Managing Energy for Sustained Savings

A Company Perspective
IPEEC Energy Management Action network

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Sr VP Energy Efficiency Programs

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1st Schneider Electric at a glance

15.8 Billion global sales in 2009 (in €)
34% of sales in new economies
x2 compared to 2004

100,000+ people in 100+ countries

5% Sales devoted to R&D

US our largest Business
50+ factories, 12,000+ employees

The global specialist in Energy management

Sales by End markets – 2008
- Energy & Infrastructure: 16%
- Industry: 26%
- Data centres & Networks: 17%
- Buildings: 31%
- Residential: 10%

A Recognised Sustainable commitment
Managing Energy Use

Two key strategic perspectives
30% savings are available today…

- Efficient devices and efficient installation (10 to 15 %)
  Low consumption devices, insulated building…

- Optimized usage of installation and devices (5 to 15%)
  Turn off devices when not needed, regulate motors or heating at the optimized level…

- Permanent monitoring and improvement program (2 to 8%)
  Rigorous maintenance program, measure and react in case of deviation
But …….. The long term challenge is sustained energy savings

- One step is not enough, savings are lost due to:
  - Behavior & Commitment
  - Lack of visibility
  - Lack of Automation

Control and monitoring technologies will sustain the savings
And the Keys to Sustained Energy Savings are……

A Lifecycle Approach & Active Energy Efficiency

Energy Audit & Measure

Passive Energy Efficiency
- Fix the basics
  - Low consumption devices, insulation material, power factor correction

Active Energy Efficiency
- Optimise through automation & regulation
  - HVAC control, lighting control, variable speed drives...
- Monitor, maintain, improve
  - Meters installation, monitoring services, EE analysis software
A new power equation to solve

- Safe
- Reliable
- Efficient & Productive
- Green

Power distribution & industrial control

Secured power

Automation / smart grid ready technology

Connected to Renewable

Integrated solutions and services

2009 Market Split

- Energy & Infrastructure: 16%
- Industry: 25%
- Data centres & networks: 18%
- Buildings: 31%
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New Opportunity from technology and markets

- The intersection of IT and Energy Management will create new opportunities to accelerate energy efficiency

“Energy is invisible. We need to make it visible.”
From multi-silo to single backbone system: example of buildings

Reliability
- Continuity of service of Electrical Power

Efficiency
- 30% energy savings
- Optimized Capex & Opex

Productivity
- Productive work places

Green
- Connection to renewable energies

Interoperability and openness to third party systems

Renewable energies
- HVAC control
- Lighting control
- Energy monitoring
- Motor control
- Access control
- Security
- Critical Power & cooling
- Electrical distribution

Schneider Electric - “Defining Times” – A World in Transition – Jean-Pascal Tricoire – 17th March 2010
What is Possible

Walking the Talk
Program Set a Corporate Goal of 4% Energy Reduction per Year

Started with 18 US Facilities in 2005 expanded to 51 sites as of 2009

- 400 Opportunities Identified
- 8% Reduction in 2009 (normalized)
- 10% Reduction in GHG each of the last two years
- Energy Action Plan at each Facility.
- Quarterly Reviews and Annual Assessments
Annual Planning Process

An opportunity to review prior year actions and performance in order to set goals and lay out activities to ensure future success

- Activities planned to meet goals for coming year and set projects for subsequent savings
- Plan updated quarterly and progress reviewed annually
New Schneider Electric buildings are Energy Efficient

● The Hive
  ● New Paris headquarters housing 1,700 employees
  ● Energy target to reduce to 50 kWh/m²/year

75% energy savings

30% Capex & Opex savings

80 kwh/sqm final energy consumption in 2010
Passionate about sustainable development

Environment
• Adherence to standards like RoHS, REACH, WEEE
• Eco-design
• ISO14001 certification

Business
• Head of Green Grid
• Signing the Clinton Climate Initiative
• Partner of Alliance to Save energy

Ethics
• Global compact of the United Nations
• Principles of responsibility signed by every employee

Access to energy
• Access to electricity for 1.6 billion people
• Training disadvantaged young people in the field of energy
• Business angel for local entrepreneurs

A measured commitment
• The planet & society barometer

3.88 / 10  Grade at April 2009
3.00 / 10  Grade at January 2009
Our Customers

Perspectives & challenges
EE in Industry

The Profile

● Process, Product Driven, Financially Driven
● Healthy Businesses with Good Capital Access
● Pressured for High Return Rates

Energy Opportunities Everywhere

Lighting
Variable Speed Drives
Process Cooling System Optimization
Alternative Fuels
Power Generation
Chilled Water System Optimization
Dust Collection System Optimization
Refrigeration System Optimization

Power Conditioning
Demand Control
Ventilation System Optimization
Air Handling Systems Optimization
Compressed Air System Optimization
Wastewater System Optimization
Heat Recovery Applications
Process Heating Optimization

Usually believe they have done all the low hanging fruit…. But typically its not true.
The challenges

Many Knowledge and Visibility Problems Related to Industrial Energy

- How to compare energy efficiencies across processes and products?
- How far can you go without degrading the process or product?
- How to aggregate & track energy usage meaningfully across a company?
- How to ensure continuous focus on the energy and GHG problem?
- How to integrate all the energy tools and systems?

First opportunity is not changing the process but…..

