



# **ENERGY AUDIT OVERVIEW**

RA 11825 EEC Regulation and Energy Management Awareness - YEAR 2024

### **INTRODUCTION**

ENERGY AUDIT OVERVIEW



"You can't improve what you don't measure."

#### WHAT IS ENERGY AUDIT



# WHAT IS ENERGY AUDIT?

ENERGY AUDIT OVERVIEW

An *energy audit* is basically a technique used to establish the patterns of energy use, identifying how and where losses are occurring and suggest measures for enhancing energy efficiency with the economic implications.

The overall objective of the energy audit is to review the existing energy consumption practices in the industry, identify key potential energy efficiency and conservation areas and provide detailed recommendations on **energy optimization** and **cost savings.** 

An energy audit is carried out for energy accounting of *electricity, fuels, steam, heat, compressed air and other similar media* leading to suggestions on measures for energy efficiency improvement.



### **BENEFITS**

ENERGY AUDIT OVERVIEW

The **energy costs** are soaring high and if you won't do anything about it then your business and budget will mostly likely be at risk. *How can an energy audit help in this kind of situation?* An investigation will be conducted and determine how you use energy as well as your consumption.

Some key benefits in conducting energy audit:

- 1. Identifying energy-saving opportunities
- 2. Improving energy efficiency
- 3. Identifying safety issues
- 4. Meeting regulatory requirements
- (Republic Act No. 11285 Energy Efficiency and Conservation Act)





Section 32. Fines and Penalties.— The DOE is empowered to impose fines and penalties for any violation of the provisions of this Act, its IRR and other related issuances. The fines and penalties shall range from a minimum of Ten thousand pesos (₱10,000.00) to a maximum of One million pesos (₱1,000,000.00):

# **DOE REQUIREMENTS**

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Republic Act No. 11285 Energy Efficiency and Conservation Act

**Obligations of Designated Establishments (DE):** 

- 1. To submit 3 reports via online using DOE DE portal
- a. AEECR Annual Energy Efficiency and Conservation Report
- b. AEUR Annual Energy Utilization Report by every <u>April 15<sup>th</sup> of the year;</u>
- *c.* <u>Energy audit once every three (3) years,</u> by engaging either a *certified energy auditor* or an *accredited ESCO (*Energy Service Company)

### **NEW TYPES OF DESIGNATED ESTABLISHMENTS (DE)**

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### **NEW DE THRESHOLD AS OF JANUARY 2024**

Classification of Designated Establishments		Dept. Circular No. DC2023-12-0036	Dept. Circular No. DC2023-12-0037	Dept. Circular No. DC2023-12-0038
		Commercial	Industrial	Transport
▦	Other Designated NONE Establishment	50,000 kWh equivalent or below	50,000 kWh equivalent or below	50,000 kWh equivalent or below
	Type 1 Designated Certified Energy	50,001 to 500,000 kWh	50,001 to <b>1,000,000</b>	50,001 to 500,000
	Establishment Manager (CEN	equivalent	<b>kWh</b> equivalent	kWh equivalent
	Type 2 Designated Certified Energy	500,001 to 4,000,000	1,000,001 to <b>8,000,000</b>	500,001 to 4,000,000
	Establishment Manager (CEN	kWh equivalent	<b>kWh</b> equivalent	kWh equivalent
	Type <b>3</b> Designated Certified Energy	4,000,001 kWh	8,000,000 kWh	4,000,001 kWh
	Establishment	equivalent or more	equivalent or more	equivalent or more

