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Energy Management System

PROPOSED ENERGY MANAGEMENT SYSTEM
FOR KSL RESORT HOTEL



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THE OBJECTIVES:

- *Reduces Energy Wastages in Hotel Guestroom especially Air-conditioning*
- *Reduces Equipment Wear & Tear*
- *Increase Profitability*
- *Taking Advantage on Government Support Incentive by MIDA's ITA (Investment Tax Allowance)*
- *Become a responsible Corporate Citizen towards a Green Environmental Hotel*

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- Reduces Energy Wastages in Hotel Guestroom Adopting E527 Smart Digital Thermostat in the Guestroom.



Motion Detector

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E527 Smart Digital Thermostat Functionality

- Room air-conditioning will increase its temperature when the guest leaves the room.
- The temperature setting will revert once the guest comes back to the room.
- Thus, would prevent wastages of energy but not compromising guest comfort.
- By adopting this, the Hotel saves about **40%** of the energy consumption of air-cond in the Guestroom.

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Reduce Fan Coil Unit Wear & Tear in Hotel Guestroom



- By running less time, the lifespan of the Fan Coil Unit would last longer by **40%**!

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Increase Profitability (simple calculation)

- Normally, a guest would leaves a guestroom for about 5 hours minimum during a stay.
- $5 \text{ Hours} \times 1.2\text{kW} \times 30 \text{ sen/kWh (tariff C)} = \text{RM1.80}$ per day
- $\text{RM1.80 per day} \times 365 \text{ days} \times 5 \text{ years} = \text{RM3,285.00}$ savings on electricity for 1 room!

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● MIDA's ITA (Investment Tax Allowance)

6.4 Incentives for Energy Conservation

i) Companies Providing Energy Conservation Services

In order to reduce operation costs as well as to promote environmental preservation, companies providing energy conservation services are eligible for the following incentives:

- a. Pioneer Status with income tax exemption of 100% of the statutory income for a period of 10 years. Unabsorbed capital allowances as well as accumulated losses incurred during the pioneer period can be carried forward and deducted from the post pioneer income of the company; or
- b. Investment Tax Allowance (ITA) of 100% on the qualifying capital expenditure incurred within five years. The allowance can be offset against 100% of the statutory income for each year of assessment. Any unutilised allowances can be carried forward to subsequent years until fully utilised.

The companies must implement their projects within one year from the date of approval.

Applications received by 31 December 2015 are eligible for this incentive.

ITA of 100%

ii) Companies Undertaking Conservation of Energy for Own Consumption

Companies which undertake conservation of energy for own consumption are eligible for ITA of 100% on the qualifying capital expenditure incurred within five years. The allowance can be offset against 100% of the statutory income for each year of assessment. Any unutilised allowances can be carried forward until fully utilised.

Applications received by 31 December 2015 are eligible for this incentive.

Applications should be submitted to MIDA.



Official Website

MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY

Invest in Malaysia > **Your Profit Centre in Asia**

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Flow of MIDA's ITA Application

- Fill up application form (downloadable at www.mida.gov.my)
- Submit to MIDA office (for KL is 4th Floor, KL Sentral)
- 2 weeks reply of acceptance from MIDA office
- Refer to Suruhanjaya Tenaga to review the energy savings/management system
- Approval from Suruhanjaya Tenaga
- Approval letter from MIDA



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Benefits to KSL Resort Hotel (in monetary)

- Energy Savings of RM3,285.00 for 1 room
- Investment Tax Allowance of RM1,200.00 for 1 room or equal to RM300.00 corporate tax saved.
- Net Benefit would be RM3,585.00 less investment of RM1,200.00 = RM2,385.00
- Return On Investment is **298%!**

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- Thank you!