



## Save Energy Now LEADER

A Voluntary Pledge for Corporations

### Frequently Asked Questions (February 2011)

The impacts of energy use and growing global pressure on energy supply underscore the urgent need for all sectors of the American economy to reexamine their energy management. Traditionally, U.S. industrial companies have been the innovators and adopters of new and more efficient technology, making them the natural choice to lead the nation toward greater energy security. *Save Energy Now* LEADER Companies are in the vanguard of companies who are aggressively pursuing energy saving opportunities.

#### What is *Save Energy Now*?

*Save Energy Now* is a national initiative to drive a 25% reduction in industrial energy intensity over 10 years. *Save Energy Now* delivers resources to help all companies boost their energy efficiency—no matter where they stand in the energy performance continuum. Through *Save Energy Now*, the Industrial Technologies Program (ITP) within the U.S. Department of Energy's (DOE's) Office of Energy Efficiency and Renewable Energy (EERE) promotes energy efficiency as a profitable business model and expands markets for new energy technologies. ITP works in partnership with other federal agencies, companies, associations, suppliers, states, utilities, and universities to enhance industry outreach and access to resources.

#### What is a *Save Energy Now* LEADER? What Pledge do they take?

Forward-thinking companies are asked to take a voluntary Pledge to reduce their energy intensity by 25% or more in 10 years. By taking this ambitious Pledge, a company becomes a *Save Energy Now* LEADER. The non-binding Pledge is focused on reducing energy intensity (i.e., doing more with less energy).

The Pledge program is designed to encourage and recognize U.S. companies that are at the forefront of energy efficiency and are "raising the bar" for all industrial facilities by establishing and achieving ambitious energy goals. Companies that sign the voluntary Pledge receive priority access to selected DOE resources, as well as national recognition for their commitment and progress.

The program satisfies a requirement in Section 106 of the *Energy Policy Act of 2005*—to secure voluntary corporate agreements to reduce energy intensity by 2.5% each year from 2007 through 2016. Program requirements have been adapted based on industry input. Companies that become a *Save Energy Now* LEADER take the Pledge to achieve the 25% goal over a 10-year time period; the 25% goal takes into consideration that reductions in energy intensity may vary from year to year.

## Who is eligible to participate?

Any company in the U.S. industrial or manufacturing sector can become a *Save Energy Now* LEADER, regardless of company size or level of energy management expertise. Participating companies make a corporate-wide commitment to reduce energy intensity among their subsidiaries, individual plants, and/or divisions of a plant. An entire global enterprise can also participate. However, energy intensity reductions achieved in the United States must be reported on a separate form from non-U.S. reductions.

## What is the scope of the Pledge?

The Pledge focuses on reducing the energy intensity of manufacturing and industrial operations (i.e., “end-use” technology and energy systems) and the carbon emissions related to energy use.

- The boundaries for the pledging entity will be defined by each company and must incorporate all manufacturing or industrial operation plants; energy use in buildings and non-manufacturing facilities may also be included.
- The program focuses on reducing energy *intensity*, not absolute energy use. While reducing energy intensity may reduce carbon emissions, the converse is not always true. This program does not focus on reducing non-energy carbon or other greenhouse gas emissions.
- DOE applauds efforts to purchase alternative sources of energy from the electric grid, but the *Save Energy Now* LEADER initiative focuses on *on-site* energy intensity reductions. Purchased renewable energy credits are not part of the program. On-site renewable power or energy recovery efforts, such as Combined Heat and Power (CHP), are often a valuable means to reduce energy intensity.
- The *Save Energy Now* initiative should stimulate the market for efficient industrial technologies and services, but it does not focus on producing energy efficient products.
- Companies are encouraged to use the *Save Energy Now* LEADER initiative to foster energy efficiency throughout their supply chains. However, energy intensity reductions outside of a company’s corporate boundaries should not be included in the Pledge boundaries (thus avoiding double counting).

## What are the benefits of being a *Save Energy Now* LEADER?

Benefits of participation are significant and diverse. They include

- **Tailored technical assistance to develop an energy baseline and energy management plan, as well as access to a Technical Account Manager (TAM):** *Save Energy Now* LEADER Companies are assigned a TAM to help in the development of baselines and plans, as well as the identification of emerging technologies applicable to plant operations. Technical assistance will be focused on providing support for the implementation of a specific energy project (or projects).

