

IENE Investing on Energy Efficiency

*Energy Audits in Industry
Best practices-Framework in Greece and EU
experience*

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24/5/2018



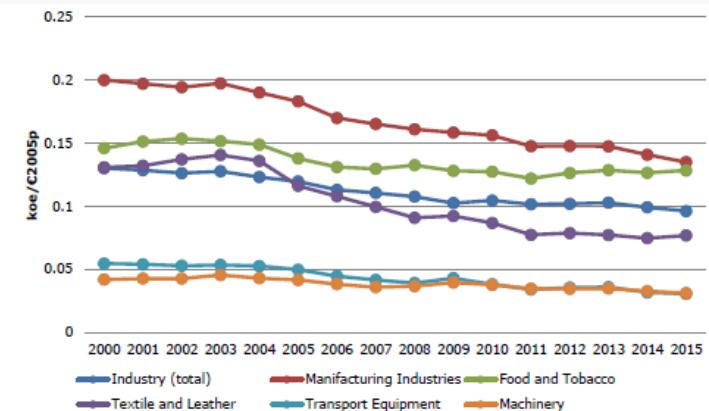
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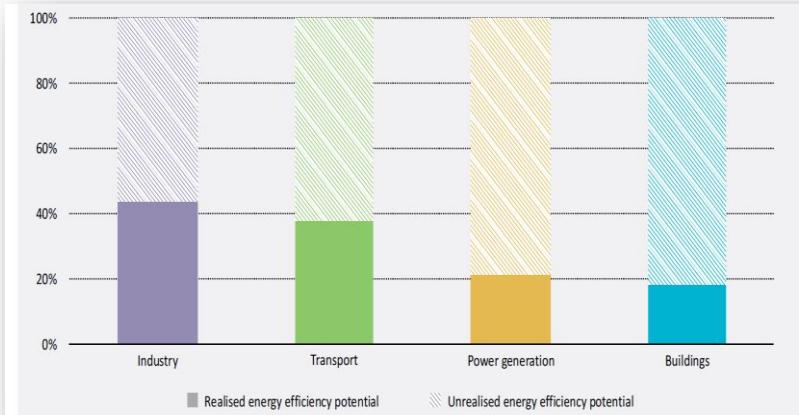
INTRODUCTION-LEGISLATION

Unexploited potential for industrial EE

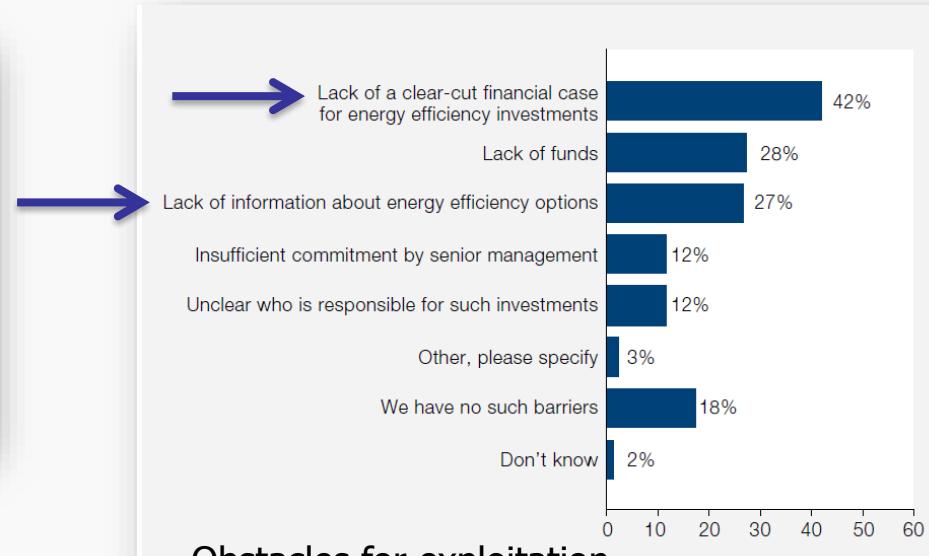
- Industry: historically a major energy consumer
- In EU accounted for 28% of FEC (2015)
- Trends in improvement of energy intensity
- Substantial unexploited potential



Source: JRC, 2017



Source: IEA, Tracking Clean Energy Progress, 2015



Obstacles for exploitation

Source: ABB, Trends in global energy efficiency 2011, An analysis of industry and utilities

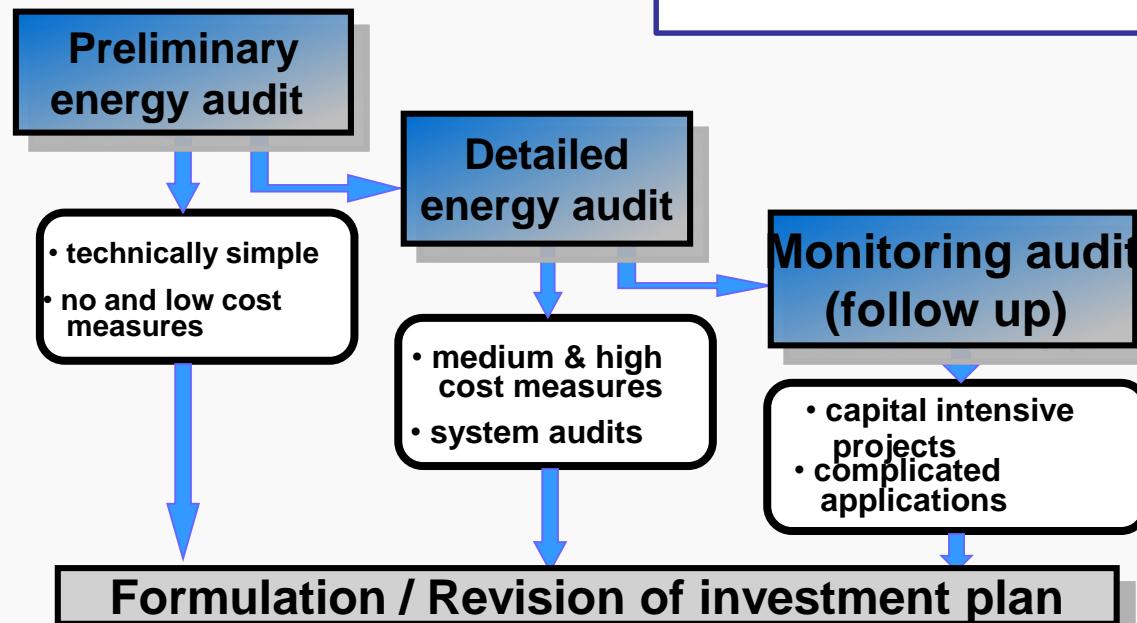
Definition-standards

Energy audit ...

