

10 tips to help your business survive spiralling electricity costs

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All indicators point to 2023 being another year that South Africa will be required to operate in the face of a very challenging energy-constrained environment. Additionally, spiralling energy costs will drive an immediate cashflow crunch for businesses, and surging inflation is going to cause a spending slowdown. It's time to batten down the hatches... and have a plan. Whether this is saving electricity, using it more smartly, or generating their own, SA business has to have a plan now, before the crunch hits.



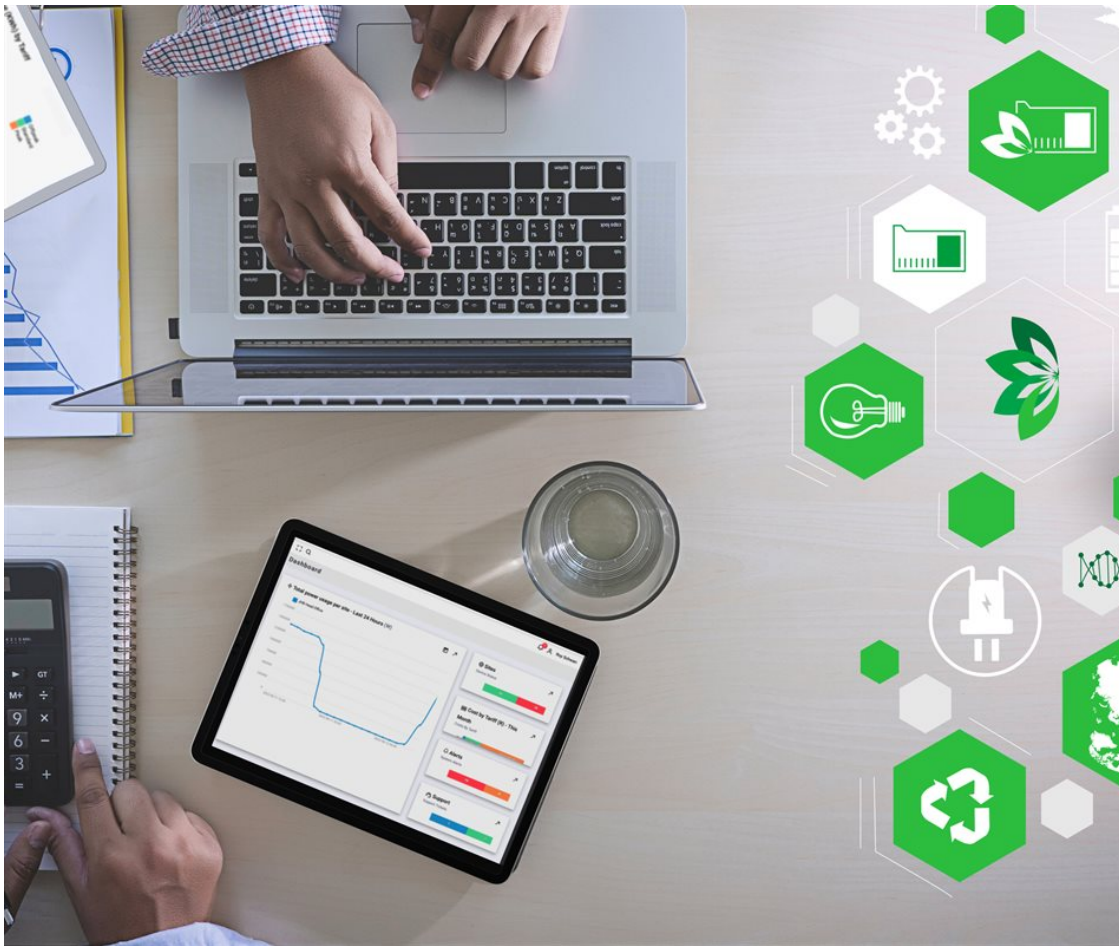
This is according to Roger Hislop, energy management systems executive at [CBI : energy](#), who says, “South Africans are understandably shocked by the unprecedented tariff increases that Nersa has approved, with an 18.65% increase set to take place from April 2023, and another 12.74% confirmed for next year.”

“While this is being couched as ‘only’ 18%, in reality it is a 34% increase in just over a year,” he adds. “This is going to lead to inevitable price increases on everything, driving inflation way past the current 6-7% which is already crippling growth and job creation.”



Hislop points out that, in addition to this, most municipalities with distribution licenses will also add a higher markup, meaning that come the beginning of April, South Africans may expect to see an increase of up to 22% or more on their utility bills, depending on who their local supplier is. “These huge cost increases, together with continued low reliability of energy supply, are going to not only strengthen the case for installing solar and battery storage, but also clearly show that private generation is only half the solution: everyone needs automated energy management and load control systems to reduce wasted consumption and optimise power availability.”

“The only solution in the short term is for both business and residential consumers to use electricity more efficiently, use less of it, and treat it like the scarce resource it has become,” he recommends.



With many businesses facing a financially challenging 2023, Hislop outlines a further ten tips to help them take control of their energy costs:

1. **Understand your bills:** A large number of business owners are unclear on what they're paying for, such as 'time of use' tariffs and Notified Maximum Demand penalties. If you comprehend these, then some simple behaviour changes you make could take 20-30% off your business' electricity bill.
2. **Check your bills:** Install managed smart meters behind your utility meter to confirm you're being billed correctly. You'll also be able to see day by day what your consumption trend is to identify runaway usage before you get a month-end bill-shock.
3. **Measure, measure, measure:** Put managed smart meters on key distribution boards or large loads to understand where your consumption is happening, and when.
4. **Energy design:** Build a simple plan around what parts of your business are energy-critical such as IT infrastructure, production machines, knowledge workers' computers, and communications systems. Consider which areas are your first, second and third priority electricity consumers; this allows you to plan around energy resiliency systems.
5. **Schedule your loads:** Just putting bigger loads on an automated schedule can easily save 10% of bills. Air conditioners, geysers and hydro boils don't need to be on at night. Most office lighting can be switched off too. Basic dumb timers can do the job, although a better option is centrally managed load controllers that let you quickly adapt to changing conditions.
6. **'Just when required':** Don't leave anything running unless it's needed. Install load controllers on your meeting room air conditioners, for example. This, combined with a room occupancy sensor, means you only consume power when necessary.

7. **Manage your physical environment:** Look at your office design and make it more efficient. For example, use less electric lighting and more natural lighting options such as light pipes. You could also put in draught-doors to reduce your heating and cooling costs.

8. **Implement Small-Scale Embedded Generation (SSEG):** In South Africa, SSEG is generally either generator sets or solar PV. Generators are a useful stopgap, but their energy is very expensive per kWh. The price of solar systems is falling, although pent-up demand is keeping costs high, so shop around and make sure that you're talking to an installer with strong credentials and a solid (referenceable) track record.

9. **Apply load management to your SSEG:** By managing your loads using even a basic Building Energy Management system, you can reduce the size of the inverter and batteries you need, while also ensuring that it is not tripped by overloading. You can optimise this when you use energy to "sweat the sun" – in other words, don't waste sunlight by starting the day with full batteries.

10. **Consider the impact of energy security on your business:** Electricity costs come directly off the bottom line, but reduced productivity, damage to equipment or machines and not being reliably open for business all have a more serious negative impact – this must be understood to successfully navigate our energy crisis.

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