- **Priority access to in-plant training on conducting energy assessments of multiple industrial systems:** ITP and its partners will offer in-plant training workshops that educate participants about conducting energy savings assessments of multiple energy systems and training programs using top-notch energy experts and proven protocols. *Save Energy Now* LEADER Companies will be offered preferred access to these assessments.
- **Training workshops on financing options, advanced technology, energy analysis software, energy management, and other topics:** *Save Energy Now* LEADER Companies can take advantage of DOE training opportunities. Workshops cover a diverse set of topics that can help companies identify and implement valuable projects.
- **Easy access to proven, energy analysis software tools and other technical resources from DOE and partner organizations:** DOE's proven portfolio of technical resources and tools will help companies identify and implement the most cost-effective energy efficiency improvements. In addition, DOE will help *Save Energy Now* LEADER Companies identify other resources, including some available through other federal programs, states, utilities, and non-government organizations.
- **National recognition for Pledge participation and progress in achieving energy intensity targets:** DOE will publicly recognize each *Save Energy Now* LEADER Companies' achievements. Recognition will be provided at national, state, and local events; in industry publications; at DOE award ceremonies; on DOE websites; and in DOE publications. DOE encourages associations, states, local governments, utilities, and other stakeholders to also recognize corporate achievements.
- **Additional recognition for validated energy savings:** Companies that choose to have third-party validation of energy savings will receive additional recognition. However, third-party validation is not required.

In addition to the aforementioned benefits (as identified on the Pledge Form), companies also benefit from the following:

- **Networking with other LEADER Companies through LEADER Showcases:** *Save Energy Now* LEADER Companies have the opportunity to work with other LEADER Companies by hosting Showcases to highlight best practices, discuss new technologies, and identify technical resources that can improve energy efficiency. Hosting a Showcase provides the opportunity to demonstrate energy management successes to industry peers while garnering valuable feedback and additional ideas for future implementation efforts.
- **Promotion and use of logos:** *Save Energy Now* LEADER Companies will receive a Welcome Kit with an official *Save Energy Now* LEADER logo, banner template, and draft press release for use in promoting their Pledge to the public and within their companies (e.g., websites, advertising, annual reports, etc.). Additionally, companies will have access to the *Save Energy Now* Portal, which serves as a project management and networking tool and includes the Energy Intensity Assessment Matrix, Webinar presentations, discussion forums, upcoming events, etc. Access to digital copies of these materials can be granted by e-mailing [SaveEnergyNow@ee.doe.gov](mailto:SaveEnergyNow@ee.doe.gov).

- **Inherent Benefits:** Making energy intensity reductions part of your business strategy offers inherent benefits, such as reduced operating costs, enhanced competitiveness, and management of risks associated with volatile energy costs. In addition, these efforts can inspire U.S. companies to embrace a *corporate culture* that values good energy management, leading to reductions associated with greenhouse gas emissions, enhanced sustainability, and the alleviation of customer and investor concerns.

### How is energy intensity defined?

There are many definitions of energy intensity. The *Energy Policy Act of 2005* defines energy intensity as the “primary energy consumed for each unit of physical output in an industrial process.” Pledge partners are encouraged to measure energy intensity in a way that adheres to this definition. However, DOE understands that each company will need to adopt methods to measure and track energy intensity data that are appropriate for its operations. These energy intensity measurements will vary by industry and company.

The units of physical output (or units of production) can be the number, mass, volume, size, functionality, or economic value of a product. Many companies will need to track energy intensity across multiple product lines due to significant diversity in product groups. Segmenting energy use among specific product groups is challenging, however, efforts to do so will provide more accurate and valuable estimates of energy intensity for each product group.

### What is a change in energy intensity?

The *Save Energy Now* LEADER Pledge requires participants to track and report changes in energy intensity from the base year during the Pledge period. This requirement is necessary in order to comply with Section 106 of the *Energy Policy Act of 2005*. A change in energy intensity is the current year’s annual incremental change in energy intensity for the LEADER entity, as compared to the baseline year. ITP will provide guidance on determining the overall change in energy efficiency.

### How is this program different from other voluntary programs?

The *Save Energy Now* LEADER voluntary Pledge program focuses on reducing energy intensity in manufacturing operations. It provides proven technical resources at no cost to help companies assess industrial energy system performance, facilitate project implementation, and promote continuous improvement. All industrial businesses are welcome to participate and the program offers assistance to companies with diverse levels of expertise in energy management. Through *Save Energy Now*, DOE provides technical resources that help industry today and provide a research and development (R&D) portfolio for the future. DOE is working cooperatively with other federal programs, like ENERGY STAR®, to help industrial companies leverage their efforts and gain access to the resources they need to succeed in attaining their energy and carbon emission reduction goals.