"A systematic procedure with the purpose of obtaining adequate knowledge of the existing energy consumption profile of a building or group of buildings, an industrial or commercial operation or installation or a private or public service, identifying and quantifying cost-effective energy savings opportunities, and reporting the findings", *Directive 27/2012/EU*

Standards

- ISO 50002
- EN 16247-1: General Requirements
- EN 16247-2: Buildings
- EN 16247-3: Industrial Processes
- EN 16247-4: Transport
- EN 16247-5: Energy Auditors qualifications



Legislation

DIRECTIVE 27/2012/EC, Article 8

Member States (MS) shall:

- ***promote the availability to all final customers of high quality energy audits*** which are cost-effective and either carried out in an independent manner by qualified and/or accredited experts according to qualification criteria; or implemented and supervised by independent authorities under national legislation
- establish transparent and non-discriminatory minimum criteria for energy audits (to guarantee their quality)
- *develop programmes to encourage SMEs to undergo energy audits* and the subsequent implementation of the recommendations from these audits
- may set up support schemes for SMEs, including if they have concluded voluntary agreements, to cover costs of an energy audit and of the implementation of highly cost-effective recommendations from the energy audits, if the proposed measures are implemented
- develop programmes to raise awareness among households about the benefits of such audits through appropriate advice services
- MS shall ensure that ***enterprises that are not SMEs are subject to an energy audit by 5 December 2015 and at least every four years from the date of the previous energy audit***

- **Law. 4342/2015-Article10:** compliance to Greek legal context of Directive 2012/27/EC of the 25 October 2012
- **MD 178679 / 10.7.2017** «Systems for recognition of qualifications and certification of energy auditors, registry of energy auditors and energy audits
- **Decision: DEPEA/ 181906/5.10.2017** - Clarification for energy audits of law 4342/2015

Greece-legislation

1. Subject

| | |
|---------------------|--|
| Independent non SME | a) have more than 250 employees OR β) less than 250 employees but annual turnover exceeds 50 MEUR and balance sheet exceeds 43 MEUR |
| <i>Exemption</i> | <i>Companies that implement certified systems for energy and environmental management, certified by an independent body</i> |



2. Categories

| | |
|---------------------|---|
| Category A : | Residential, office and commercial buildings up to 2000 m ² , and workshops with installed power capacity not exceeding 22 kWe or 50 kWth |
| Category B : | Office and commercial buildings over 2000 m ² , other tertiary sector buildings, industrial installations with total installed capacity less than 1000 kW. |
| Category C : | Industrial installations with total installed capacity above 1000 kW |

Greece-legislation

3. Auditors

3 Categories- Independent certified auditors according to specified criteria (YA178609)

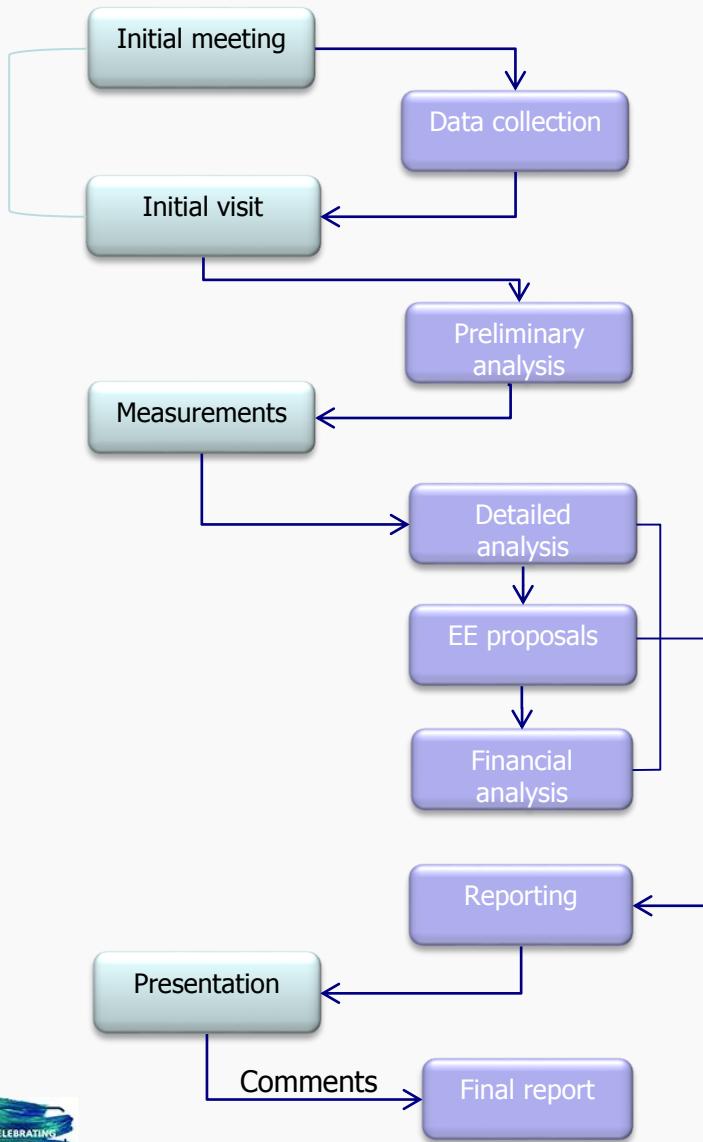
| | | |
|---------------------|--|--|
| Category A : | At least one external certified auditor of any class | |
| Category B : | At least two auditors class B or C | It is possible that up to two energy auditors of lower class participate |
| Category C : | At least two auditors class C | Can be implemented by internal energy auditors only in cooperation with at least one external energy auditor |

4. Implementation

| | |
|-----------------------------|---|
| Scope: | The audit covers at least 90% of total energy consumption |
| Similar installation | The audit is implemented at representative sample of similar installation of every group equal to the square root of the sum of all installations of the group, rounded to the next highest integer |
| Rented | Obliged companies that rent their assets to non obliged, keeping the responsibility of operation and maintenance of them, should include the, in the scope of the items to be assessed within the energy |

Energy Audit Steps

Steps



Step 1. Preparation-data collection

Step 2. Walk-through visit

Step 3. Analysis of energy data

Step 4- Measurements



Step 5. Data analysis

Step 6. Report

Energy Audit report

| Chapter | Contents |
|---|--|
| Executive Summary | <ul style="list-style-type: none">Procedures followedKey figures on baselineList of all measures and outlook of techno-economic resultsRecommended action plan. |
| CHAPTER 1 Introduction- Site description | <ul style="list-style-type: none">Brief outlook of installationsDescription processes-buildingsDescription of utilitiesRaw materials-products-wasteEnergy management, monitoring and accounting procedures followed - current sub-metering practices |
| CHAPTER 2 Current energy consumption- performance | <ul style="list-style-type: none">Fuel supply and Electricity supplyElectrical and thermal energy usageOther resources utilisationDetailed presentation of on site measurements and analysis |
| Chapter3 Energy efficiency assessment - benchmarking | <ul style="list-style-type: none">Allocation of energy to ECC-energy balancesBaseline energy consumptionSpecific energy consumption per product unit or other key parameterComparison with international (benchmarking)CUSUM analysis if data is available . |

