

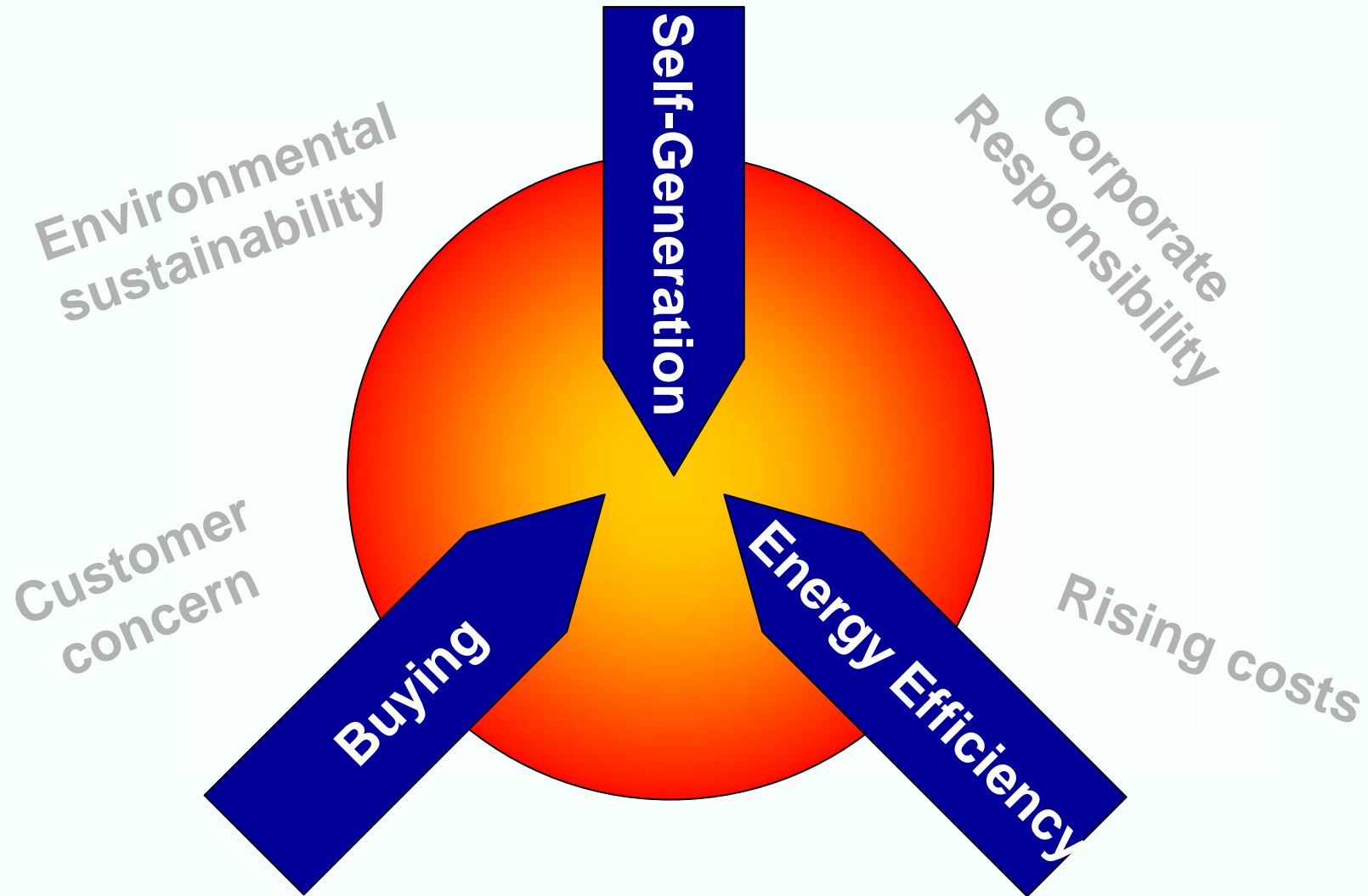
Tesco - The Energy Challenge

James Summerbell • May 2006

Introduction

- **Tesco**
 - ◆ **1,800+** sites
 - ◆ **2.7 TWh** electricity
 - ◆ **800 GWh** gas
 - ◆ **2,000,000 m³** water