#### **ENERGY AUDIT REPORT**

Conditions	DE Type 3	DE Type 2	DE Type 1	Other DEs
Compliant with the submission of AEECR and AEUR and <b>with Level 1</b> Energy Audit Report submitted to the DE Online Submission Portal during the previous compliance period	Level 1 Energy Audit on the next submission then Level 2 Energy Audit on the succeeding compliances		<b>Level 1</b> Energy Audit until further guidance by the DOE	Encouraged, but not required, to conduct a Level 1 Energy Audit
Compliant with the submission of AEECR and AEUR and <b>with Level 2</b> Energy Audit Report submitted to the DE Online Submission Portal during the previous compliance period	Level 2 Energy Audit on the next submission and every succeeding compliance		<b>Level 1</b> Energy Audit until further guidance by the DOE	Encouraged, but not required, to conduct a Level 1 Energy Audit
Compliant with the submission of AEECR and AEUR <b>and with NO</b> Energy Audit Report submitted to the DE Online Submission Portal during the previous compliance period	Level 2 Energy Audit on the next submission and every succeeding compliance		<b>Level 1</b> Energy Audit until further guidance by the DOE	Encouraged, but not required, to conduct a Level 1 Energy Audit
<b>Newly covered entities</b> (those that are consuming less than 100,000 kWh equivalent per year		-	<b>Level 1</b> Energy Audit until further guidance by the DOE	Encouraged, but not required, to conduct a Level 1 Energy Audit
Not compliant with EEC Act during the previous compliance period	Level 2 Energy Audit and every succeeding compliance		<b>Level 1</b> Energy Audit until further guidance by the DOE	Encouraged, but not required, to conduct a Level 1 Energy Audit

### **FINES AND PENALTIES AS OF JANUARY 2024**

Violation	PHP 100,000.00	PHP 500,000.00	PHP 1,000,000.00
Failure to submit their AEECR and AEUR to DOE	1 <sup>st</sup> Offense	2 <sup>nd</sup> Offense	3 <sup>rd</sup> Offense with endorsement to Local Government Units for Administrative Sanctions
Forge, alter, counterfeit, or falsely make any submission for the purpose of compliance	1 <sup>st</sup> Offense	2 <sup>nd</sup> Offense	3 <sup>rd</sup> Offense with endorsement to Local Government Units for Administrative Sanctions
Failure to comply with the obligations under Section 66 of the EEC-IRR	1 <sup>st</sup> Offense	2 <sup>nd</sup> Offense	3 <sup>rd</sup> Offense with endorsement to Local Government Units for Administrative Sanctions
Failure to appoint the proper EE Practitioners	1 <sup>st</sup> Offense	2 <sup>nd</sup> Offense	3 <sup>rd</sup> Offense with endorsement to Local Government Units for Administrative Sanctions
Failure to submit to monitoring, verification, enforcement, and post- evaluation	1 <sup>st</sup> Offense	2 <sup>nd</sup> Offense	3 <sup>rd</sup> Offense with endorsement to Local Government Units for Administrative Sanctions





### **CRIMINAL LIABILITY**

ENERGY AUDIT OVERVIEW

#### Republic Act No. 11285 Energy Efficiency and Conservation Act

Section 33. Criminal Liability.— The responsible officers and employees of any establishment or organization who willfully commits any of the prohibited acts under Section 30 of this Act shall, upon conviction, suffer the penalty of imprisonment of one (1) year to five (5) years, or a fine ranging from a minimum of One hundred thousand pesos (₱100,000.00) to One hundred million pesos (₱100,000,000.00) or twice the amount of costs avoided for noncompliance, whichever is higher, or both, upon the discretion of the court.

Any person who willfully aids or abets the commission of the prohibited acts under Section 30 of this Act, or who causes the commission of such acts by another, shall be liable in the same manner as the principal.

In cases of association, partnership or corporation, the penalty shall be imposed on the partner, president, chief operating officer, chief executive officer, director, or officer responsible for the violation.

#### **TYPES OF ENERGY AUDIT**



 The ASHRAE (American Society of Heating, Refrigeration and Air Conditioning Engineers) guidelines is use as reference for the Audit Process.