Energy Audit report

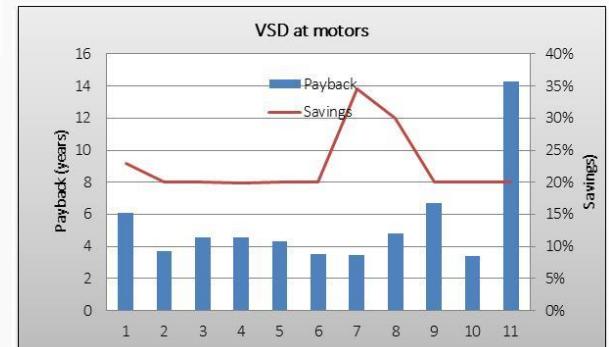
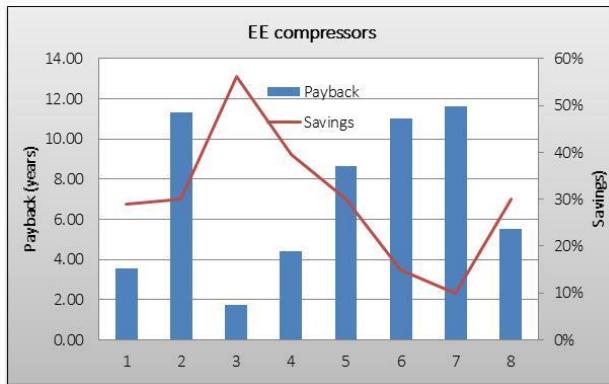
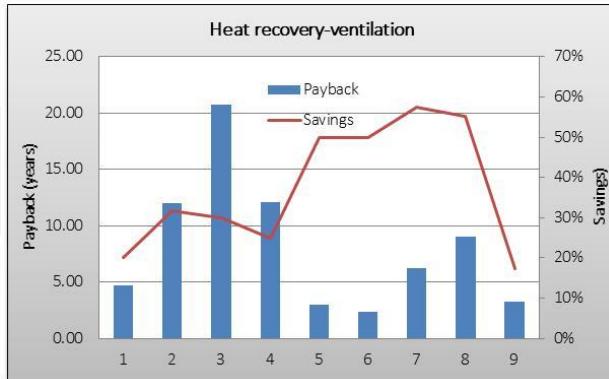
| Chapter | Contents |
|--|--|
| CHAPTER 4 EE proposals | <ul style="list-style-type: none">• Technical description• Estimation of CAPEX, OPEX• Calculation of energy savings and other resource savings• Calculation of GHG emissions reduction• Financial savings |
| CHAPTER 5 Proposals for process improvement | <ul style="list-style-type: none">• Possibilities for improvement in the processes that can result to:<ul style="list-style-type: none">• Process optimization• Raw material savings• Increase in quality of production• Modernization of production procedures• Improvement of regular operation and management |
| CHAPTER 6 Financial analysis | <ul style="list-style-type: none">▪ Assumptions (tariffs, discount rate etc)▪ Lifecycle costs per measure▪ Cash-flow analysis▪ Extraction of financial indicators (IRR and NPV)▪ Risk-sensitivity analysis |
| CHAPTER 7 Conclusions | <ul style="list-style-type: none">▪ Key findings report▪ Proposal of financially viable improvements▪ Follow up- action plan |
| Annexes | <ul style="list-style-type: none">- Measurement data- Technical calculation data sheets- Financial analysis flow sheets etc. |

Examples of BATs

Low payback measures

| Measure | Energy saving potential until 2030 |
|--|------------------------------------|
| Integrated control systems | 17.3% |
| Sub-metering | 13.8% |
| Flue gas monitoring (boilers-furnaces) | 8.3% |
| High Efficiency burners (furnaces) | 8.1% |
| Flue gas heat recovery | 5% |
| Combustion optimisation (furnace) | 3.8% |
| Steam trap optimisation | 1.9% |
| Preventive furnace maintenance | 1.6% |

Source: ICF, 2015 [3]



Example: Heat recovery

Sources of waste heat

| Area | Waste heat source | Utilisation |
|-----------------------------|---|---|
| Boilers | Flue gas | Economisers Preheat combustion air |
| Boilers | Blowdown Condensate | Preheat boiler feedwater |
| Refrigeration | Waste heat from Condenser | High grade heat from de-superheater Low-grade heat recovery from condenser |
| Ventilation systems | Exhaust air | Heat wheel Run-around coil Heat pipes Heat pumps |
| Industrial processes | Heating at industrial processes Drying Heat stored in products etc. | Low temperature waste heat High temperature waste heat |



RESULTS

Heat use before = 22772 MWh/y
Heat used after = 9678 MWh/y
Gas savings = 261885 EUR/y

CAPEX: = 500,000 EUR

Auxiliaries: = 125,000 EUR

Simple Payback = 2.4 years

Example: HR in ventilation in agribusiness



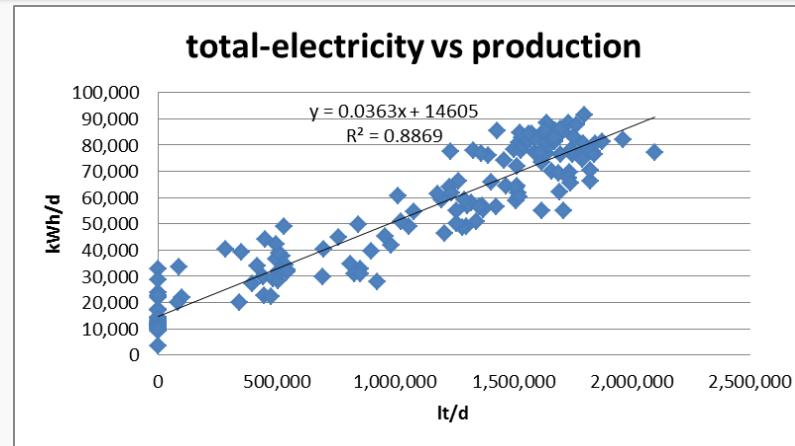
Good practices

Minimum criteria Annex VI

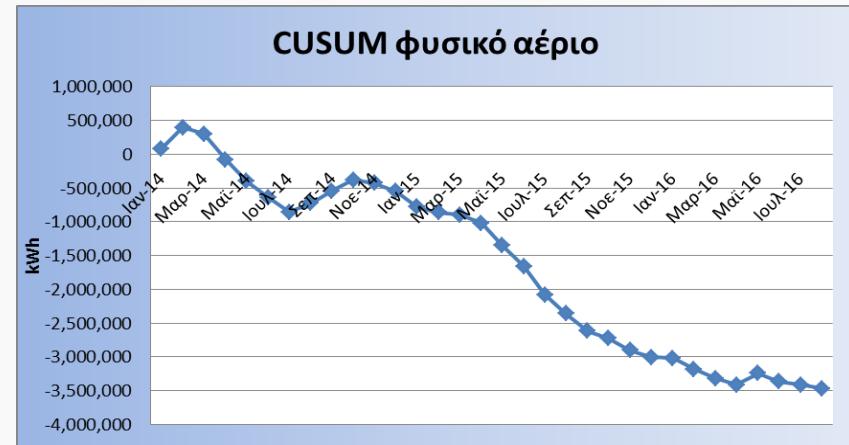
| Demand | Addressing |
|--|---|
| Be based on up-to-date, measured, traceable operational data on energy consumption | <ul style="list-style-type: none"> Methodology for systematic collection of primary information. Targeted measurements for the acquisition of integrated and reliable data needed for energy balances |
| Comprise a detailed review of the energy consumption profile of buildings or groups of buildings, industrial operations or installations, including transportation | <ul style="list-style-type: none"> Analysis at discrete Energy Cost Centres to be defined at early stage. |
| Build, whenever possible, on life-cycle cost analysis (LCCA) instead of Simple Payback Periods (SPP) | <ul style="list-style-type: none"> Analytical approach and calculation of O&M costs of each action Tools for financial viability analysis Risk and sensitivity analysis . |
| Be proportionate, and sufficiently representative to permit the drawing of a reliable picture of overall energy performance and the reliable identification of the most significant opportunities for improvement. | <ul style="list-style-type: none"> Transparent criteria for selection of targeted objects Determine relationship of energy vs critical parameters (production etc), interactive effects |

