



Get the fundamentals right

Future Energy and Finance 2016

Louis Kent | 7 November 2016

energetics[®]



Overview

This week you'll be inspired

New solutions can seem like
an easy fix

Don't forget the fundamentals

There are consistent themes



Consistent themes



Productivity



Procurement



Policy



Productivity: optimise your operations



Ensure quality energy data and drive efficiency, before developing your renewables business case



Ravensthorpe Nickel Operation plant (WA)



Gemasolar solar power plant (Spain)



Data



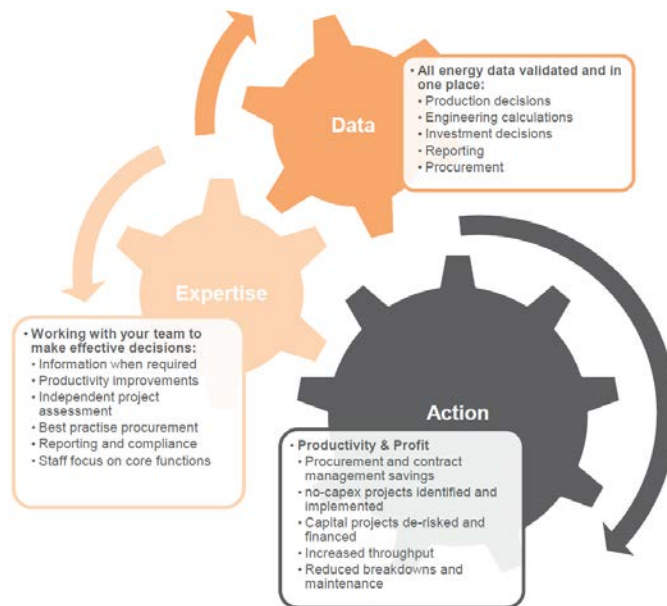
Collection

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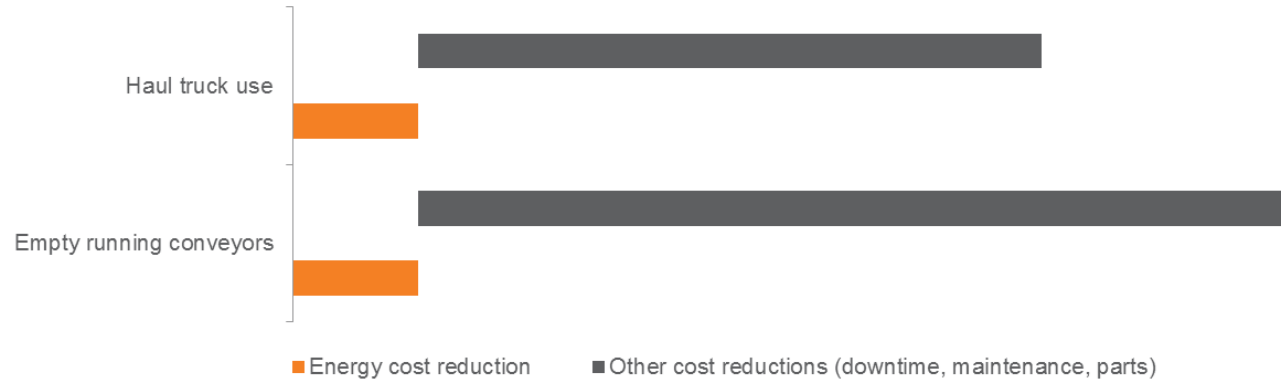
Management





