



Estimating utility costs, budgeting, and accrual best practices



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Agenda



- **Introduction - Budgets and Accruals**
- **Budgets**
 - Why use budgets?
 - How to set up budgets in EnergyCAP
 - Helpful tips
- **Accruals**
 - Why use accruals?
 - How to set up accruals in EnergyCAP
 - Helpful tips

Introduction – Budgets & Accruals

What are budgets and accruals?

Budgets

- Create, track, and adjust your budget. Use historical utility bill data to create a budget you can trust, compare actual cost and usage throughout your fiscal year, and adjust anytime.

Accruals

- Create estimated utility bills based on historical data to help your finance staff manage accruals (estimated bills that can be used to close out a fiscal period). When the real bills come in, a simple process reverses the transactions.

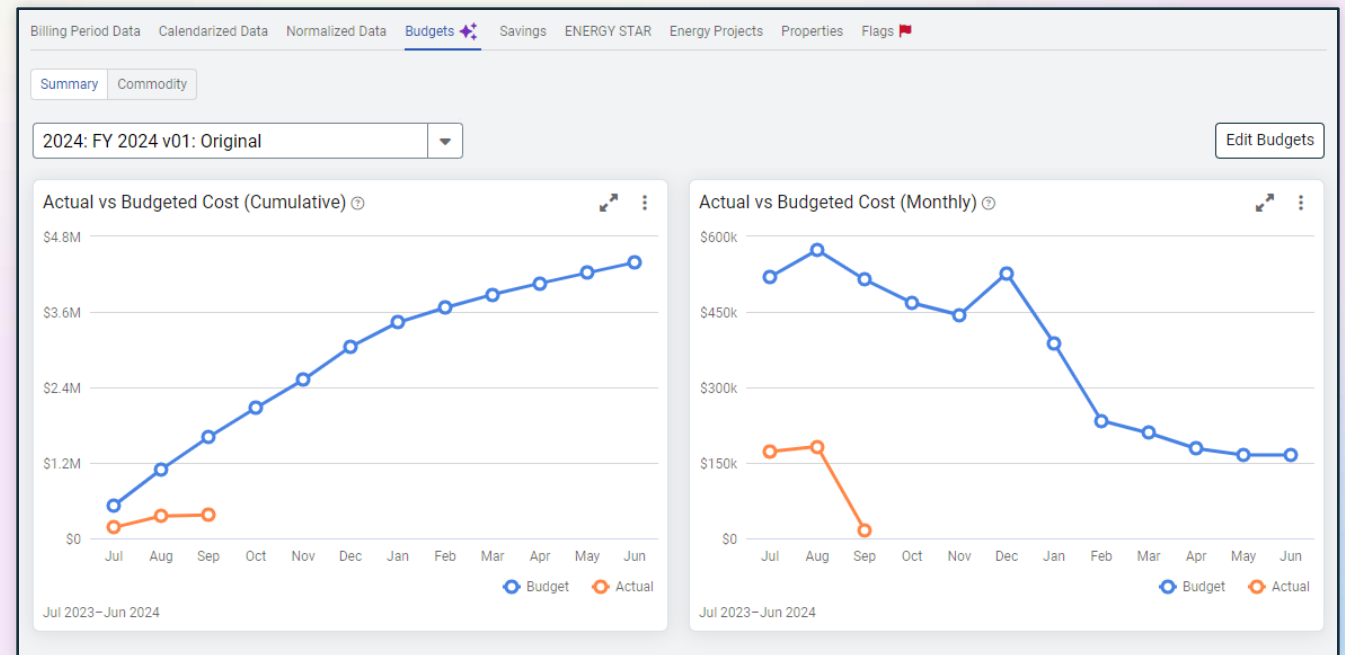
👉 Budgets & Accruals are both licensed features in EnergyCAP

Budgets

Why use budgets?

