
- Equipment selection
- System and equipment operation

- System and equipment maintenance

Energy management should be viewed as a whole to ensure that all areas are covered and the overall energy costs of a facility or building are optimized. While the primary goal of energy management is to reduce energy costs and maximize profits, it also has other benefits. These benefits include:

- Improved energy efficiency, which reduces energy use and operating costs.
- Improved monitoring and reporting, which helps identify unusual changes in energy use.
- Improved equipment and system reliability, through regular maintenance programs.
- Increased equipment life expectancy, due to better operations and maintenance.
- Reduced emissions, which reduces contribution to global warming.
- Businesses will generally take on activities that are cost effective. The net profit or cost reduction resulting from the activity must be greater than the cost of the activity. Energy management activities have proven that they are cost effective.

Energy cost savings of 5-15% can usually be achieved with little or no capital costs. Savings of 20-30% are common and savings of 40% or more have been achieved through implementation of aggressive energy management measures. As the carbon tax increases over the next few years, energy management activities can result in greater savings.

While each building's energy use may be significantly different from the average energy use of buildings of the same category, it is helpful to know how a building's energy use compares to the average building. This comparison can help identify areas that need improvement or areas that are more efficient than other buildings. It is also helpful to know how much of the overall energy costs of a building are associated with systems such as space heating, space cooling, water heating, lighting, etc.

In general, the areas with the largest consumption represent the areas with the greatest potential for energy savings and should be examined first.

To develop and maintain a successful energy management program, building owners and property managers should consider a single qualified person who is responsible for



the overall program. This individual can analyze the overall energy use of a building and manage the implementation of activities that have the greatest impact on overall energy costs. This will ensure that activities are not implemented in isolation and without an understanding of their impact on the overall energy costs of the building. It will also help building owners and property managers achieve greater return on their investment.

Contact us for a free no obligation assessment of how we can help you save money and improve your bottom line by effectively managing your energy costs.

Energitix Management & Consulting Corporation

e-mail: info@energitix.com

Phone: +1-604-873-9115