Good practices-analysis

Correlation of energy with critical parameters



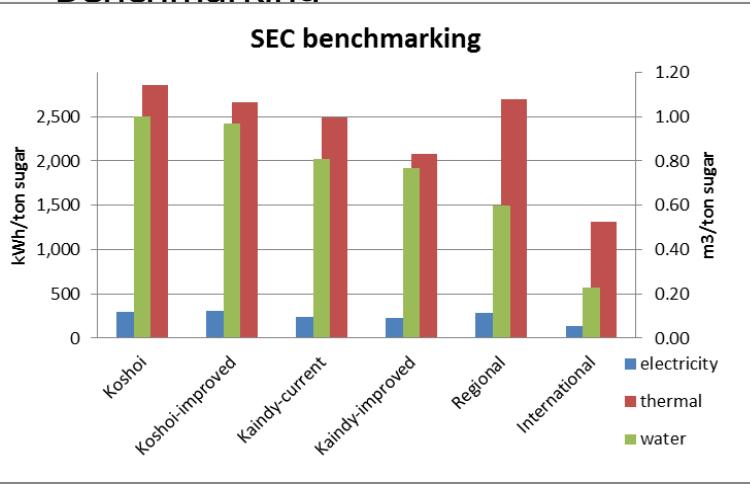
Representative periods



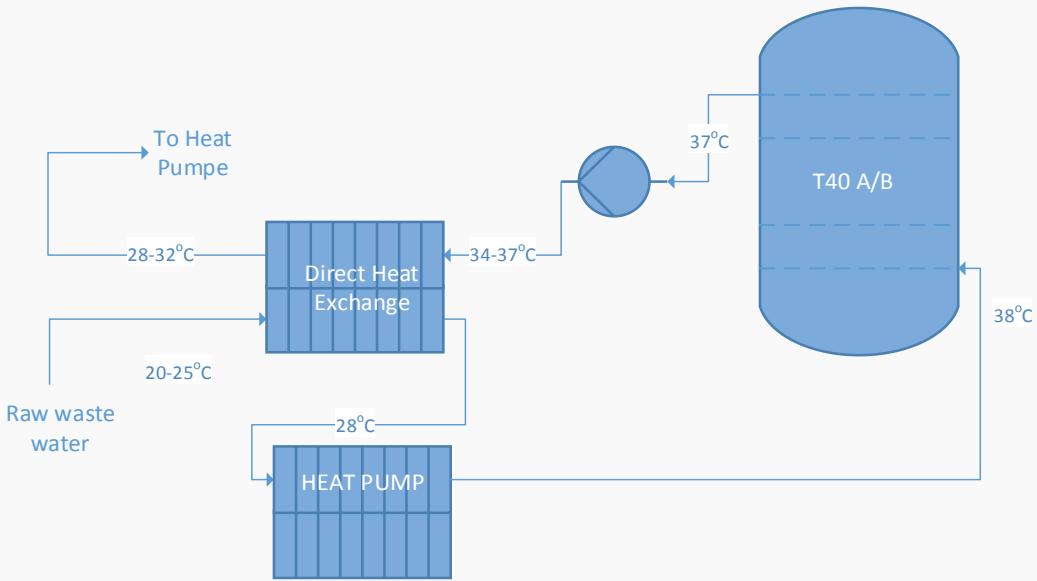
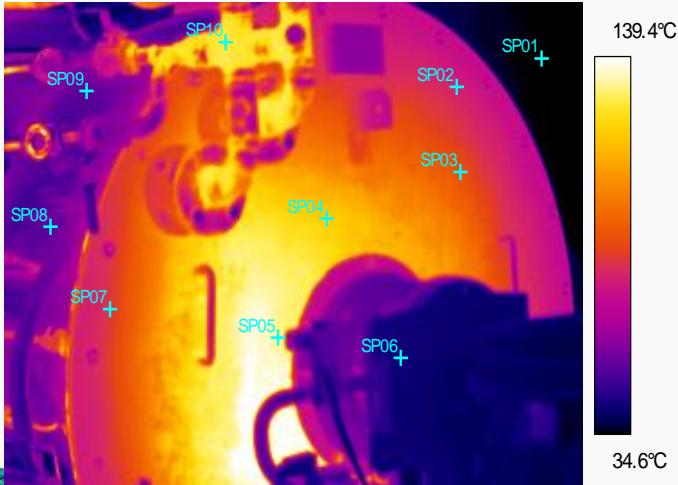
Allocation of energy use

Good practices-justification

Benchmarking



Problem: Justification of need-scope



Proposals: clear and analytical, with technical evidence

example

Good practices-measures

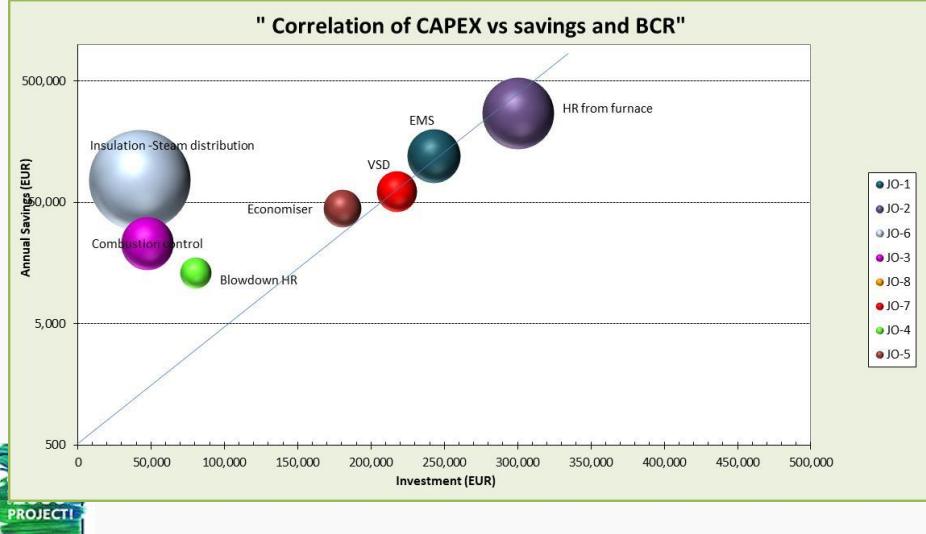
Target on no/low cost measures



Focus on process



" Correlation of CAPEX vs savings and BCR"