Easily create utility bill budgets based on historical data

- Create one budget per fiscal year with unlimited versions for scenario planning
- Compare actual costs and usage to your budget and make mid-year adjustments
- Reports and Power Views let you quickly see your status throughout the year
- Adjust budgets from the bottom up—meter and month—or the top down by recalculating usage or unit cost under a designated maximum



How to set up budgets in EnergyCAP

Before starting:

Make sure all your meters are placed correctly within your organization

- If you move meters after generating the budget, you will need to delete and regenerate the budget to see updated data
- Meters need to be placed under a building and not an organization, because weather will not be used if it's under an organization (weather stations are assigned to a building)

Budgets						New Budget	Done
Name	Budget year	Versions	Created by	Created	Total ⓘ		
▼ FY 2024	2024	2		12/22/2023	\$4,385,958.00		
VERSIONS							
Name			Modified by	Modified	Total		
v01.Original	Active			12/22/2023	\$4,385,958.00	Actions ▼	
v02.2% Less HDD / 1% More CDD				12/22/2023	\$4,409,518.96	Actions ▼	
> FY 2023	2023	1		12/22/2023	\$5,943,032.00		
> FY 2022	2022	1		12/22/2023	\$5,656,625.00		

How to set up budgets in EnergyCAP

- You can create only one budget per year – you can, however, have multiple versions of that budget, but only one can be active
- A budget is produced for everything within your organization
- Select how many years you want to use for the calculations
 - If you select more than one year you have more options with the data – highest, lowest, average

You can:

- Edit each budget, copy it, or delete it
- Create a forward-looking budget
- Force your budget to a single amount
- Download budgets grouped by meter or building
- Make incremental or significant changes to the budget by using worksheets

Budgets						New Budget	Done
Name	Budget year	Versions	Created by	Created	Total ⓘ		
▼ FY 2024	2024	2		12/22/2023	\$4,385,958.00		
VERSIONS							
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> FY 2023	2023	1		12/22/2023	\$5,943,032.00		
> FY 2022	2022	1		12/22/2023	\$5,656,625.00		

How to set up budgets in EnergyCAP

Navigate to the **Sites and Meters** module and select **Budgets**

Select **New Budget** and complete the dialog

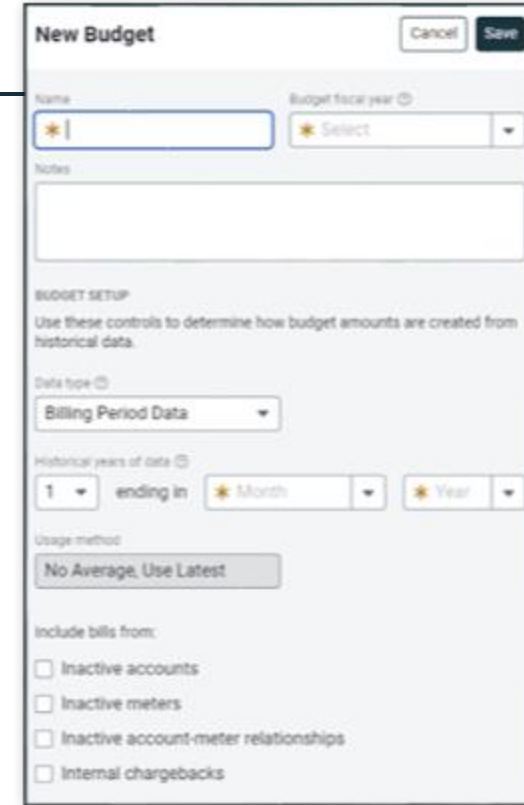
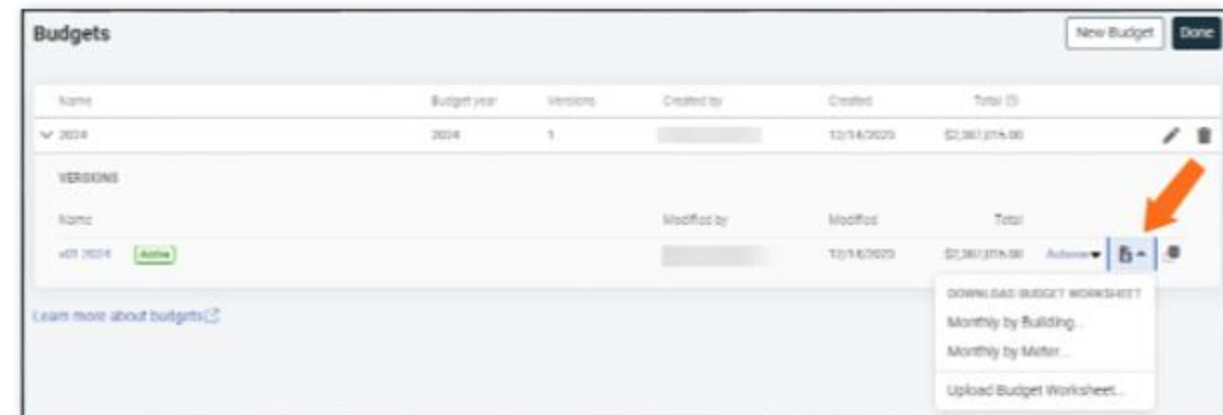
It may take several minutes to generate your budget—you'll receive a notification when your budget is ready

