

Why We're Investing in Energy Efficiency Sector

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About this update

This dated news record has been reorganised for clear reading and connected to current guidance.

Publication date: October 17, 2013.

Status note: Present-tense statements, market figures, deadlines and program details in the archived record belong to its publication date. Check current official sources before making a decision.

What this article reported

> This pretty much says it all. We're big believes in Energy Efficiency as one of the key ways for us to move toward a low carbon & sustainable economy. > > Energy Efficiency a 'Hidden fuel' worth hundreds of billions: IEA's new energy focus"

<http://reneweconomy.com.au/2013/hidden-fuel-worth-hundreds-of-billions-ieas-new-energy-focus-27544>

Energy Efficiency

How to use this information now

For current use, confirm the applicable scheme rules, regulator notices, market date and reporting period. Keep historical prices or forecasts separate from present quotes and verified outcomes.

Separate source-reported facts from forecasts, targets and commentary. For a current project, retain the official source, version, effective date, assumptions and decision record in the evidence file.

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Why does Northmore Gordon say it is investing in the energy efficiency sector?

We believe energy efficiency is one of the key ways to move toward a low carbon and sustainable economy. The organization cites a RenewEconomy article titled 'Energy Efficiency a "Hidden fuel" worth hundreds of billions: IEA's new energy focus,' reflecting the International Energy Agency's recognition that efficiency represents a major but underutilized lever for energy security and emissions reduction. This investment aligns our consulting and advisory services with the emerging understanding that efficiency improvements offer immediate, measurable returns while supporting broader decarbonization and climate goals.

What financial benefits can energy efficiency investments provide to businesses?

Energy efficiency investments reduce operational costs by lowering energy consumption and demand, generating measurable financial returns through reduced bills and avoided equipment maintenance. Organizations can achieve attractive payback periods and returns on investment that improve profitability and cash flow. We support these outcomes through energy audits, feasibility studies and investment case development that quantify savings separately from other benefits, compare alternatives using consistent cost and operating assumptions, and track capital expenditure, operating savings, certificate proceeds and emissions outcomes independently to ensure decisions rest on credible financial analysis.

How can energy efficiency improve a company's competitiveness?

By managing energy as a production input similar to materials or labor, businesses can optimize operations and gain competitive advantages, particularly in energy-intensive sectors like manufacturing and food and beverage production. Energy efficiency combines technical improvements with operational discipline: reducing waste, controlling peak demand, improving equipment maintenance and integrating processes can lower unit costs and protect production quality. Our delivery approach connects engineering assessment with implementation and ongoing performance monitoring, helping organizations align energy management with production requirements and business strategy rather than treating efficiency as an isolated cost-reduction exercise.

What role does energy efficiency play in decarbonization and net-zero strategies?

Energy efficiency is foundational to decarbonization because reducing energy consumption directly lowers carbon emissions and supports progress toward net-zero goals. Efficiency improvements can be implemented immediately, generating both cost and emissions benefits without awaiting technology breakthroughs or energy market transformation. We connect efficiency work with broader carbon advisory services, including emissions inventories, transition planning, renewable energy procurement, and environmental certificate support. This integration allows organizations to establish baselines, prioritize opportunities, track progress and align capital investments with both financial and sustainability objectives within a comprehensive framework.

What types of organizations does Northmore Gordon serve in the energy efficiency sector?

We serve industrial businesses, commercial buildings, utilities and water corporations. In industrial and manufacturing settings, the focus is on investigating production-related energy consumption, optimizing systems like compressed air and refrigeration, and evaluating process heat and electrification opportunities. In commercial buildings, we address split-incentive issues between owners and tenants while maintaining operational performance. For utilities and water services, we combine pumping and treatment optimization with carbon management and strategic reporting support. Each sector requires different investigation frameworks, measurement approaches and funding pathways, which the organization's sectoral guidance and case studies help address.

How does Northmore Gordon approach building an investment case for energy efficiency projects?

Our investment case guidance establishes the business problem and required operational result before presenting financial metrics. It recommends using identical operating requirements, price assumptions and analysis periods across alternative scenarios; keeping benefit lines separate (energy reduction, tariff effects, maintenance and certificate proceeds); and distinguishing replacement expenditure from incremental improvement costs. We help organizations compare options transparently, show how results change under plausible variations in operating hours and energy prices, and state the decision being requested with unresolved assumptions and their owners clearly named. This approach produces early-stage cases that rest on verifiable inputs rather than precise-looking returns built from unproven estimates.

What measurement and verification support does Northmore Gordon offer for efficiency projects?

We provide measurement and verification services including project-boundary selection, baseline modelling, savings calculation and reporting. We recognize that two electricity bills are insufficient evidence because consumption changes can result from production variations, weather, operating hours or prices rather than equipment improvements. M&V services define the period, operating variables and data quality needed to isolate the equipment effect from confounding factors, establish the counterfactual consumption that would have occurred without the intervention, and quantify verified savings. This work supports internal performance tracking, investment contracts, reporting obligations and environmental certificate schemes, each with different evidence and method requirements.

How can funding and certificates be incorporated into energy efficiency business cases?

We advise presenting energy efficiency projects with and without conditional funding contributions so management understands the full decision context. Grants, certificates and financing arrangements should be assessed separately rather than assumed to work together. For certificate support, we evaluate activity eligibility, evidence requirements, quantity and commercial terms before treating proceeds as committed. Organizations should prepare a funding status register tracking each programme's round, deadline, application status and next action, distinguishing assessed, applied, approved and paid. This approach makes investment decisions resilient to funding delays or changes while keeping the project's operating merits visible alongside financial support options.

What common challenges does Northmore Gordon address when organizations investigate energy efficiency?

Organizations frequently lack clarity on where to investigate, whether an audit is a commitment to install equipment, how to compare alternatives fairly, and what timing matters for funding schemes. Our guidance recommends choosing audit depth by the real decision being made—finding waste, ranking investments or examining a system before replacement—rather than commissioning the largest report. We emphasize that audits identify opportunities; procurement, feasibility, implementation and verification are separate decisions. For comparisons, consistent price and operating assumptions across options are essential. For timing, raising measurement and funding questions while projects are still being scoped preserves evidence and eligibility options, while silent changes to project dates or records should be avoided and honestly assessed against actual scheme requirements.

What ongoing support does Northmore Gordon provide after energy efficiency projects are implemented?

Our delivery approach includes a "Perform" stage encompassing reporting, energy management system development, performance reviews and multi-site expansion planning. Organizations need to assign ownership to energy decisions, maintain an opportunity register tracking opportunities through assessment and implementation stages, and review performance using measures that support actual decisions rather than generic metrics. Recommended review rhythms include routine operational checks for data gaps and equipment anomalies, monthly energy reviews of consumption and cost alongside operating context, project reviews of commissioning quality and outcomes, and periodic management reviews of priorities and resources. This ongoing discipline separates efficiency improvements from unexpected deterioration, closes loops when results differ from forecasts, and positions organizations to identify and act on emerging opportunities.