

OmnicomGroup Inc.

Omnicom Partners with Energy Specialist to Comply with Regulatory Obligations and Reduce Costs

INDUSTRY

Marketing

LOCATION

Europe

Omnicom Group Inc. is a leading global advertising and marketing communications services company. Omnicom's branded networks and numerous specialty firms provide advertising, strategic media planning and buying, digital and interactive marketing, direct and promotional marketing, public relations and other specialty communications services

CHALLENGE

Keen to partner with an energy specialist with shared values, Omnicom appointed Kinect Energy Group as their total energy solutions provider. With a diverse and evolving property portfolio and unique energy requirements, Omnicom required support in the following key areas: procurement, invoice assurance, and carbon compliance.

OVERVIEW

Omnicom was looking for a way to optimize their complex, multisite procurement process. But also needed to keep cost and consumption under control, whilst remaining compliant with the ever changing EU and regional regulations.



'With an ever-changing energy and compliance landscape we need an energy partner we can trust to not only advise, but deliver on our behalf. Kinect Energy Group understands our business and the challenges we face, delivers value in a competitive market place, and ensures we comply with the letter of all environmental legislation.'

Tony Phipkin,
Director of Finance, Omnicom Management Europe

SOLUTION

With an annual electricity bill of approximately £3m, Omnicom wanted to reduce their overall costs and streamline energy procurement. Kinect successfully extracted £100,000 in incremental fixed cost savings through a comprehensive procurement exercise. This final contract then enabled Kinect's trading team to also capture the benefits of a prevailing fall in wholesale prices. And, through forensic bill auditing, identified and rectified more than £50,000 in incorrect charges and overpayments.
(continued over)



SOLUTION (CONT)

Kinect also delivered Energy Saving Opportunity Scheme (ESOS) Phase 1 compliance to protect against financial and reputational penalties, identify energy, cost and carbon emission savings. Kinect manage Omnicom's mandatory participation in the Carbon Reduction Commitment (CRC) legislation, ensuring all reporting, carbon purchase, and allowance surrender deadlines are met annually, safeguarding against the stringent penalties imposed for non-compliance.

After a deep-dive energy audit within Omnicom HQ for the first phase of ESOS, Kinect engineers identified that the site-wide uninterruptible power supplies and backup generating facilities could be employed to support the National Grid's Demand Side Response (DSR) programme.

DSR supports the nation's transmission system during times of high stress; guaranteeing generation capacity when margins are tight; and reduces the need for investment in new, large, infrequently used generating plants. Kinect worked with Omnicom to prepare and enable Omnicom to take advantage of the programme, offering them the ability to manipulate the quantity of power drawn from the grid when UK demand is high.

Offering flexibility to the country's transmission system to support with grid balancing provides Omnicom with an additional revenue stream. Whilst the setup required to provide flexibility also allows for load reduction during times of high cost such as the TRIAD periods, substantially reducing invoiced electricity costs.



SUMMARY

Kinect's custom ESOS provision identified over £350,000 of savings equating to a reduction of 1,500 tonnes of CO2 a year. TRIAD management went live in 2017 and reduced load during each of the three TRIAD periods, reducing annual electricity costs by £124,000. Plus, by participating in the Fast Frequency Response and Capacity Market programmes, additional revenues of £100,000 per annum are forecast. Kinect will be supporting Omnicom in complying with Phase 2 of ESOS by the 2019 deadline and anticipate identifying many additional energy and carbon reduction opportunities at properties not surveyed during Phase 1.