The first budget version you create is the active version. If you create multiple versions, use the **Actions menu** to change the active version

- Totals displayed are from the active budget version

Use the **Budgets** page to download the building or meter worksheet for a version and make any adjustments

- When you download the building worksheet you can modify the floor area.
- With the meter worksheet you can update the heating and cooling degree days.

Name	Budget year	Versions	Created by	Created	Total (\$)
2024	2024	1		12/16/2023	\$2,387,375.00

Name	Modified by	Modified	Total	Actions
v01 2024 Active		12/16/2023	\$2,387,375.00	6 Download Budget Worksheet Monthly by Building... Monthly by Meter... Upload Budget Worksheet...

Helpful tips

A budget is produced for everything within your organization—you can see the budget by commodity at a high level

Select how many years you want to use for the calculations—if you select more than one year you have more options with the data (highest, lowest, average)

If data is missing, budgets will not show up in the Powerviews

Reports 05 and 07 can be helpful

Accruals

Why use accruals?



Create accurate accruals based on your own data

Create estimated utility bills based on historical data to help your finance staff fill the gaps

- Used to close out a fiscal period – usually in the first few days of the month
- Fills in the gap between the end of your most recent bill and the end of your fiscal period

Book expected expenses before they are received or paid

Accrued bills can be exported to accounting

Generate accrual reports for projecting use and costs using current utility data

Simple reversal process replaces the estimate with actual costs when bills are received

How are accruals calculated?



EnergyCAP uses the utility bills you already have

Estimated usage is based on the use/day of the same month in past years

The average unit is used to estimate cost

- We provide a safety net to account for abnormal unit cost
- You can add a cost adjustment to account for expected increases or decreases in your bills

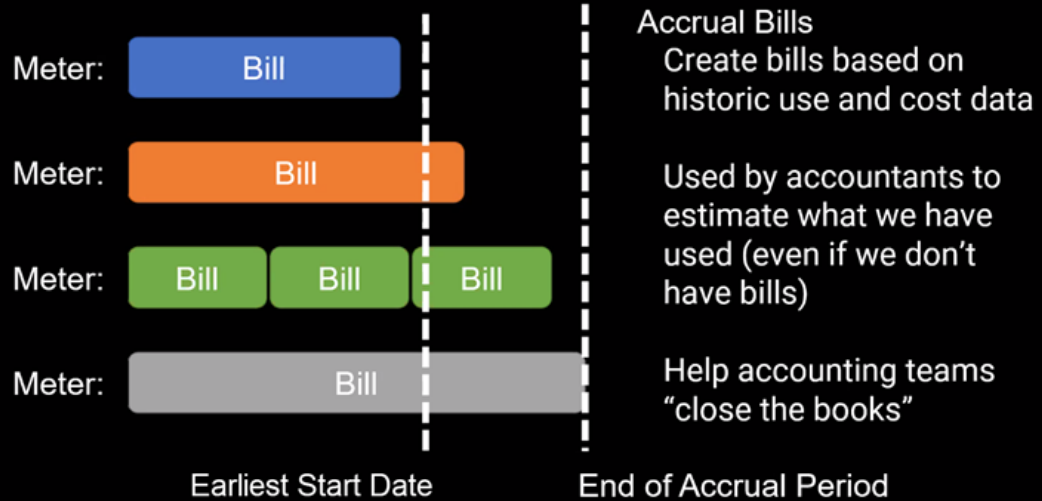
If a partial bill is in your current accrual period, it counts as one of your historical bills

