AUSTRALIAN LEGAL SECTOR ALLIANCE
PROMOTING SUSTAINABILITY

Energy

- Energy Use
- Energy Purchase

Issues

- Carbon emission from the consumption of electricity is the main source of total emissions for our sector, however little attention is typically given to how we purchase our electricity.
- While electricity is a 'commodity', the forecast increases in electricity costs make us seek to purchase the cheapest energy we can find.
- Have we examined all avenues in our firms to reduce the consumption of electricity as much as possible?
- Can our electricity vendors provide a percentage of our total usage from renewable resources and what are the sources?
- What is the electricity vendor's position in relation to the sustainability of the generation of their supply.

Considerations

1. Identify Requirement

- Clearly we need to use electricity.
- Identify our current base load and usage patterns (peak, off peak, shoulder).
- Consider what we can turn off, put to sleep or minimise the use of equipment to reduce our current load (systems to turn off PCs automatically, low wattage lighting, sensor lighting, or simple user education to 'turn off the lights'.
- After we have satisfied ourselves we have reduced as much energy consumption as we can, consider purchasing a percentage of the energy we use as renewable energy
- Look at the current metering in your tenancy - there are often discounts if meters can be amalgamated, or 'smart metering' is used.

2. Plan

- Energy vendors are very competitive and contract issues are sometimes complex, so engagement with an energy broker or consultant may be more successful in securing the best price. The brokers can also give advice on the most cost effective metering. Caution should be used however to ensure that the engagement with the broker does not lock in any ongoing payments for "saving you on energy costs".
- Consider what length of contract term you want to establish for your electricity supply - while you can lock in base rates for a contract terms it is likely that charges such as transmission line fees and distribution fees will be variable.
- Consider a percentage of renewable (green) energy to purchase as part of the contract - this will be driven by your firm's sustainability policy and cost of the supply.

Energy

3. Select

- Typically, selection is based on the cheapest price, however through our sustainability lens, other factors need to be considered.
- If renewable (green) energy is to be used, how is this sourced? Typically, sources are wind, solar, hydro, geothermal and biomass. We should investigate what the vendor is proposing and consider if there are any environmental downstream risks from the selection of their renewable source.
- Is the renewable energy source audited, and do we have assurance that the vendor is purchasing sufficient renewable energy to satisfy our contract (as well as everyone else's).
- Does the offer include any automated reporting for monitoring usage? Often smart metering systems have a web based reporting portal that can aid analysis of usage.
- What is the vendor's position towards sustainable procurement in their own organisation? Do they report on the logistics of their electricity generation (including the downstream issues of mining and transportation) in their own sustainability reports?

4. Manage

- Typically, there is little 'post sales' or ongoing relationship with an electricity vendor and customer. Again, however, through our sustainability lens we need to continue to manage and monitor usage and continue to decrease consumption wherever possible.

Further Information