Viability: LCCA

Example

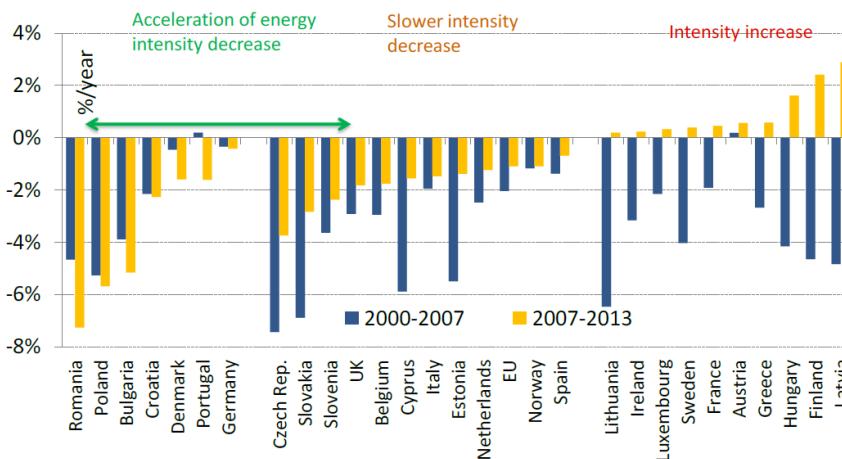
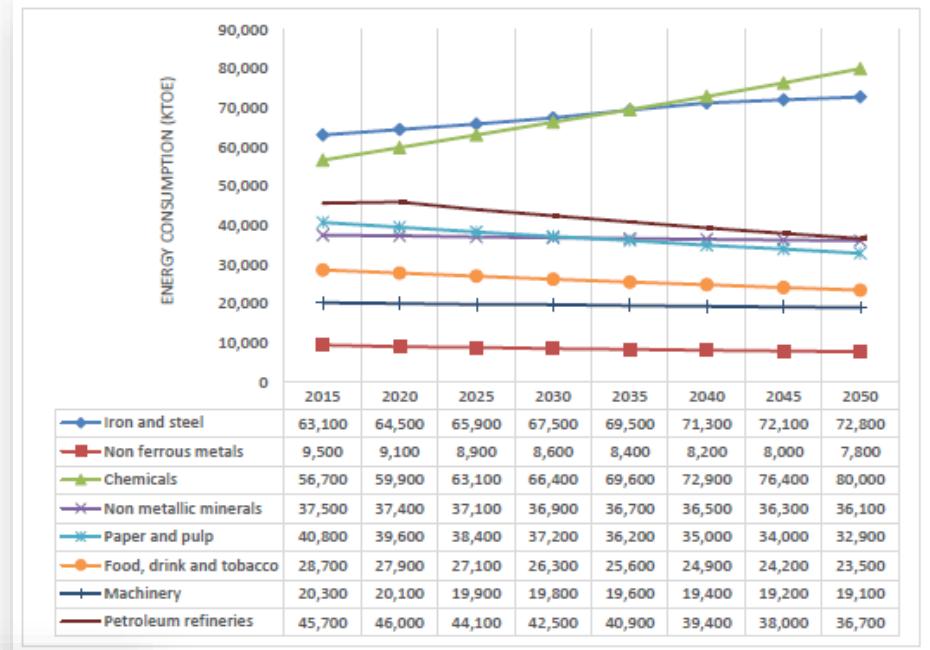
Risk: Sensitivity analysis

Example

International experience

EE potential in industry

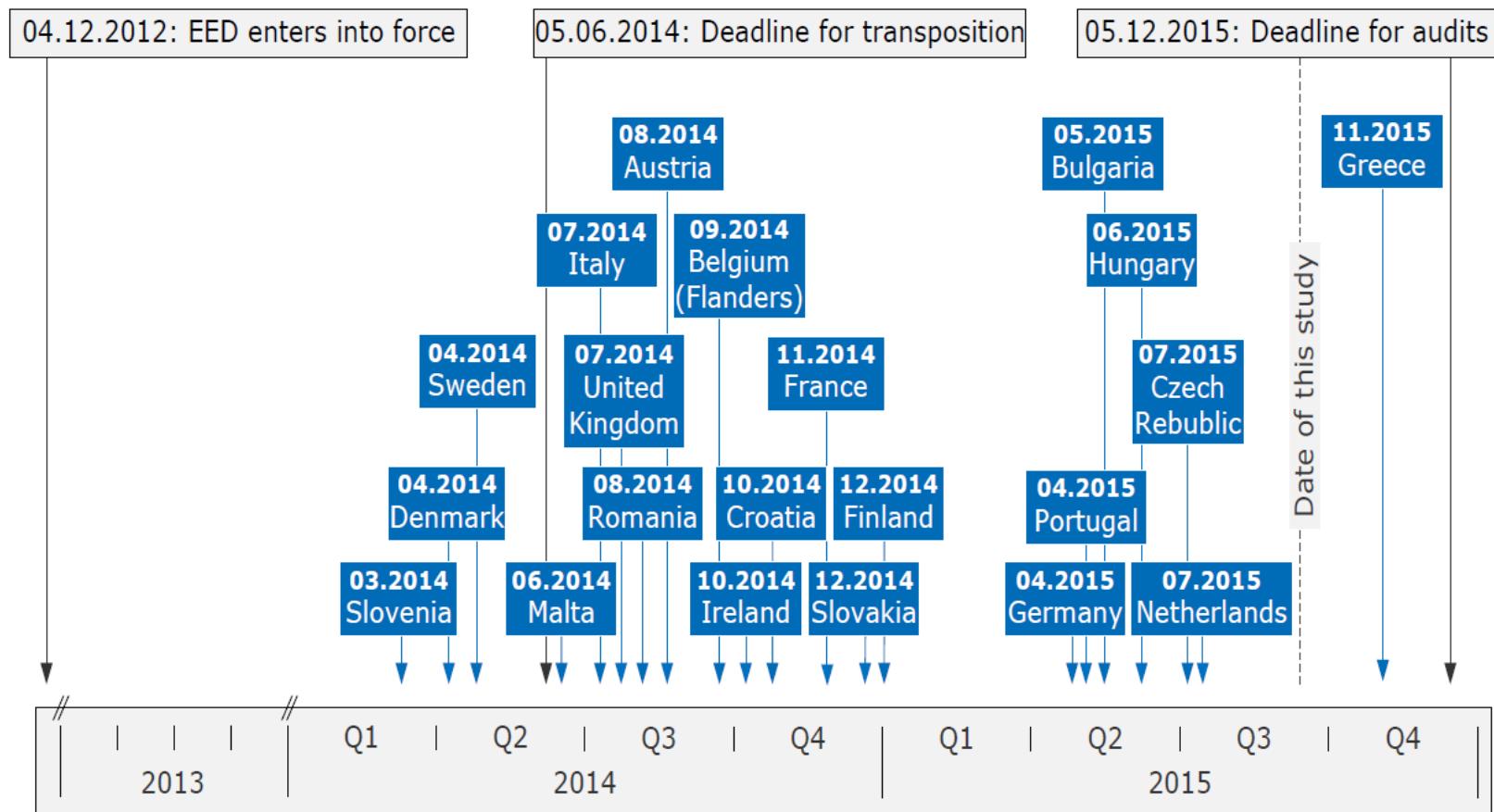
- Industry in the EU: > 35% primary energy demand
- Technical potential of EE in industry: - 40% of primary energy supply
- Differentiation in achieved results in so far