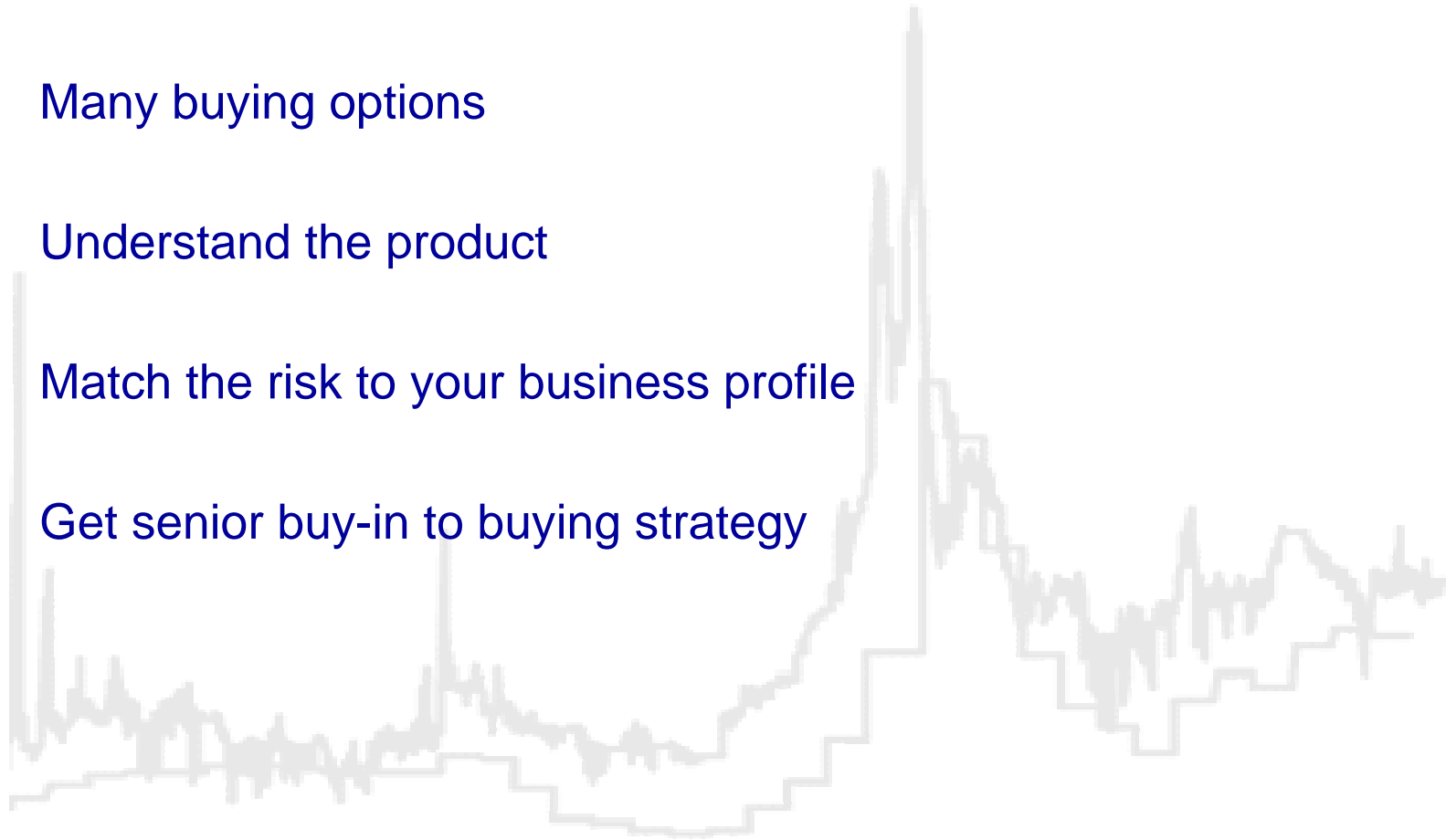
How Tesco view the challenge...



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Buying Energy - now more important that ever

- Many buying options
- Understand the product
- Match the risk to your business profile
- Get senior buy-in to buying strategy



Energy Efficiency – best opportunities for savings

- Installing better **refrigeration** technology
- Using **skylights** to use more natural sunlight in stores
- Improved bakery **ovens** – now twice as efficient
- Better **air conditioning** and **heating** systems
- Energy efficient **lighting**
- Motion-sensor controls on **office lighting**

Self-Generation – a step further

- ‘Showcase’ energy efficient stores in **Diss** and **Swansea**
- Combining energy efficiency and renewable generation to reduce consumption by **35%**
- Rolling the most successful elements into other stores



- **Photovoltaic** panels on the roof
- **Wind Turbines**
- Installation of small scale **Combined Heat & Power (CHP)** plant

But this is just the beginning...

- **£100m** investment in sustainable environmental technology
- Wind turbines, solar, geothermal, CHP, tri-generation, gasification...
- Aim to cut average energy usage by **50%** by 2010
- Building the most environmentally-friendly store in the UK – beyond anything achieved so far
- Rolling out appropriate measures worldwide...

Every little helps