Until you have over one year of bills, the accrual engine uses the most recent bill to calculate use per day

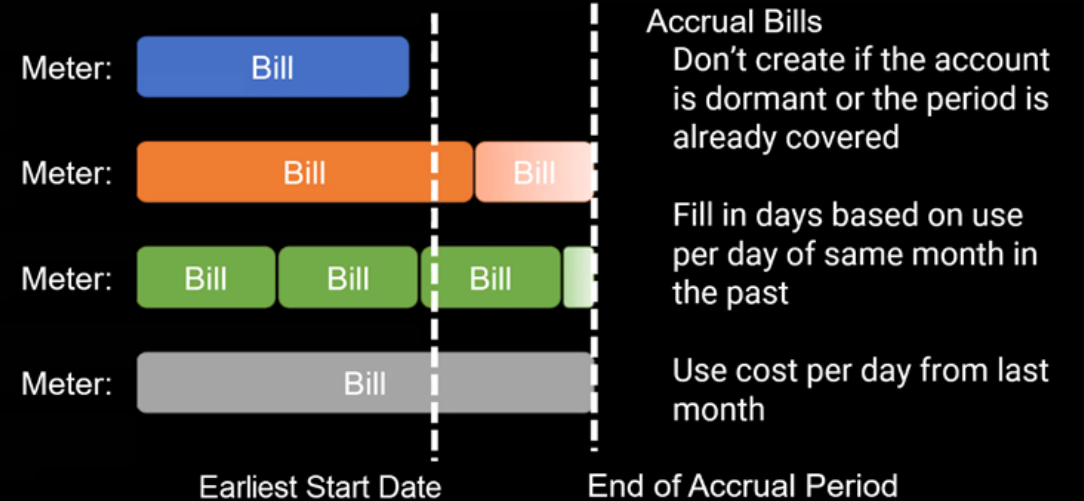
Accruals are calculated using the configured system currency

Accrual Bills

Accrual Bills fill in the "Gap"