Source: ICF, 2015

Source:
Energy Efficiency Trends and Policies In
Industry ODYSSEE-MURE, 2015

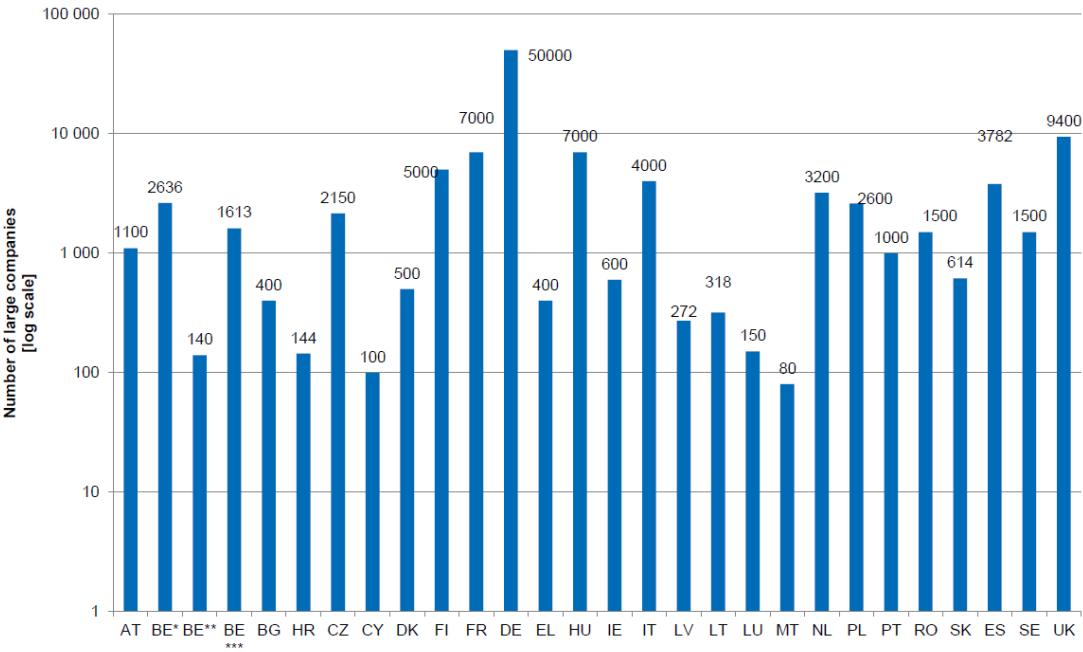
Article 8- Compliance



Source: Ricardo, Article 8 of EED; challenges for large enterprises, 2016

Timeline for Article 8 compliance

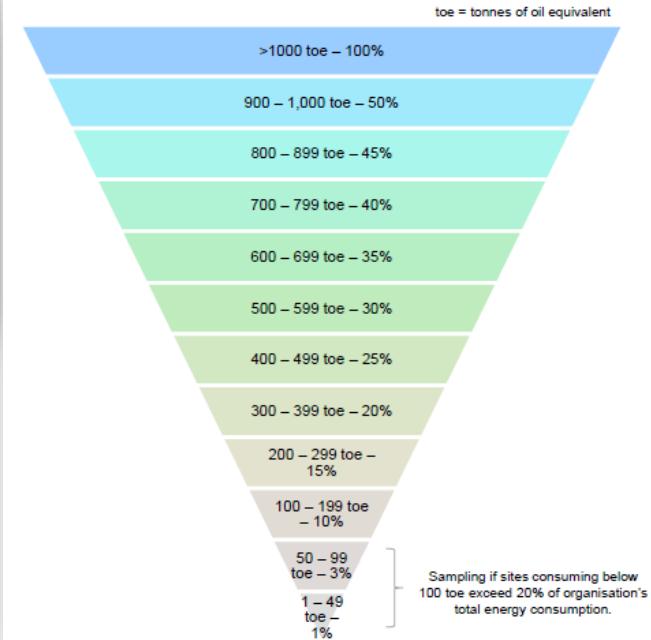
Obliged non SME companies



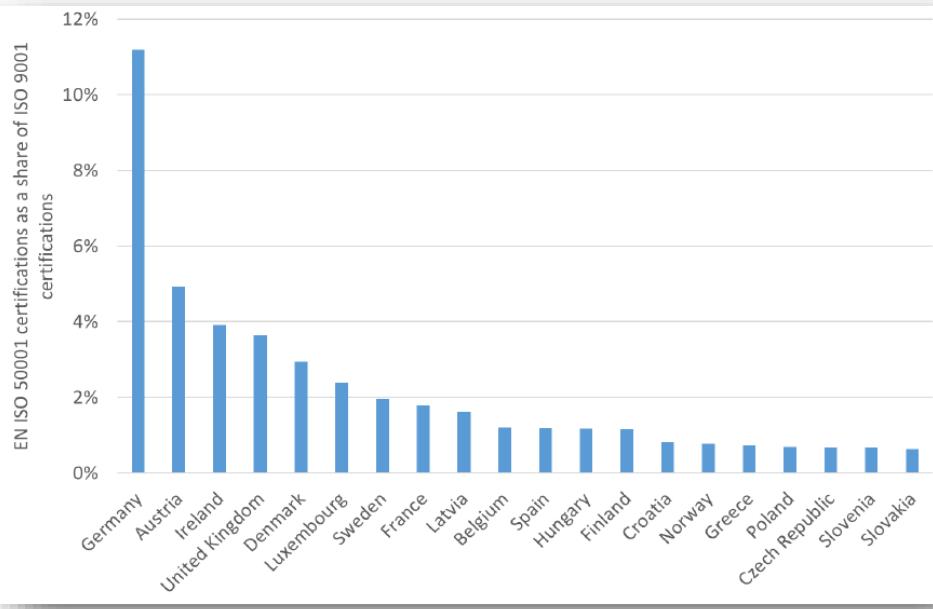
Source: Ricardo, Article 8 of EED; challenges for large enterprises, 2016

Obliged companies

Representativeness



Implementation of ISO 50001



Source: P. Waide, European Experience with energy management, 2017

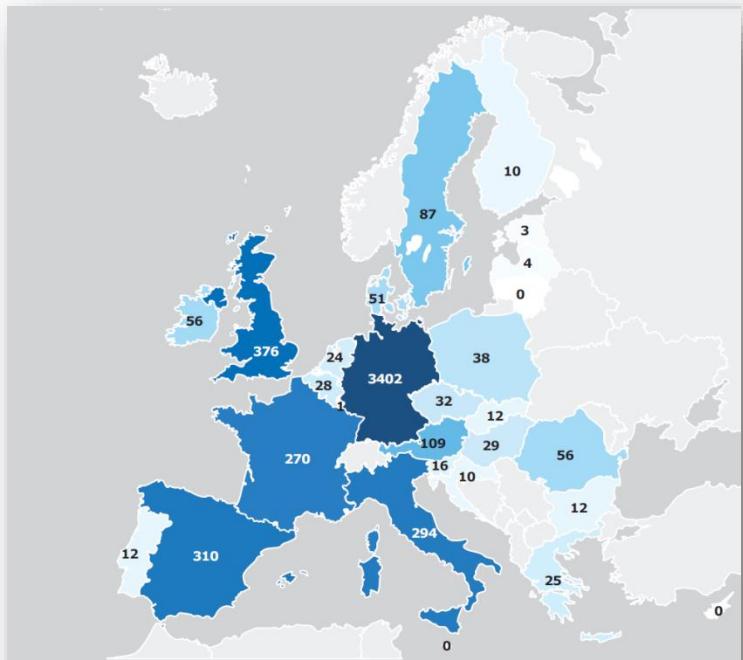


Figure 15: Number of ISO 50001 certificates in the EU-28 MS in 2014

Source: EC , 2016

Next steps

- Energy audits: lead to actions or are tools for compliance??
- EE measures financing
- Mandatory implementation...