- Changing the way energy supports the process
  - Without degrading the products

Second challenge is adapting the process and products

In Industry, the Energy Expert Must Be as familiar with the Production and Operations as with the Energy Systems

The Energy Expert Can Enhance the Perspective of the Facility
The moment is now for governments, the public and business

- **Regulations are coming**
  - 3*20% plan in Europe
  - China 5 year plan commitment to reduce energy intensity by 20%
  - 5m green collar jobs to be created in the US in the next 10 years
  - 20% of stimulus funds going ‘green’

- **Companies are acting**
  - [Image: Schneider Electric]
  - Technology is here
    - Renewables
    - Energy Monitoring & metering
    - Facility automation
    - Integrated management systems

- **Public opinion is pushing**
  - Hybrid cars sales market shares x4 in the last 2 years
  - Earth Hour has more than 1bn participants in 88 countries
  - Oscar® winning documentary makes global warming the number one topic of conversation

- **Technology is here**
  - Renewables
  - Energy Monitoring & metering
  - Facility automation
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Energy Savings Opportunity

Real Examples
Customer solutions across markets

Bella Center (Denmark)
Greening the COP15 venue with energy efficiency building management

Customer Benefits
20% energy savings saved compared to before retrofitting
1,150 tons of CO2 saved per year

Global supervision
Power management
Building management

Solaire Direct (France)
A turnkey contract for a complete system including conversion & distribution of photovoltaic electricity

Customer Benefits
2,900 tons of CO2 avoided/year
Remote monitoring
97.5% availability for 20 years

Global supervision
Power management
Security management
Services

Sun Microsystems (India)
Sun chose APC by SE to combine 13 research laboratories and a leading-edge data centre in Bangalore.

Customer Benefits
51% Footprint reduction (servers+Storage)
+3 Number of servers
-17% Electrical consumption
R&D calculation power up 154%

Global supervision
White space management

Schneider Electric - “Defining Times” – A World in Transition – Jean-Pascal Tricoire – 17th March 2010
School recaptured 42% of investment in the first year

Situation
- 200,000 square foot private school in Houston, TX
- Energy costs had increased 30% in two years
- Wanted to go green

Challenge
- Administrators would only approve going green—if also financially attractive.

Solution
- Optimized HVAC
- Lighting retrofit
- Utility bill optimization

Results
- $101,667 projected annual energy savings
- 42% return on $240,000 capital investment in the very first year—even without energy rebates or incentives.

$240,000 x 42% = $101,667 saved
# Plant X Current Energy Action Plan

## Year 3

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Cost Savings</th>
<th>Project Cost</th>
<th>Simple Payback</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boiler Efficiency Improvement</td>
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Production Energy Optimization

- Support **best in class solutions** for operations management and energy management

- Engaging **Energy Experts with Process Experts** to optimize and sustain savings
  - Produce a fast ROI
  - Follow **continuous improvement approach**
  - Enable to reduce energy consumption per unit produced

- Information based energy management
  - Improve energy forecasting & **event based visibility**
Managing Sustained Energy Savings

The message we deliver to our customers
Energy should be an approach of continuous interaction and improvement

Commitment must be for Implementation of Results Not Identification of Ideas

In a dynamic process, changes and updates are made to the Energy Action Plan to reflect product and process changes, capacity, contingency planning, equipment replacement, and other inherent system changes.
An Energy Action Plan is More than an Energy Audit

Through semi-annual meetings, site visits and ongoing communication, the Energy Action Plan projects evolve to meet the site’s changing landscape.
Strategic energy planning must have a seat at the table

- Energy becomes part of company strategic planning
- The Program Uses a dynamic Energy Action Plan that’s continuously updated
Sustained Energy Savings

What are the barriers?
The Barriers

1. People, people, people
   ● Skills and knowledge
   ● Management, leadership, uncertainty, ……

2. Visibility
   ● Sub metering, performance, intensity,…

3. Tools
   ● M&V, Diagnostics, Analytics, Benchmarking,…..

4. Technology
   ● We have what we need, but improvements can come
Make the most of your energy
Case Studies (4)
An Energy Action Plan for a Large Manufacturing Facilities:

**Facility Type:** Pulp/Paperboard, Two plants

**Contract Term:** 12 Months, Renewed by Customer for Third Year

**Total Savings (Year 1):** $1,215K in Plant 1, Payback was one year

**Project Description:** The TEC team conducted a study and produced energy action plans which included an energy dashboard, boiler $O_2$ trip controls, a switch from 150 to 30 psig steam sparging, powerhouse piping, compressed air system optimization, variable frequency drives and lighting retrofits.
## Plant 2 Current Energy Action Plan Year 3

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An Energy Action Plan for a Large Industrial Site:

**Facility Type:** Packaged Food

**Contract Term:** 12 Months, Renewed by Customer for Third Year

**Total Savings:** Year 1 Process Energy systems - $460K; $2.3 million 2007 and $4.0 million 2008 in cogen operation

Currently recommending $700K savings opportunities in boiler and chiller systems.

**Project Description:** The TEC team conducted a study and produced an energy action plan which included demand control strategies to profit from utility deregulation, and a variety of Mechanical System improvements.
A Solar Photovoltaic Feasibility Study for Remote Facilities:

**Facility Type:** Agrichemical, 60 sites

**Contract Term:** 3 Months

**Project Description:** Decision criteria on the installation of a photovoltaic solar array including the identification of the best candidate site based on economic criteria including: availability of incentives, generation potential, and specific applicability.

For the site selected, proposed systems architecture and economic analysis which will include installation and maintenance costs, rebates and incentives, tax credits and simple payback.
A LEED Certification Plan for a Government Facility:

**Facility Type:** Nuclear Resource Production

**Contract Term:** 6 Months

**Project Description:** A site analysis to accomplishing the first step in the LEED certification process. The analysis gauged the feasibility for and projected the LEED NC certification level that is most realistic and achievable for the site. The study educated takeholder on the LEED NC certification process and the phases involved in the future. The report provided a roadmap for management to follow throughout the LEED certification process.