## What if we already have a goal for energy intensity or carbon reduction?

DOE will honor a company's existing goals if they are consistent with *Save Energy Now* LEADER Pledge requirements. Companies participating in other federal voluntary programs are welcome to become *Save Energy Now* LEADER Companies; they can often work from their established goals, energy baselines, and energy management methodologies to satisfy some LEADER Pledge requirements.

## What is required of *Save Energy Now* LEADER Companies?

The program requires three main activities. Collectively, these requirements should enable DOE to report program impacts and progress in attaining national energy goals.

- **Baseline:** *Save Energy Now* LEADER Companies must develop an energy use baseline and track the change in energy intensity throughout their participation in the Pledge. A change in energy intensity is the annual incremental change in plant or organizational energy intensity from one year to the next, as compared to the base year. Companies without an existing baseline must establish both an energy baseline and an energy intensity baseline within one year of signing the Pledge. The baseline must be for the year in which the Pledge was made. Commitment to the *Save Energy Now* initiative is intended to reduce industrial energy intensity by 25% during a 10-year period. Companies must strive to achieve new reductions within that timeframe, regardless of energy efficiency efforts implemented in the past.

To help companies calculate valuable baseline metrics, DOE offers a guidebook and technical assistance to help companies past any hurdles (guidance is available at [http://www1.eere.energy.gov/industry/quickpep\\_ml/](http://www1.eere.energy.gov/industry/quickpep_ml/)). DOE wants to ensure that baselines are set in a responsible and defensible manner, without causing undue burden on companies and plants. Companies may also use their own methodologies, or opt to use another methodology that is commercially available.

- **Report energy data, number of plants, and progress:** After establishing an energy use baseline and a methodology for tracking changes in energy intensity, *Save Energy Now* LEADER Companies are asked to report energy data, number of plants involved, and progress each year. The reporting requirements are flexible to accommodate a diverse industry base. Data for U.S. operations should be submitted separately from non-U.S. operations.
  - Report annual energy use by fuel type and change in energy intensity. Energy intensity must be based on primary energy use. Primary energy accounting considers the energy lost off-site during the generation, transmission, and distribution of electricity (rule of thumb: multiply electricity use by three to account for generation losses). Primary energy use should exclude energy used as a feedstock. The reported data will enable DOE to estimate net reductions in British thermal units and tons of carbon dioxide in the aggregate for program participants. LEADER Companies do not need to report carbon emissions; DOE will calculate carbon emissions from energy use. An adjustment to the baseline energy use due to mergers, acquisitions, divestments, and other significant changes is also requested, including a brief description (less than 250 words).

- Report the number of plants included within the boundary of the LEADER entity.
- Report annual progress, including a general description of the technology, strategy, or practices employed to decrease intensity (less than 250 words and not planned activities).
- **Energy management plans:** *Save Energy Now* LEADER Companies are required to have an up-to-date energy management plan for internal use within one year of signing the Pledge. As part of this requirement, companies must designate an energy leader/manager. Organizations are encouraged to use publicly available energy management resources to develop the plan, such as:
  - ITP's [Getting Started](#) Web page:  
([http://www1.eere.energy.gov/industry/bestpractices/corporate\\_energy.html](http://www1.eere.energy.gov/industry/bestpractices/corporate_energy.html))
  - U.S. Environmental Protection Agency ENERGY STAR [Guidelines](#):  
([http://www.energystar.gov/index.cfm?c=industry.bus\\_industry](http://www.energystar.gov/index.cfm?c=industry.bus_industry))
  - National Institute of Standards and Technology Manufacturing Extension Partnership [Resources](#):  
(<http://www.mep.nist.gov/manufacturers/index.htm>)

A company may also use its own methodology, or a commercially available energy management methodology.

### What is the *Save Energy Now* Portal?

The *Save Energy Now* Portal is an interactive website that helps companies participating in the *Save Energy Now* LEADER initiative access technical assistance and resources, manage activities, and obtain necessary program information. Additionally, the Portal provides LEADER Companies with their own protected entry point.

The Portal serves as an interface between *Save Energy Now* LEADER Companies, their assigned Technical Account Managers (TAMs), and DOE. TAMs will work with LEADER Companies to complete and store their Energy Management Plans and Energy Baselines in private, secure workspaces. LEADER Companies can also view and track Energy Savings Assessment recommendations, financial resources, and other available DOE and non-DOE resources. E-mail [SaveEnergyNow@ee.doe.gov](mailto:SaveEnergyNow@ee.doe.gov) for further information regarding the Portal.