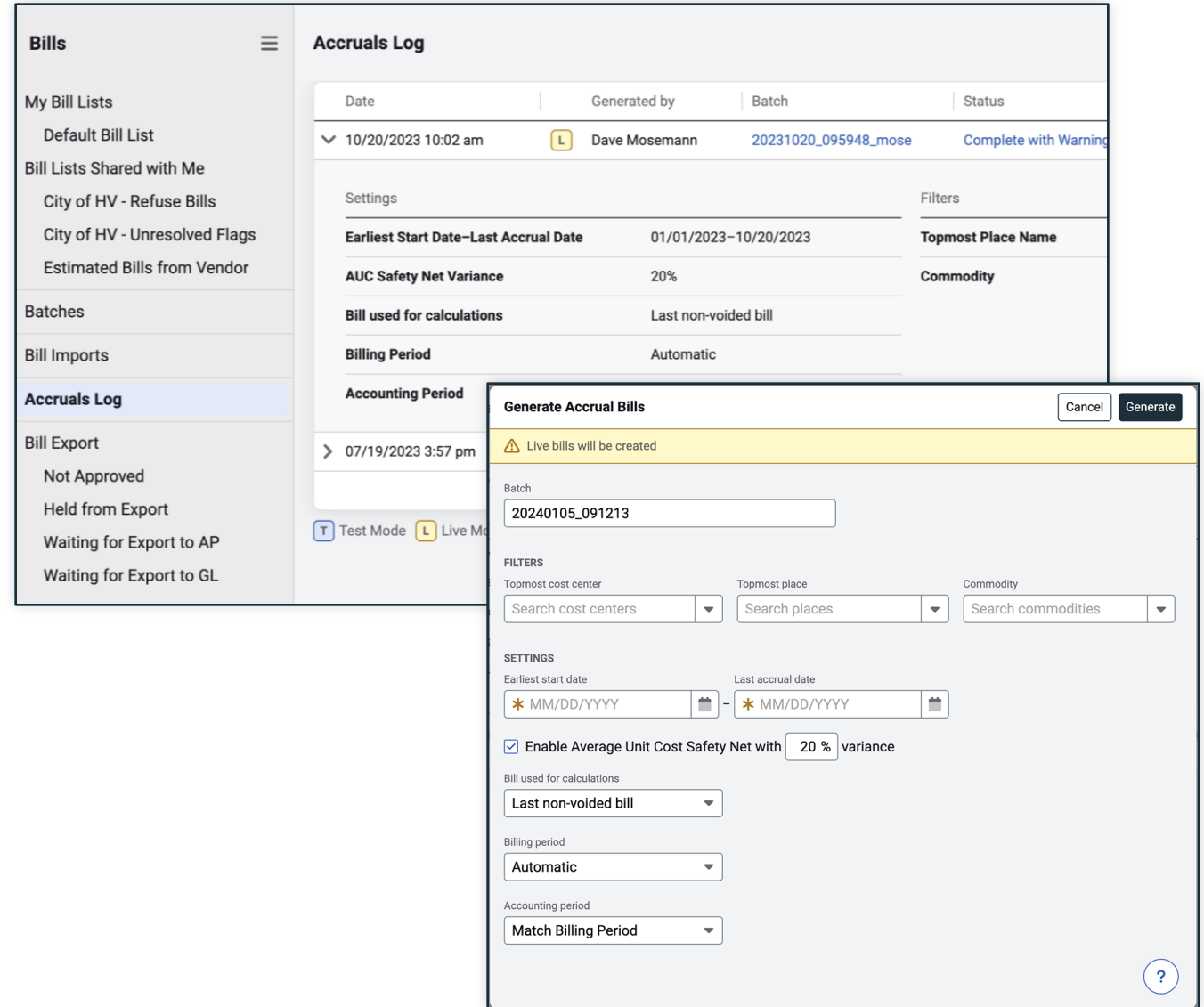


Accrual Bills fill in the "Gap"



How to set up accruals in EnergyCAP

- Navigate to the Bills module and select "Accrual Log"
- Select "Generate Accrual Bills"
- Apply filters (eg: select topmost place)
- Set start date and last accrual date
- Enable AUC safety net
- Review other settings
- Run the accrual engine
- Click on status, download spreadsheet, and view the result
- You can "undo" the accruals if needed



The screenshot displays the EnergyCAP interface. On the left is a sidebar menu with the following items: Bills, My Bill Lists, Default Bill List, Bill Lists Shared with Me, City of HV - Refuse Bills, City of HV - Unresolved Flags, Estimated Bills from Vendor, Batches, Bill Imports, Accruals Log (highlighted), Bill Export, Not Approved, Held from Export, Waiting for Export to AP, and Waiting for Export to GL. The main area shows the 'Accruals Log' with a table containing columns: Date, Generated by, Batch, and Status. A row is visible with the date '10/20/2023 10:02 am', generated by 'Dave Mosemann', batch '20231020_095948_mose', and status 'Complete with Warning'. Below the table are settings for 'Earliest Start Date-Last Accrual Date' (01/01/2023-10/20/2023), 'AUC Safety Net Variance' (20%), 'Bill used for calculations' (Last non-voided bill), 'Billing Period' (Automatic), and 'Accounting Period'. A 'Generate Accrual Bills' dialog box is open in the foreground. It has a 'Batch' field with the value '20240105_091213'. Under 'FILTERS', there are dropdowns for 'Topmost cost center', 'Topmost place', and 'Commodity'. Under 'SETTINGS', there are date pickers for 'Earliest start date' and 'Last accrual date', both set to '* MM/DD/YYYY'. A checkbox 'Enable Average Unit Cost Safety Net with' is checked, followed by a '20 %' variance input. Other settings include 'Bill used for calculations' (Last non-voided bill), 'Billing period' (Automatic), and 'Accounting period' (Match Billing Period). The dialog has 'Cancel' and 'Generate' buttons at the top right and a help icon at the bottom right.

