

Financial Energy Management Matrix

	Identifying Opportunities	Exploiting Opportunities	Management Information	Appraisal Methods	Human Resources	Project Funding
4	Detailed energy surveys are regularly updated. A list of high and low cost opportunities already fully costed and ready to proceed immediately.	Formal requirement to identify the most energy efficient option in all new build, refurbishment and plant replacement projects. Decisions made on basis of life-cycle costs.	Full management information system enabling identification of past savings and continuous opportunities for investment meeting organisation's financial parameters.	Full discounting methods using internal rates of return and ranking priority projects as part of an ongoing investment strategy.	Board take a proactive approach to a long-term investment programme as part of a detailed environmental strategy in full support of Energy Manager and team.	Projects compete equally for funding with other core business investment opportunities. Full account taken of benefits which do not have direct cost benefit, eg marketing opportunities, improved working conditions.
3	Energy surveys conducted by experienced staff or consultants in buildings likely to yield largest savings.	Energy staff are required to comment on all new build, refurbishment and plant replacement projects. Energy efficiency options often approved, but no account is taken of life-cycle costs.	Promising proposals get presented to decision makers, but insufficient information (eg for sensitivity analysis) results in delays and rejections.	Discounting methods using the organisation's specified discount rates.	Energy Manager working well with accounts/finance to present well argued cases to decision makers.	Projects compete for funding from capital budget along with other business opportunities, but have to meet more stringent requirements for return on investment.
2	Regular energy monitoring/analysis identifies possible areas for saving.	Energy staff are notified of project proposals which have obvious energy implications. Proposals for most energy efficient solutions vulnerable when capital costs need to be reduced.	Adequate management information available, but not in correct format or easily accessed in support of energy saving projects.	Undiscounted appraisal methods used, eg gross return on capital.	Occasional proposals to decision makers by Energy Manager with limited success and only marginal interest from decision makers.	Energy projects not normally considered for funding from capital budget, except when very short-term returns are evident.
1	Informal, ad hoc energy walkabouts conducted by staff with checklists in the hope of identifying energy saving measures.	Energy staff use informal contacts to identify projects where energy efficiency can be improved at marginal cost. Proposals routinely rejected to reduce capital cost.	Insufficient information to demonstrate whether previous investment in energy efficiency has been worthwhile.	Simple payback criteria is applied.	Responsibility unclear and those involved lack time, expertise and resources to identify projects and prepare proposals.	Funding only available from revenue on low risk projects with paybacks less than one year.
0	No mechanism/resources to identify energy saving opportunities.	Energy efficiency not considered in new build, refurbishment and plant replacement decisions.	Little or no information available to develop a case for funding.	No method used irrespective of the attractiveness of project.	No one in organisation promoting investment in energy efficiency.	No funding available for energy projects. No funding in the past.