Industry & Agriculture Sector

Production Efficiency Program

Custom Track Offering

Operations & Maintenance (O&M)

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Industrial O&M Opportunities

- Reduce leaks
- Minimize loading
- Change set-points
- Automate operations
- Consolidate process steps
- Repair defective equipment
- Reduce pressure differentials
- Turn off power when not in use
- Switch to most efficient part-load option
- Minimize simultaneous heating & cooling

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Why focus on O&M Measures?

Opportunity

- High technical potential, low cost savings
- Projects can be implemented quickly
- O&M diagnosis identifies new capital projects
- Reducing energy waste often provides non-energy benefits for the participant
  - improved reliability, safety, labor savings, product quality

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Why Incentives for O&M Measures?

Barriers to O&M Implementation

- Technical complexity
  - Diagnosis of energy waste may require additional monitoring, analysis beyond most retrofits
  - Recommendations may require analytical “proof”, ex: new chiller set points will meet production requirements
- Behavior change
  - Convince operators and plant management to make the change and overcome organizational inertia to support persistence.

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History: Production Efficiency O&M

- 2003 – 2008: no and low cost measures recommended in studies, but w/o incentives
- Fall 2008: Kaizen Blitz and IEI Strategic Energy Management pilots launched
- 2009: Opportunities for compressed air demand side savings found in Custom track studies
- June 2009: Custom O&M Measure added

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Custom O&M Measure

- 3 year measure life
  - Targets measures where persistence of savings is highly sensitive to human behavior
  - Requires persistence strategy to be implemented
- Incentive: $.08/kWh capped at 50% of implementation cost
  - Compare to $.25/kWh custom measure with 10 year measure life
  - Actual incentives running < $.02/ first year kWh due to low implementation costs.

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Persistence Strategy Examples

- Kaizen Blitz
  - Energy information system and training on how to use it is provided
  - Operator training and SOP changes implemented
- Compressed Air O&M
  - Permanent installation of Flow Meters
  - Training & Usage of Ultra Sonic Leak Detector
  - Changes to operation and maintenance procedures to identify, tag, and repair leaks

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O&M Projects to Date

	# in Study or Offer Phase	# Committed	Savings Potential (kWh)	# Complete	Completed Savings (kwh)	Cash incentives paid
Custom O&M	16	6	9,000,000	1	541,368	$22,320
Kaizen Blitz	2	6	5,800,000	4	7,411,838	$138,882

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Using O&M as a Program Strategy

- Rising PE goals in 2010 combined with 2009 poor economy, lack of capital for projects.
  - Most PE savings (>70%) come from Custom track projects with 12 – 24 month lead time
  - Analysis of pipeline in February identified need for additional 2010 savings to reach stretch goal
- O&M experience in 2009 showed potential for large amount of 2010 savings if we ramped up outreach and could motivate participants to implement quickly

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Using O&M as a Program Strategy

- Other Objectives of the O&M Special Offer
  - Keep levelized costs low
  - Bend down the “hockey stick” by driving project completions earlier in the year.
  - Ramp up O&M technical capability and outreach that started in 2009
  - Engage motivated industrial customers by providing support for no and low cost energy savings measures during down economy, tee up capital projects for future years.

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“90x90 Custom O&M Special Offer”

If participant implements any energy efficiency measures prescribed by the Energy Trust within 90 days of offer, Energy Trust will pay up to 90% of the eligible project costs (capped at 8 cents per kWh).

Offer was announced on April 1, Available until August 31, Implementation must be completed by November 30, 2010

NOTES:
1. Offer date is the date that the Energy Trust Industrial Technical Manager signs the offer form.
2. Measures that exceed the 90 day deadline will still receive the standard Custom O&M incentive.

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