### How will DOE handle proprietary information?

All data and information reported to DOE is confidential and treated as proprietary information. Data may be reported to the public at the discretion of the company. DOE will aggregate the energy and carbon savings data for pledging entities. Energy baselines and management plans are for internal use only. DOE will obtain company permission before using any data or information in case studies or other publications.



## How will the appropriate type and level of services provided by the program be determined?

The LEADER initiative is implemented by two integrating contractor teams led by Oak Ridge National Laboratory (ORNL) and Project Performance Corporation (PPC)/AEA Technology. DOE will assign a TAM from one of the integrating contractor teams to organize and coordinate services provided to each *Save Energy Now* LEADER. The TAM will undertake a series of initial evaluation activities in coordination with *Save Energy Now* LEADER to determine support needs based on:

- 1) Current energy use
- 2) Status of past and pending projects to save energy
- 3) The company's commitment to fund projects and the organizational commitment to energy management
- 4) A record of implementation of past energy projects.

Based on this evaluation, the TAM will work with the company to determine the most appropriate type and level of services to be provided under the program. Although resources are available to all *Save Energy Now* LEADER Companies, DOE will provide the greatest level of support to those who have the largest energy intensity improvement potential and implementation ability through leveraged cost-share.

## How will data and information be validated?

Companies are responsible for validating their own data. External validation is not required.

## Is the Pledge legally binding?

The Pledge is a voluntary agreement. It is a motivational tool and is not legally binding in any way. A company may choose to opt out of the partnership at any time, without public notice or comment of any kind. Companies should send a notification letter to [SaveEnergyNow@ee.doe.gov](mailto:SaveEnergyNow@ee.doe.gov) if they decide to opt out.

## Will funding be available for R&D to help *Save Energy Now* LEADER Companies achieve their goals?

ITP's cost-shared R&D portfolio targets opportunities in applications used throughout industry. The "technical evaluation criteria" in ITP's funding announcements recognize a proposed project's contribution to reducing energy intensity. In addition, a 'selection factor' in the funding announcements recognizes a project's contribution to ITP's goal to reduce U.S. industrial energy intensity by 25% in 10 years. ITP understands that for many companies, R&D breakthroughs will be needed in order for them to achieve a 25% reduction in energy intensity. However, no R&D funds are currently designated for the unique needs of each Pledge participant. The financial opportunities available through ITP are listed at [http://www1.eere.energy.gov/industry/financial/solicitations\\_active.html](http://www1.eere.energy.gov/industry/financial/solicitations_active.html).

## What forms and tools are available to help with the reporting requirements?

The following resources are available to help companies calculate their energy baseline and complete the reporting requirements of the Pledge:

- **Pledge Agreement Form:** The form companies sign when making a Pledge

- **Steps to Develop a Baseline: A Guide to Developing an Energy Use and Energy Intensity Baseline and the Reporting Requirements for the *Save Energy Now* LEADER Pledge:** A document that provides the six steps for developing a baseline and detailed examples of the factors impacting how energy intensity and other data are calculated
- **Pledge Annual Reporting Form:** The spreadsheet companies submit to DOE each year during the Pledge period (Years 1–11).
- **Quick Plant Energy Profiler (Quick PEP):** A software tool that helps plants baseline and profile their energy use and estimate potential cost savings in just a few hours. Quick PEP has a *Carbon Footprint Calculator* that considers 24 energy sources and tracks 'absolute' changes in annual energy use and annual carbon emissions.
- **Energy Intensity Baseline Spreadsheet:** A spreadsheet to help companies track energy intensity by product group and calculate the change in energy intensity compared to the base year (this matrix is also included in Quick PEP).

The resources provided by ITP can also assist companies with the reporting requirements of other federal programs. For example, Quick PEP's *Carbon Footprint Calculator* can be used by ENERGY STAR participants to calculate carbon emissions from 'direct' emissions from purchased fuel used in stationary combustion sources and 'indirect' emissions from purchased electricity and steam.

### How can a company become a *Save Energy Now* LEADER?

To become a *Save Energy Now* LEADER, e-mail [SaveEnergyNow@ee.doe.gov](mailto:SaveEnergyNow@ee.doe.gov). The *Save Energy Now* team will answer any questions you have and set up a kick-off call to explain how DOE can help you achieve your energy intensity reduction goal. Companies may also contact the EERE Information Center at 1-877-EERE-INF (1-877-337-3463). Learn more about the *Save Energy Now* LEADER Pledge on ITP's website at [www.industry.energy.gov/saveenergynow](http://www.industry.energy.gov/saveenergynow).