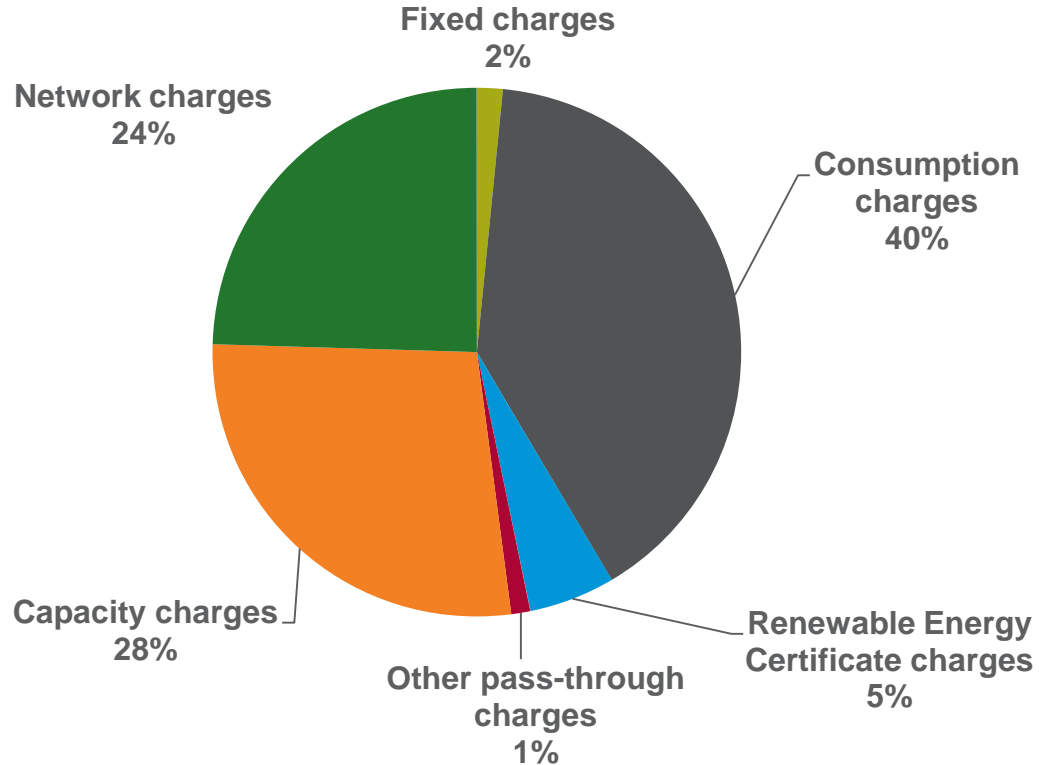
Analysis

- Inform operators
- Inform strategy
- Understand energy interactions
- Identify opportunities





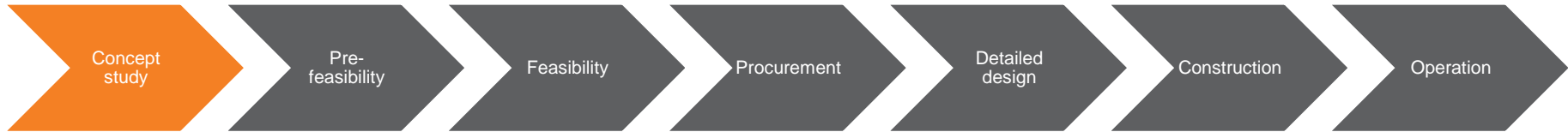
Procurement: energy is not a fixed cost





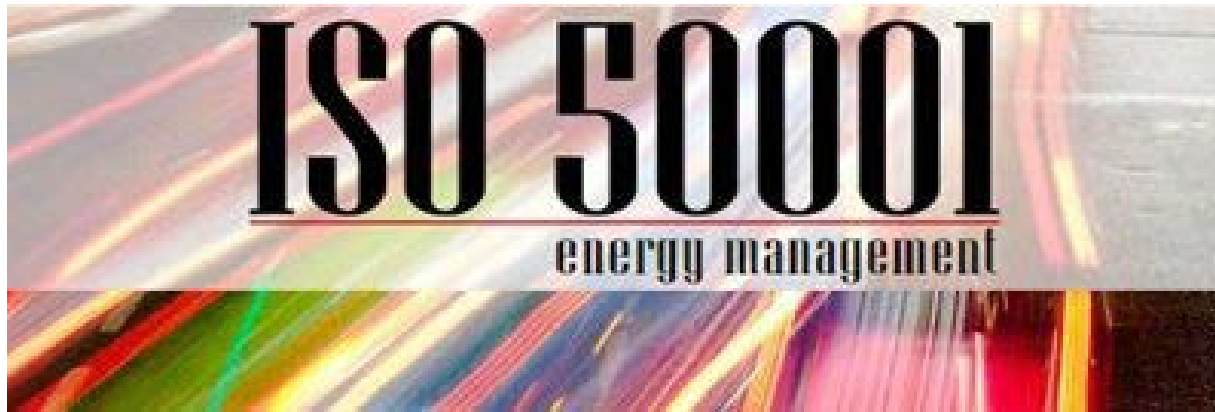
Procurement: Renewables

- Energy is still seen by many companies as essentially being a “Fixed cost”. There are in fact many ways to reduce energy costs and it’s not only about using less.
- To people who don’t regularly deal with energy bills, the structure can be difficult to fully understand.
- And even if you understand the structure, working out how this interacts with your operations and how to reduce costs can still be difficult.
- Understanding market dynamics requires frequent market engagement – not a realistic expectation of people in mining companies.