KENYA

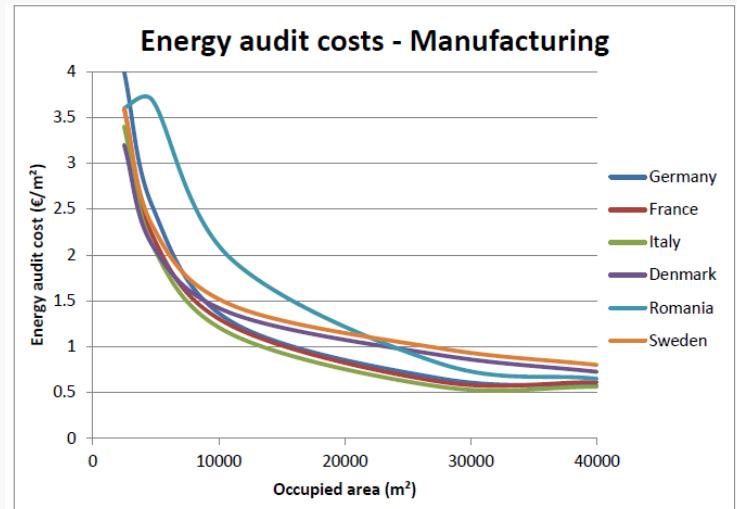
THE ENERGY (ENERGY MANAGEMENT) REGULATIONS, 2012

Energy conservation measures.

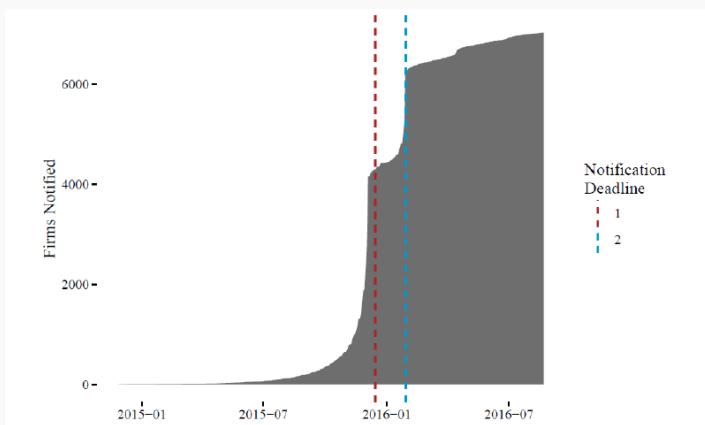
8. (1) The owner or occupier shall take measures to realize at least fifty percent of the identified and recommended energy savings specified in the energy investment plan by the end of three years and thereafter at every audit reporting date.

Source;

https://www.erc.go.ke/index.php?option=com_content&view=article&id=249:public-notice-the-energy-energy-management-regulations-2012&catid=108&Itemid=700



Source: A study in energy efficiency in enterprises, EC, DNV, 2016



Source: Dept of Business Energy and Industrial Strategy, UK, 2017

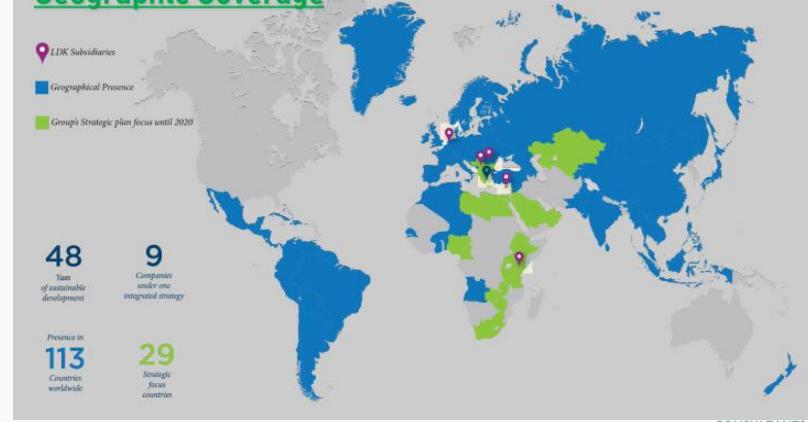


LDK Consultants

| SN | Project | Country | Period |
|----|--|------------|----------------|
| 1 | Energy Audits at Hellenc Brewery | Greece | 4-6/2018 |
| 2 | Energy Audits at FAMAR pharmaceutical company | Greece | 4-6/2018 |
| 3 | Resource Efficiency audit at Enzym Yeast plant | Ukraine | 9-11/2017 |
| 4 | Energy Audit at JORMAG magnesia plant | Jordan | 5-8/2017 |
| 5 | Energy Audit at grain facilities in Tunisia | Tunisia | 5-8/2017 |
| 6 | Energy audit at 2 sugar plants in Kyrgyz republic | Kyrgyzstan | 5-7/2017 |
| 7 | Energy audits at 5 buildings (schools/kindergartens/hospitals) in Yerevan | Armenia | 9-12/2016 |
| 8 | Energy audits at 5 buildings (schools/kindergartens/hospitals) in Chisinau | Moldova | 9-12/2016 |
| 9 | Energy Audits at 7 sites of Coca Cola Hellas as per EN16247 standards | Greece | 4-12/2016 |
| 10 | Energy Audits at UKPF poultry complex | Kazakhstan | 11/2015-1/2016 |
| 11 | Energy Audits at the buildings of Nokia Hellas (4 buildings) | Greece | 9/2015-11/2015 |
| 12 | Energy Audit at Zernoff Group (Agribusiness) | Moldova | 8/2015-10/2015 |
| 13 | Energy Audit at Khask (adhesive tapes) | Ukraine | 7/2015-9/2015 |
| 14 | Energy Audit at Rustavi Azot | Georgia | 4/2015-7/2015 |
| 15 | Energy Audits at BMI and KMN copper plants | Azerbaijan | 3/2015-6/2015 |

- o Established in 1968 in Athens, Greece
- o Comprising 6 companies (including subsidiaries in Romania, Belgium, Cyprus, Serbia & Kenya)
- o 80 employees
- o Fields of expertise: Energy, Environment and Water, Buildings & Infrastructure, Socio-economic Development
- o Average revenues: 13m €
- o Assignments in more than 70 countries worldwide
- o **Largest Integrated Consulting & Engineering Services Company in Greece, with 85% of revenues generated internationally**

Geographic Coverage





**REACHING MORE
THAN 110 COUNTRIES**

THANK YOU!!!

