

Warmworld Roll-out Programme / FINAL REPORT / 25 June 1999

SUMMARY



Roll-out of Warmworld heating controls, into the ADI estate, started in August 1998, following allocation of a 500,000 installation budget.

The installation programme is now complete, with 375 ADI properties having Warmworld control equipment fitted, to regulate and control heating and hot water systems.

Gas usage for the first 50 installations has been established, both post and pre-installation usage, in order that savings from the Warmworld equipment can be calculated.

The average gas consumption for the 50 sample installations has been shown to have decreased by 36.3%

Applying this saving figure to the entire 375 property installation programme produces the following results:-

Pre-installation gas costs (375 pubs) - £974,575 (av c £2,600 per pub)
Savings in gas costs (36.3%) - £353,770
Investment in Warmworld equipment - £421,464*
Simple payback - 1.19 years

The initial budget of £500,000 was under as numerous properties were deleted from the programme due to unsuitability or changes to the ADI estate.

INSTALLATION PROGRAMME

Installation of Warmworld heating controls into the ADI estate was carried out in 2 phases, commencing in August 1998, with completion in April 1999.

Initially 425 properties were nominated for installation to equate with the £500,000 budget available. A considerable number of these properties had to be dropped from the programme, for the following reasons:-

- Property has been sold
- Property turned into a tenancy
- Property being refurbished - although some refurbishments were added back to the programme at a later date.
- Property was already fitted with Warmworld controls, from one of the previous trial installation programmes
- Property proved to be technically unsuitable for Warmworld controls due to, for example, lack of zoning facility
- Projected payback for the property was extended - a 3 year payback was taken as the maximum allowable

The installation programme fell behind schedule, with initial completion in January 1999 eventually extending to March / April 1999. The major reason for this delay was the start of an AD R & B Warmworld installation programme, in about November 1998 - this second programme obviously stretching Warmworld's installation capability, and as a consequence the ADI programme slipped back.

A list of all 375 ADI installations is provided in Appendix 1, of this report. This list shows the pre-installation gas costs for the property, the cost of the Warmworld UK Ltd

installation, and the payback on this investment.

EVALUATION OF SAVINGS

A gas meter reading was taken at each ADI installation property upon commissioning the Warmworld equipment.

Transco provided a second actual gas meter reading, for many of the properties, during the post- installation period.

The first 50 properties on the installation programme, for which both of the above gas meter readings were available, were then selected and the projected annual gas consumption for each property was calculated. The calculation took into account the actual measured gas usage with the Warmworld equipment, the number of days in the measuring period, the number of degree days (for that property location) in the measuring period, and the anticipated degree days for the whole year.

Appendix II lists the 50 selected properties and shows the previous gas cost (i.e. pre Warmworld installation) and the projected gas cost, calculated as described. The change in gas costs is shown for each property.

The overall calculation shows a 36.3% decrease in gas consumption following installation of the Warmworld control equipment. This figure is much in line with the savings achieved in the 3 trials of Warmworld control equipment, undertaken prior too to the roll-out programme.

Of the 50 sample properties 46 showed a decrease in gas consumption and the remaining 4 a slight increase in consumption. The distribution of savings achieved over the 50 pub sample is shown in Appendix III.

Extrapolation of the savings measured in the 50 sample pubs, over the entire 375 pub installation programme gives the total costs and savings as shown in the summary, giving an overall payback of 1.19 years on the investment.

CONCLUSIONS

The ADI Warmworld roll-out programmed must certainly be judged a success.

Considerable energy savings have been achieved with investment costs that will be recovered in just over one year. Even in energy savings terms, where paybacks of 3 years, or so, are commonplace, to achieve a one year payback is a very good achievement.

Gas represents about 25% of the total energy cost of a 'typical pub', so a 36% reduction in gas cost will equate to about a 10% reduction in overall energy costs.

Naturally, with an installation programme covering as many properties as in this roll-out there are likely to be a few difficulties and problems. Overall the number of problems has been very small and all have been attended to promptly, by Warmworld, as soon as they were notified.

Generally house managers have indicated a liking for the Warmworld equipment as it is fairly simple to operate and allows mangers a limited amount of override facility, sufficient for his needs.

With the success of this programme it is recommended that the remaining properties in the AD estate be fitted with Warmworld controls, in a second roll-out programme. The savings achieved in this first programme are high enough to give confidence in any further

investment in this equipment.

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Note. The appendices mentioned in the report are available off line on a confidential basis.