

Knauf Insulation Ltd: Energy as a Service for insulation solutions provider in Wales




Challenge

- Knauf's products enable buildings to be energy efficient. Despite a clear ambition to reduce both carbon emissions and energy consumption Knauf, like many businesses, has limited resources and must deploy them in accordance with business priorities.
- One issue was that some potential plant improvement projects, particularly those which would deliver a return over the medium to long term, simply did not meet the internal criteria set by the company for capital expenditure.
- This challenge led Knauf to enter discussions with Siemens.

Solution

- Siemens learnt about Knauf's processes, clarified Knauf's desired outcomes and timescales and focused on the best solutions, without the constraints of capital outlay or rate of return.
- Funding to cover purchase of the new plant assets was organised through Siemens Financial Services, which puts no constraint on capital expenditure as long as payback can be justified.
- In the case of Knauf, projections showed that cost savings made from energy reduction measures would not only pay for the new assets over the agreed period, they would also create a surplus cash positive outcome.

Benefits

-  This partnership enabled extensive investment across two manufacturing plants and is now achieving energy savings of over 10,000 MWh/year with a yearly reduction of over 5000 tonnes of carbon emissions.
-  The company is now benefiting from the Siemens performance-based Energy as a Service model. This involves ongoing data collection and analysis and the submission of regular reports to Knauf, which pays a monthly service fee for the energy saving, not the overall solution.
-  Continual monitoring ensures that savings are on target.

"The level of energy saving that has been achieved so far, as well as the scale of infrastructure upgrade would not have been possible if we had not entered into the partnership model with Siemens."

Darren Holt, Plant Manager, Knauf Insulation



Knauf Insulation

Key facts about the company:

- Location: Wales
- Foundation date: 1978
- Services: Innovative insulation solutions

