

Save Energy Now LEADER Web Conference Project Implementation Seminar Series

6 - Preparing for Project Implementation: Providing Resources for Implementation

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Agenda



- Seminar **Series Overview**
- **Recap Seminar # 5** – “Assigning Accountability”
- Providing **Resources** for Implementation
Fred Schoeneborn - ORNL team
Dave Crum, PE, CEM – Schneider Electric
Ed Willhite, CEM, Facilities Manager
- **Questions/Future Seminars**

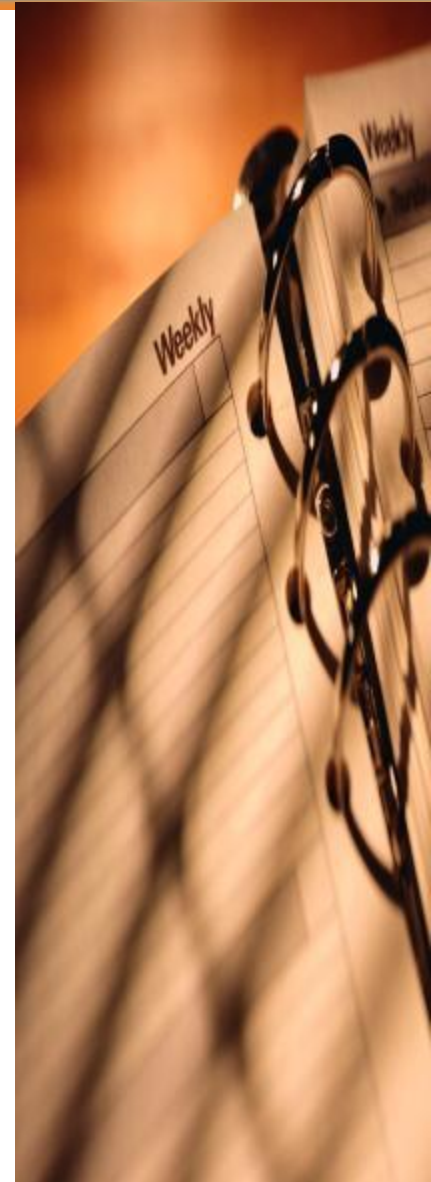
Project Implementation Series

- **12** One-hour seminars assisting *Save Energy Now* LEADER Companies
- Conducted every **second Wednesday** of the month
- Focus on **real world** examples and solutions
- Practical **tools** made available
- **Peer** *Save Energy Now* LEADER participants



Assigning Accountability

- Convert opportunities into **reality**
- **Track** projects
- Utilize tools noting **ownership**
- Note plant host accountability and **project** ownership
- Recognize owners with **100% Awards**
- Remember **speed** and the **budget cycle**
- Plan for **continuity, reviews, and 1 yr later report**



Sharing by Dow

- Critical **transition** from assessment to implementation
- Ownership is integral part of assessment **charter**
- Pre-defined – **no surprises**
- Each project must have **endorsed owner**
- **Expectations** of project owners defined



Internal Resources - Concepts

- “Mine” **Best Practices** from other facilities
- Distribute a **list of experts**
- Review **past projects** for approval methodology
- Encourage **PR** folks to publicize your efforts
- Have **Procurement** establish National Agreements with vendors to expedite processing



Internal Resources - Finance

- Team with your **Finance folks**
- Make your **Controller** an ally
- Have **Treasurers** find the money for good projects
- Have the **Finance** group make the business case
- Consider **Performance Contracting**



Internal Resources - Program

- Engage **technical expert** volunteers
- Become a “phone/email” **resource to other plants**
- Participate in other facility **assessments**
- Be recognized as the “**Center of Expertise**”



External Resources

- Review **Utilities'** and **Contractor's** program offerings
- Contact local and government **energy offices**
- Elicit support from other **Save Energy Now LEADER Companies**
- Consider **neighboring plant efforts**



Save Energy Now LEADER Resources

- Contact your **TAM** (Technical Account Manager)
- Use TAM as best resource for **rebates/incentives**
- http://www1.eere.energy.gov/industry/states/state_activities/incentive_search.aspx
- Review **pilot project** opportunities/funding



Champion of Implementation

- **Dave Crum**, PE, CEM, Staff Engineer
- **Ed Willhite**, CEM, Facilities Manager
- Schneider Electric
- Focus is on Implementation

