

ISO 50001: easier Article 8 compliance, plus energy cost savings

05 December 2016

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Originally published on: <http://blogs.dnvgl.com/energy/iso-50001-easier-article-8-compliance-plus-energy-cost-savings>

Right across Europe, Article 8 of the EU Energy Efficiency Directive 2012/27/EU (also known as ‘Article 8’) now applies. Simply put, from December 5th 2015, businesses with at least either 250 employees – or annual revenues of € 50 million and an annual balance of €43 million – have had to comply with Article 8 in every EU Member State where such businesses have operations.

Old news to many, perhaps. But it’s news with a new twist, and one that will be especially interesting for many businesses.

Because a consensus is fast emerging around the view that ISO 50001 adoption is in fact a smarter, better way of achieving Article 8 compliance.

And, moreover, a way of achieving Article 8 compliance that – if implemented properly – is more likely to deliver on Article 8’s intended energy savings.

Certainly, here at DNV GL, we’ve seen a number of clients achieve genuine energy cost savings through ISO 50001 adoption. And savings that are definitely non-trivial. One client, a refinery, has so far logged energy cost savings of £5 million a year.

What is ISO 50001?

Let’s start at the beginning. Developed by the international organisation for standardisation ISO, in conjunction with national standards bodies, ISO 50001:2011 Energy management systems is an energy management standard.

Dating – as the name implies – from 2011, it is applicable for organisations large and small, in both public and private sectors, in manufacturing and services, in all regions of the world.

As such, its stated objective is to provide those organisations with management strategies to increase their energy efficiency, reduce their costs, and improve their energy performance, giving them a recognised framework for integrating energy performance into their management practices.

All of which is good news, of course.

Goodbye, Article 8

But from an Article 8 perspective, what is especially interesting is that ISO 50001 certification exempts businesses from the need to do a separate 4-yearly energy audit in order to comply with Article 8.

Put another way, adopt ISO 50001 (and have it certified) and there’s no need to worry about Article 8 compliance at all.

Now, there’s no doubt that some companies have approached ISO 50001 adoption as a ‘box ticking’ exercise, perhaps for reasons of corporate social responsibility, to burnish their green credentials with consumer activist groups, or take advantage of financial inducements.

That’s because in some countries, such as Austria, Germany, and France, ISO 50001 compliance has been incentivised through tax breaks. Of these, the French scheme is arguably the most interesting, as it has been brought into being just this year, reflecting the growing body of evidence that ISO 50001 really does help to deliver significant energy savings.

Sustainable savings

That said, our view at DNV GL is that such inducements should not be the prime reason for working towards ISO 50001 status.

They're a welcome bonus – the icing on the cake, as the saying goes – but they shouldn't be the key driver.

And that's because, when implemented properly, ISO 50001 has been shown to be capable of delivering energy savings of 5-10%, and sometimes greater.

It does this by re-shaping an organisation's whole energy culture, changing the way that energy use is monitored, measured, and managed.

And it's this approach to ISO 50001 adoption—focusing on the organisation's energy culture, rather than viewing adoption as a box-ticking exercise—that is the approach to ISO 50001 implementation adopted by DNV GL.

So if you'd like to know more, we'd suggest speaking to us, to see how we can help. Simply pick up the phone, or e-mail us. We're only too happy to talk.