Albania
Algeria
Angola
Argentina
Armenia
Austria
Azerbaijan
Barbados
Belgium
Belize
Benin
Bolivia
Bosnia & Herzegovina
Brazil
Bulgaria
Burkina Faso

Burundi
Cambodia
Cameroon
Chile
China
Colombia
Costa Rica
Croatia
Cuba
Cyprus
Czech Republic
Denmark
Djibouti
Dominican Republic
East Timor
Ecuador

Egypt
El Salvador
Estonia
Ethiopia
Finland
France
French Guiana
French Polynesia
FYROM
Georgia
Germany
Ghana
Greece
Greenland
Guatemala
Guyana

Haiti
Honduras
Hungary
India
Indonesia
Ireland
Italy
Japan
Jordan
Kazakhstan
Kenya
Kyrgyzstan
Lao People's Democratic Republic
Latvia
Lebanon

Libya
Lithuania
Luxembourg
Malaysia
Malta
Mexico
Mongolia
Montenegro
Morocco
Myanmar
Netherlands
New Zealand
Nicaragua
Niger
Nigeria
Norway

Oman
Pakistan
Panama
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Qatar
Republic of Moldova
Romania
Russia
Rwanda
Samoa
Saudi Arabia
Senegal

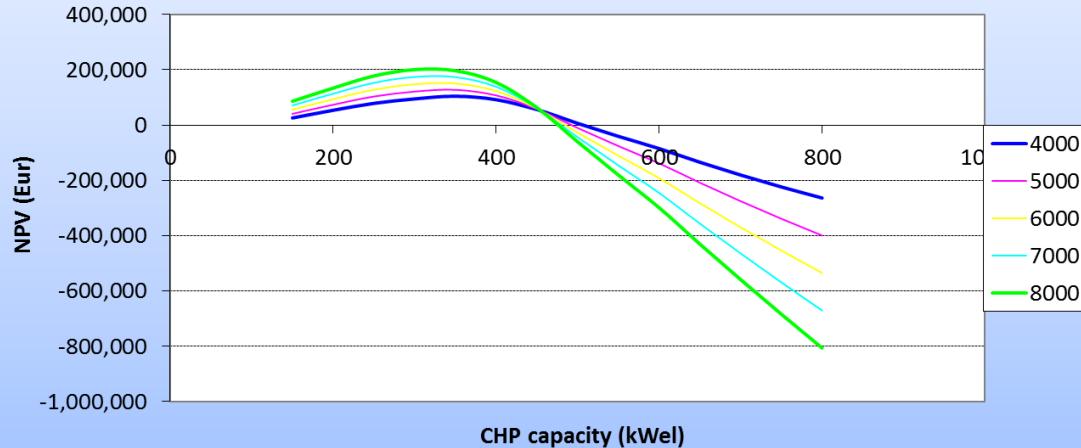
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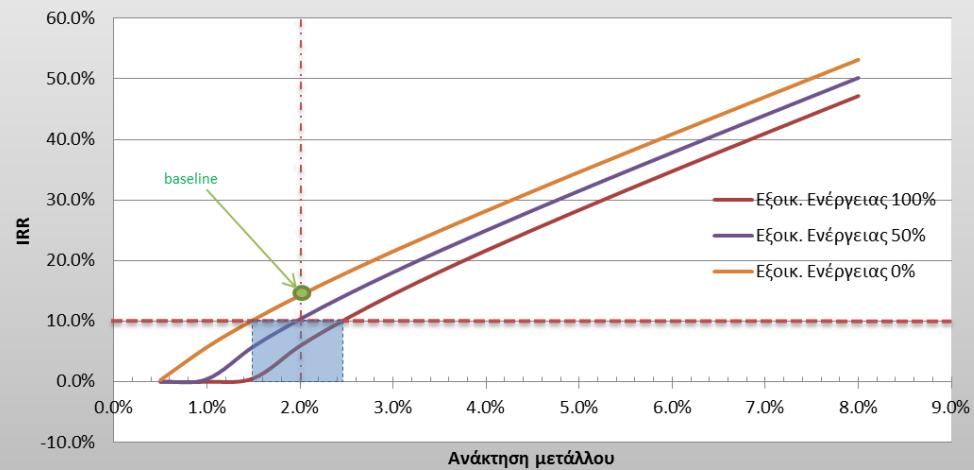
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W: www.ldk.gr

Sensitivity analysis

NPV vs CHP capacity and operating hours



Μέτρο ΕΠ-1- IRR vs ανάκτηση μετάλλου και βαθμός ΕΞΕ σε σχέση με βάση



BACK

Summary sheet

| SN | Project | Investment | Electricity Savings | Electricity Savings | Thermal Savings | Thermal Savings | Cost Savings | Simple Payback | IRR | NPV | CO ₂ reduction |
|------|--|-------------------|---------------------|---------------------|-----------------|-----------------|------------------|----------------|--------|-------------------|---------------------------|
| | | € | MWh/y | % | MWh/y | % | €/y | years | % | € | Ton/y |
| ZE-1 | Biomass Boiler at the Spirit Plant | 6,002,000 | 0 | 0.0% | 110,444 | 50.4% | 2,226,975 | 2.7 | 36.8% | 10,936,546 | 22,310 |
| ZE-2 | Efficiency improvements at Boilerhouse | 78,000 | 0 | 0.0% | 2,592 | 1.2% | 90,822 | 0.9 | 116.4% | 612,798 | 524 |
| BA-1 | New small HW boiler | 20,000 | 0 | 0.0% | 190 | 5.8% | 6,140 | 3.3 | 29.6% | 25,177 | 38 |
| BA-2 | New compressed air system | 40,000 | 120 | 7.1% | 0 | 0.0% | 9,062 | 4.2 | 22.2% | 14,332 | 63 |
| BA-3 | Energy efficiency in steam distribution | 27,500 | 0 | 0.0% | 594 | 18.1% | 17,940 | 1.5 | 65.2% | 108,955 | 120 |
| BA-4 | Heat recovery for buildings heating | 75,000 | 0 | 0.0% | 237 | 7.2% | 7,160 | 10.5 | 4.9% | -20,544 | 48 |
| BA-5 | Replacement of lamps with energy efficient | 17,100 | 89 | 5.2% | 0 | 0.0% | 7,359 | 2.1 | 46.7% | 43,873 | 46 |
| BA-6 | New Line no 4 | 200 | 1,122 | 65.8% | -3,298 | -100.7% | 177,745 | 5.0 | 18.3% | 458,941 | 84 |
| BA-7 | Rain Harvesting system | 100,000 | 0 | 0.0% | 0 | 0.0% | 2,055 | 43.2 | 0.0% | -82,405 | 0 |
| PI-1 | Biogas generation | 2,763,566 | 3,040 | 239.1% | 0 | 0.0% | 431,111 | 6.4 | 12.6% | 438,719 | 1,584 |
| | | | | | | | | | | | |
| | TOTAL | 10,189,644 | 5,784 | | 110,075 | | 3,121,464 | 3.3 | | 12,534,173 | 29,230 |
| | TOTAL ACCEPTED | 9,700,644 | 5,039 | | 110,523 | | 3,093,060 | 3.1 | | 12,834,053 | 28,933 |

BACK