Procuring Implementation Resources

Save Energy Now LEADER
Webinar

David Crum, PE, CEM

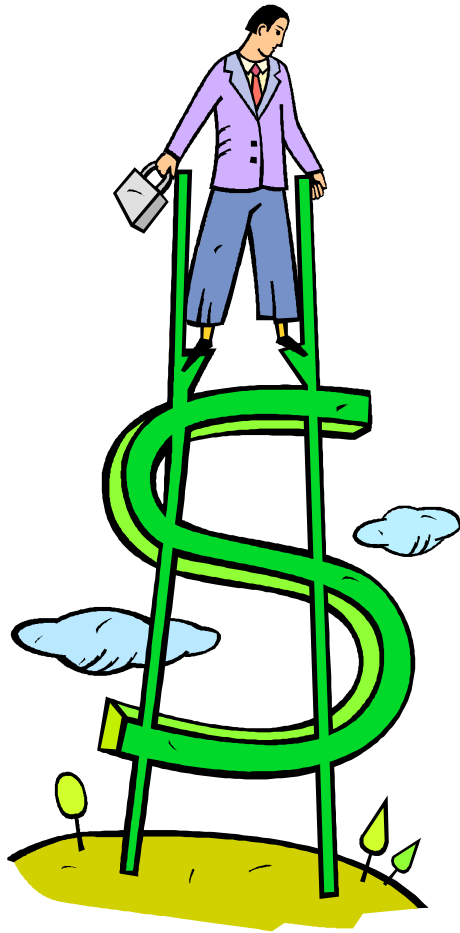
Edwin Willhite, CEM

Overview

- Building Support
- Planning for Success
- Continuing the Process - The Annual Cycle



Building Support



Management support is key to a successful program, providing

- Direction and Incentive to the Organization
- Capital Dollars
- Human Resources

Selling Your Project

- Finding resources starts with finding out what makes your organization tick
- What drives your organization?
 - ROI
 - Energy Efficiency
 - Sustainability
 - Safety
 - Productivity
- Likely, it's a combination of these things, and your approach should reflect each driver's importance



Selling Your Project

- Selling your project starts with an honest self-assessment of your project
 - Does the project align with the organization's goals?
 - What are the potential negative impacts?
 - Do we have a well thought out plan for implementation?
- If you don't have a good story to tell, it will be tough to sell your project



Selling Your Project

- Know your audience to adapt your presentation for success
 - What drives your business?
 - What is it that resonates with your audience?
- Help your management see the benefits of your project by building a business case
 - Calculate Return on Investment (ROI) – “Green Generates Green”
 - Present benefits, such as improved safety, improved performance, etc
 - Emphasize the advantages of reducing energy vs. reducing headcount
 - Enlist help from your marketing department to see how this could positively impact company image and sales

Planning For Success



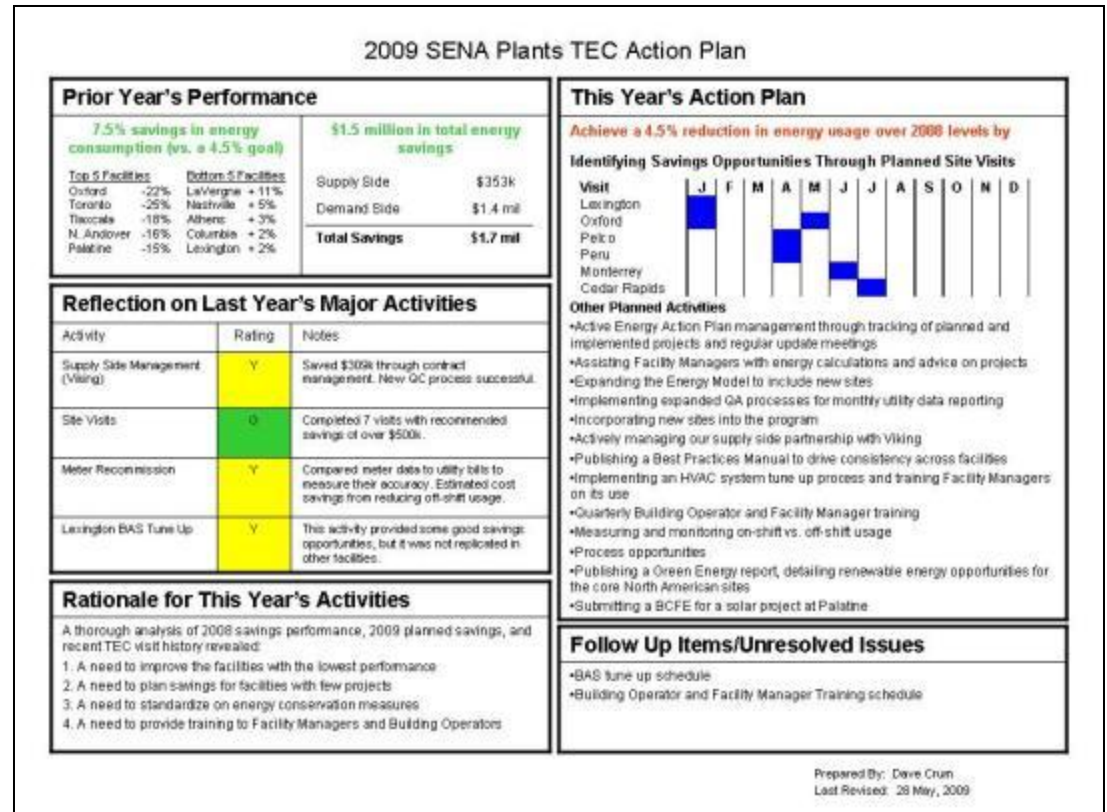
- Proper planning is at the heart of gaining resources for implementation
- This is a two-tiered process
 - Planning with energy experts (Semi-Annually, in July and December)
 - Planning with internal management (Annual, in August and September)

