Building a case for investing in change

Most businesses and organisations run on tight margins, with many demands on their discretionary dollar.

Energy efficiency measures need watertight business cases to compete with other management priorities, particularly when they could involve major investment.

Proving benefits and providing evidence

A business case explains the benefits of a proposed project, and should present robust evidence to support its case. Financial benefits are important, but co-benefits like compliance, waste reduction, quality improvements, and safety are often equally valuable.

A feasibility study provides evidence for the business case. It should be conducted objectively and impartially, and should fully test the proposal or range of options given in a business case. If evidence reveals minimal benefits, or a better solution, a feasibility study allows you to change direction before significant investment is made.

How you’ll benefit from businesses cases and feasibility studies

These measures can help you:

• make the right decisions and avoid waste
• objectively outline proposed alternatives and prioritise
• provide all the necessary information to make the job of the decision maker easy, including costs, implications, benefits and risks.

The kind of projects this programme suits

Both industrial and commercial projects are eligible. These projects can involve any technology or process that has the potential for energy efficiency or renewable energy use.

Examples of the types of projects eligible:

• installation of a more efficient compressed air system or boiler and process heat system in a manufacturing plant
• upgrade of heating for industrial and commercial facilities, such as processing plants and hospitals
• conversion or replacement of fossil fuel heating with renewable fuel heating.
How EECA BUSINESS can help you

Our Feasibility Studies and Business Cases programme supports businesses considering investment in a project that has the potential for energy efficiency or renewable energy use. We offer access to technical experts, practical advice, and financial assistance.

Our account managers and Programme Partners can help with all areas of energy management, including developing plans to ensure continuous improvement.

Factors we consider for you to be eligible for this programme

- Senior management commitment, as this is crucial to the success of most energy saving projects
- Demonstration that the scope of the study has been defined following reasonable exploration of viable solutions
- Feasibility studies and business cases undertaken by a suitably qualified consultant without vested interest in any equipment involved in the project concerned
- Feasibility studies satisfy your business criteria and outline the correct discount rate, details of potential savings, and payback period
- Market-competitive cost quotation for the study
- Projects that show financial benefits and energy savings for the entire business, not just one department
- Likelihood of energy efficiency or fuel switching opportunities identified in the business case or feasibility study being implemented.

EECA BUSINESS funding and eligibility

You may be eligible for financial support if you spend more than $500,000 per year on energy, or have a highly replicable project.

Energy efficiency is good for business.

A well written business case is important in gaining management support and the funding needed to implement energy efficiency projects.

Silver Fern Farms Te Aroha

In December 2010, a substantial fire badly damaged the processing building at Silver Fern Farm’s beef processing plant in Te Aroha. During the plant rebuild Silver Fern Farms took the opportunity to invest in energy efficiency best practice to maximise heat recovery where economically feasible. Recovering heat from the refrigeration plant and high pressure wash-down systems has reduced fuel consumption by 33% and energy spend by $127,000 per year.