

5 Step Procurement Strategy

Energy management can be complex and time consuming. There is an abundance of information available which in many cases only complicates the issue. Digren Energy is an independent Irish owned energy consultancy practice who's objective is to help you implement an energy plan for your organisation.

What is the difference between energy management and energy awareness?

Energy Awareness is simply applying a common sense strategy to energy – turning off lights and equipment that are not needed. Energy management is assessing all your energy requirements and implementing an energy plan to allow you to control your energy, to reduce consumption where possible and ultimately to eliminate energy wastage.

Where do I start?

In putting together an energy management plan the first place to start is to examine the rates you are currently on. Most providers and brokers focus on your unit rate when providing you with contractual quotes. However, the unit rate is not what you pay. What you pay is the total cost on your bill divided by your consumption (kWh) for that month. That real figure is significantly higher than the unit rate quoted. The reason for this is simple – the provider is only responsible for the rate. All of the other charges are from networks or are government set.



What makes Digren different

Procurement only works effectively when you examine all of the aspects involved in the billing process – provider, networks and governmental. These then need to be assessed in conjunction with your historical consumption data. In simple terms, we break procurement down into 5 simple steps.

1 Tendering of seasonal rates

Here we look at the rates available from the different providers. We look at the summer and winter rate as well as the night and day rate. We profile this through the Digren Energy algorithm in conjunction with your previous 12 months consumption to establish if the proposed rates work for you. We engage with different providers to find the one best suited to your business.

2 Meter Profiling

We carry out a full analysis of your existing meter profile and assess if changes are needed. Using the Digren Energy algorithm we prepare a report for you outlining any proposed changes and how they would impact your bottom line.

3 Tariff Optimisation

As with the meter profiling we carry out a full assessment and present the results for you to see. Being on an incorrect Tariff adds significantly to your costs.

4 PSO Levy adjustment

The PSO levy is a controlled cost and is applied the same for each provider. This charge cannot be changed. However, it is calculated on consumption with set rates for different tariffs. If through the tariff optimisation we have made changes then we ensure these are passed on by adjusting the PSO levy to reflect the amended tariff.

5 Hedging Options

This applies to any of our large energy user clients. Gas dictates the cost electricity in Ireland. We monitor gas prices daily and provide support and advice to our clients. We can hedge the market with blocks of power adding additional savings. Our policy in regard to hedging is conservative and we have a clear understanding of what our client wants or expects to achieve.



Why don't other brokers or providers do this?

The providers have to focus on the rates only as this is their area of expertise. They have to assume that all other aspects of a client's supply are in order. Brokers generally only resell rates for providers and do not carry out analysis for clients. Also, it takes a lot of time and effort to coordinate this data and brokers and providers generally want a quick turnaround. At Digren Energy our objective is to develop a long-term relationship beyond procurement into energy management.