How to set up accruals in EnergyCAP

Test Mode:

- New accrual bills are created in a maintenance batch ("MAINT_")
- Bills are approved, voided, and marked as exported
- Bills are not sent to accounting systems

Live Mode:

- New accrual bills are created as unapproved and un-exported
- Bills can be exported to accounting systems

Bills

My Bill Lists

- Default Bill List
- Bill Lists Shared with Me
 - City of HV - Refuse Bills
 - City of HV - Unresolved Flags
 - Estimated Bills from Vendor

Batches

Bill Imports

Accruals Log

Bill Export

- Not Approved
- Held from Export
- Waiting for Export to AP
- Waiting for Export to GL

Accruals Log

Date	Generated by	Batch	Status
10/20/2023 10:02 am	Dave Mosemann	20231020_095948_mose	Complete with Warning

Settings

Earliest Start Date–Last Accrual Date	01/01/2023–10/20/2023
AUC Safety Net Variance	20%
Bill used for calculations	Last non-voided bill
Billing Period	Automatic
Accounting Period	

Filters

Topmost Place Name
Commodity

Generate Accrual Bills

Cancel

Generate

Live bills will be created

Batch

20240105_091213

FILTERS

Topmost cost center	Topmost place	Commodity
Search cost centers	Search places	Search commodities

SETTINGS

Earliest start date

MM/DD/YYYY

–
Last accrual date

MM/DD/YYYY

☒ Enable Average Unit Cost Safety Net with 20 % variance

Bill used for calculations

Last non-voided bill

Billing period

Automatic

Accounting period

Match Billing Period

?

Excluding Bills from Accruals

Charts/Graphs automatically exclude accrual bills

Reports/Dashboards can include or exclude accrual bills, via filter

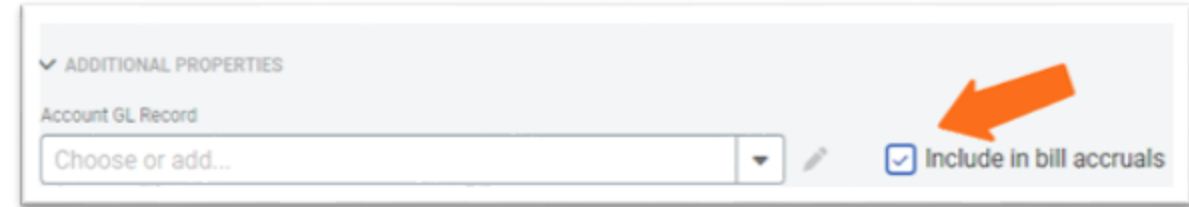
Accruals will not be created if an account is dormant or inactive

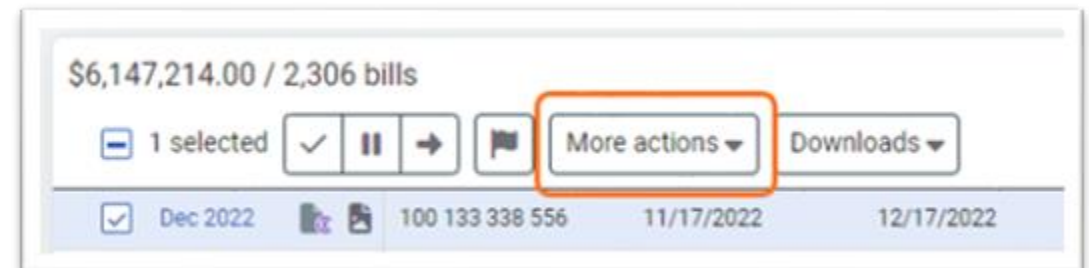
Accruals will not be created if a meter is unlinked from an account

Specific accounts can be included or excluded from accrual generation

- Include is the default setting when creating or editing an account

To exclude abnormal bills from accrual calculations, select the bills from the bill list and use **“More actions”**



	Dec 2022			100 133 338 556	11/17/2022	12/17/2022
☒						

Helpful tips

Accrual bills are created for every meter even if on bill with a single account

Accrual use is based on same month in the prior year; cost is based on prior (reasonable) month unit cost. This helps keep seasonal bills accurate

Any existing voided accrual bills for the period being calculated are automatically deleted

When you roll back the accrual step, the accrual record remains

Many reports allow you to filter for accrual bills

- Report 02 can be helpful

Try this Watts prompt!



Welcome to Watts AI

Ask me anything about your energy usage, costs, or performance.



Provide an overview of the 5 most expensive accruals bills this month.

↑ Send

Performance Report

Create a report on energy efficiency over the past 12 months for a specific site or meter.

Top 5 meters by energy cost

Show my top 5 meters by energy cost for the last quarter within a topmost.

Wrap Up