The Annual Planning and Resource Procurement Cycle

1. Set a Goal
2. Analyze your project potentials and project identification needs
3. Target the projects for implementation and get your projects in before annual budgeting cycle starts
4. **Fight for your capital in the annual budgeting process!!!**
5. Make implementation of projects and energy savings an annual performance metric

The Annual Planning and Resource Procurement Cycle

- Review prior year actions and performance in order to set goals and lay out activities to ensure future success
- Plan activities to help meet goals for the coming year and to set up projects for subsequent years' savings
- Review the plan and update it at least quarterly



In Review



Three key concepts

- Build Management Support and Sell Your Idea
- Plan for Success
- Take Advantage Of Your Annual Planning Cycle

Questions ?



Next Seminar in the Series

- **June 9, 2010**
- **2:00 p.m. Eastern**
- **“Motivating Employees to Implement Projects”**
- **Guest Speaker from CalPortland**
- **Please register**



Your Implementation Case Studies

- Let DOE help you **CELEBRATE**
- Highlight **Accomplishments in Implementation**
- Recognize your team's efforts



U.S. DEPARTMENT OF ENERGY Energy Efficiency & Renewable Energy INDUSTRIAL TECHNOLOGIES PROGRAM

Flambeau River Papers Makes a Comeback With a Revised Energy Strategy



Burdened by increasing operational costs, a century-old paper company in Wisconsin changes the way it used energy to turn around its business from a complete shutdown in 2006 to thriving paper production today.

The closure of the Flambeau River Paper in 2006 was not surprising. The mill's excessive dependence on fossil fuel and its use of antiquated machinery had crippled the company in the face of rising energy costs. A fresh approach to energy management implemented by its new owners, however, changed the course for the company. The company has seen an increase in paper production by 11.3% since 2006, benefiting from an initial Energy Savings Assessment* conducted in 2007 and subsequent changes at the mill. Steps such as fuel switch and energy efficiency improvements in plant steam systems, combined with a grassroots approach that relies on its employees for recommendations, have all made it happen for Flambeau River Paper.*

Flambeau River Papers has had a huge impact not only on Park Falls but in Northern Wisconsin—perhaps even throughout the entire United States. What the company has accomplished regarding energy efficiency in such a short time is nothing short of amazing. The company has set an example for other companies to follow in their employees. Because the employees helped turn the mill around, Flambeau River Papers is the majority for the town.

Park Falls Mayor Thomas Ratzliff

The Company

Flambeau River Papers has been a major force of economy for the city of Park Falls, a small town in northern Wisconsin with a population of roughly 2,200.¹ Originally opened in 1896, the mill has been one of the largest employers of Iron County in Wisconsin, producing a variety of paper products, such as printing, cover stock, tag, apply card, index, folder, envelope, and laser bond paper. Park Falls was the last town where Flambeau River had to shut down its mill in 2006 due to its exorbitant energy costs and antiquated machinery. The mill's closure had left approximately 13.2% of the city's residents unemployed.

Flambeau River, however, received a fresh lease of life under a new ownership led by Derek Johnson. All its previous employees were offered their jobs back at the same salary and benefits prior to the mill's closing, an offer which was accepted by approximately 92.8% of them.² The reopening of the mill had also provided a unique opportunity to assess the company's business model and identify what needed to be in place in order for the company to thrive.

The Mill's Energy Challenges

Pulp and paper mills have traditionally been large consumers of energy in the United States and that trend is to be hit by the rising energy costs if their processes are not utilizing modern standards of efficiency and are heavily dependent on fossil fuels.

Exhibit 1: Average Industrial Electricity Price in Wisconsin



Year	Price (cents per kWh)
1997	4.20
1998	4.34
1999	4.30
2000	4.48
2001	4.68
2002	4.94
2003	5.14
2004	5.34
2005	5.54
2006	6.40

Source: Energy Information Administration's http://www.eia.doe.gov/c2/electricity/indus/indus_elec.html

*The U.S. Department of Energy's Industrial Technologies Program offers Energy Savings Assessments to help its industrial clients identify inefficiencies and help plants' air-consumption energy more effectively. To learn more, visit http://www.eia.doe.gov/c2/electricity/indus/indus_elec.html

continued

Feedback

- **Welcome** comments regarding Seminar Series
- Seminars are **your sessions**
- Make seminars **meaningful** for you
- Feedback aids **continuous improvement**
- Send **comments to** Lindsay Bixby at:
lbixby@bcs-hq.com

