

# Case Study #02

Voltage Power Optimisation (VPO)<sup>®</sup>



## Financing savings at a cold storage site

**Why it is interesting:** A great example of how **powerPerfect** can help facilitate financing for its clients across a range of different sectors.

Cold storage and logistics is an industry associated with high energy use and high carbon emissions. We have significant experience in this sector and invariably the sites see very good savings.

### Savage Haulage Ltd – temperature controlled storage & logistics

#### Annual Savings

kWh:	263,366
CO <sub>2</sub> kg:	142,639
£:	17,000
ROI:	37 months
NOx kg:	298

#### Don't take our word for it...

*"powerPerfect worked hard to find a solution that suited us financially. The savings are expected to exceed the payments, meaning our powerPerfect installation will actually be a revenue source. The service they offer is second to none."*

Lew Peppercorn, Cold Store Manager



#### Further information

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Pressure during times of economic uncertainty can make 'green' initiatives difficult to justify. But with rising energy prices and the carbon tax on the horizon, there has never been a more appropriate time to look at ways in which to reduce your exposure to these business risks.



Innovative suppliers are finding solutions to help organisations who can't justify the capital required.

When Savage Haulage Ltd. approached us to help curb energy bills in excess of £200,000 a year, we worked with them to find an appropriate financial solution.

#### Approved asset

**powerPerfect** is an 'approved asset' by a number of leading banks and finance companies - this is testament to its build quality, lifecycle and anticipated resale value.

Having received a grant from Rev Active, a local development agency working to reduce business wastage and inefficiency along the A11 corridor in Norfolk, we were able to source the remainder of capital from one of our funding partners.

The variable terms available from **powerPerfect** funding partners means that a solution will be available to suit all. We have the ability to provide funding solutions whether an organisation is looking for an operational or finance/capital lease, short or long repayment terms or to structure repayments in a specific way.

In most cases the aim of structuring finance will be to set repayments below the expected savings to provide a zero cost solution or even to create a positive cash flow.

Three options were made available to Savage Haulage which allowed for varying terms of repayment. The company chose a shorter term lease which repays the loan faster with larger repayments, providing the best value over the long term (Option C).

Unit solution	powerPerfector 650kVA		
Options	A	B	C
pP Solution	£38,844.00	£38,844.00	£38,844.00
Services	£13,782.00	£13,782.00	£13,782.00
Deposit		£2,626.00	£5,262.60
Advance to fund	£52,626.00	£50,000.00	£47,363.40
Term in Years	5	5	4
Payback Months	60	60	48
Required Rentals	£1,298.92	£1,234.10	£1,289.69
Annual Saving	£17,198.00	£17,198.00	£17,198.00
Annual rentals	£15,587.04	£14,809.22	£15,476.29
Difference	£1,610.96	£2,388.78	£1,721.71

The payments have been structured in such a way that the company will still make annual financial savings in excess of £1,700 while the cost of the project is being paid off. At the end of the lease financial savings are expected to rise to around £17,000 a year. These savings will increase as energy prices continue to rise.

The high financial savings are due to the nature of electricity use at Savage Haulage. With a large base load of equipment constantly in operation, the VPO unit is able to make savings for longer than many sites which don't operate through the night. Another feature of the electricity use is that the equipment used for cold storage makes up the majority of the load and this equipment will see strong savings. Chillers and air conditioning are ideal for VPO.

Savage Haulage is changing lanes to a leaner, greener future. Reducing energy use by installing a Voltage Power Optimisation unit means that the company will be better placed to deal with financial and environmental pressures in the future.

## Accurate savings estimate

Our site assessment process draws on our expertise to provide an estimate as to the savings achievable. For Savage Haulage, we estimated that VPO would provide a ten per cent reduction in electricity consumption.

The study involves a desktop analysis of historic electricity use, carrying out an in-depth equipment load analysis and engaging our **powerPerfector** approved installation partners. Each part of the study allows us to refine your investment case so that the individual nature of your site is taken into account.

## Guaranteed savings

From our feasibility study, we provided Savage Haulage with a proposal and a savings figure to base their investment decision on. The information we provide must be accurate as we offer a guarantee on our estimated savings. If the savings promised on a project are not met, **powerPerfector** will make up any financial shortfall. This guarantee removes any risk for the client and reassures them that they will see the financial savings we promise.

## Independent measurement and verification

Such a guarantee is worthless unless the figures on which it is based are independently verified and the method of evaluation is agreed with the client before installation. A system where suppliers prove their own results is open to ambiguity, potentially leaving organisations out of pocket.

If suppliers are to be held to their guarantees and organisations are to see meaningful benefits, then a third party is needed to measure results. Our analysis is carried out by an independent consultancy using cutting edge IPMVP (International Performance, Measurement and Verification Protocol) on all our VPO projects. This gives our clients further peace of mind when selecting **powerPerfector**.

There are a range of case studies and client testimonials available on our website, please visit [www.powerperfector.com](http://www.powerperfector.com) for further information.