Each level of energy audit has different level of activities in determining the possible *energy savings.* 

# **TYPES OF ENERGY AUDIT**

ENERGY AUDIT OVERVIEW

#### Figure 2: Audit Process (ASHRAE Guidelines)

Preliminary Energy Use Analysis	Analysis of Historic Energy Consumption & Cost – Energy Utilization Index
Level I: Walk-Through Analysis	Survey of building to determine low-cost/no-cost measures and capital improvements.
Level II: Energy Survey & Analysis	Detailed building survey, energy analysis and breakdown, capital improvements, savings, and pay- back period.
Level III: Detailed Analysis of Capital Intensive-Modifications	Focus on capital-intensive projects identified in Level II and detailed engineering-works and data gathering.

\*Increasing intensity of man-power, analysis, resources, and investment is required by going from a Level I to Level III Energy Audit. The first step in Energy Audit is <u>analyzing energy</u> <u>consumption patterns</u> and most importantly, determining where improvements can be made.

The **Energy Audit** process can be summarized on a scale of increasing intensity of manpower, analysis, resources, and investment.

#### **TYPES OF ENERGY AUDIT**



# THE ENERGY AUDIT REPORT (LEVEL 1)

ENERGY AUDIT OVERVIEW

### I. Executive Summary

- **II.** Building/Facility Description
- III. Energy Audit Objectives, Scope and Boundaries
- IV. Energy Resource Analysis, Use Breakdown and Energy Balance
- V. Energy Baseline, Use Intensity and Performance Benchmark
- VI. Select Significant Energy User (SEUs) Analysis and Assessment
- **VII.** Potential Improvement and Savings Opportunities

VIII. Energy Management System and Program Assessment

- IX. Regulatory Compliance, Strategic Issues and Business Risk
- X. Other Opportunities

#### **ESCO COMPANY**



# **ADDED VALUE TO CLIENTS**

ENERGY AUDIT OVERVIEW

- 1. Guide the client for their first-time submission of reportorial requirements from DOE.
  - A. AEECR Annual Energy Efficiency and Conservation Report
  - **B.** AEUR Annual Energy Utilization Report
  - C. Energy Audit Level 1 and Level 2
- 2. Giveaway of ISO EnMS Toolkit to help them to get started in implementing the ISO 50001 EnMS Energy Management System (Value = \$300 per toolkit)



### **DOE Certified Energy Auditor:**





CERTIFIED ENERGY AUDITOR

### Engr. Jhonsen Sales, ECE, CEM, CEA, CECO

# DOE Certified Energy Auditor (DOE-CEA-230200200) AEMAS Certified Energy Manager (MN: R-221222-0257)

ASEAN Energy Management Scheme (AEMAS CEM)
Technical Consultant, S.Y. Industrial Corp. (CESS Technology)

Program Consultant, Meralco Power Academy

### Electronics Engineer (RN. 0037652)

Formerly Quality Management and Instrumentation Engineer at Philippine Foremost Milling Corporation (PFMC)

- Former Design Engineer at Emerson Network Power (5 years) and Flextronix Pte Ltd, Singapore (2.5 years)
- Member of Philippine Institute of Energy Management Professionals, Inc. (PIEMPI)
- 13+ years of experience in the instrumentation, control, quality management and energy audit

#### Sample Energy Audit Report = 70+pages



### LIST OF CLIENTS

#### LIST OF SOME OF OUR AUDITED CLIENTS:

- 1. Philippine Resins Industries, Inc.
- (PNOC Industrial Park)
- 2. Mitsumi Philippines Inc. (Mariveles, Bataan)
- 3. Yong Shin Precision Interphils., Inc.
- 4. SMK Electronics (Phils.) Corporation
- 5. Makati Medical Center (MMC)
- 6. Johnson Controls Hitachi Air Conditioning Philippines, Inc. (Subic)
- 7. Petron Corporation JOCASP (NAIA Terminal 2)
- 8. Igloo Supply Chain Philippines, Inc (Cold Storage)



# **THANK YOU**