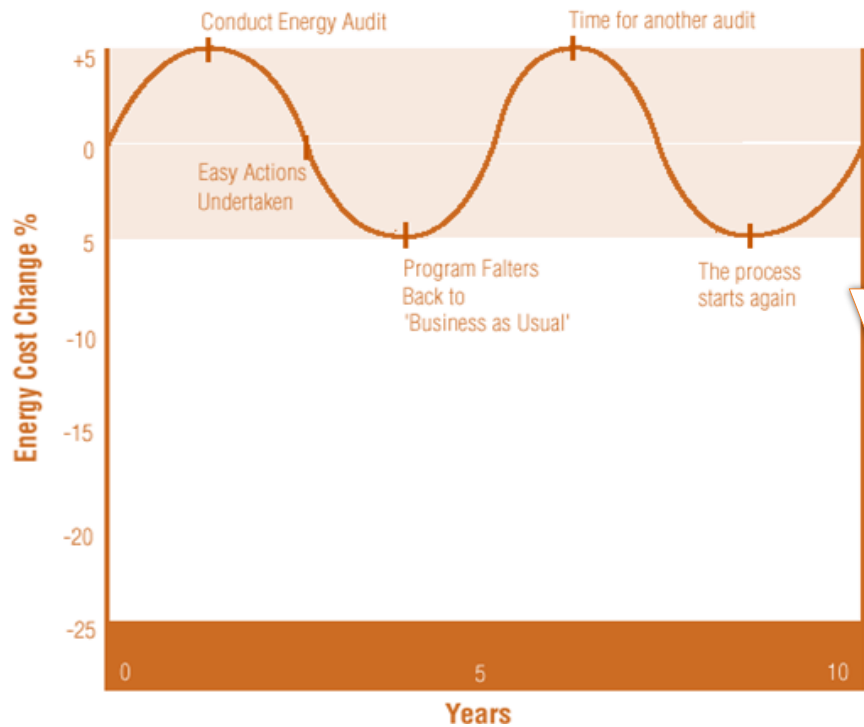
Policy: Energy management frameworks



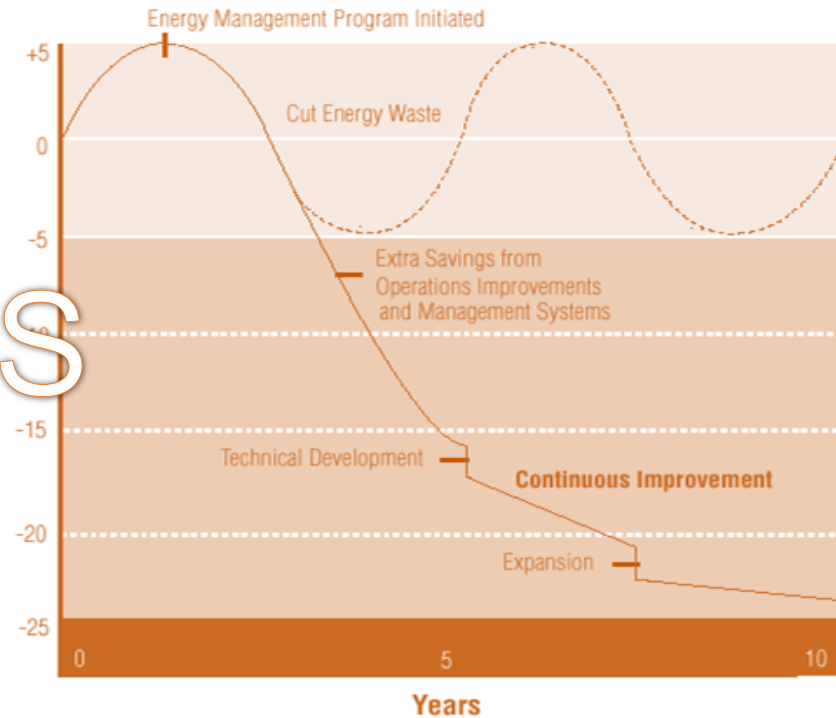
one2five



Policy



VS



Policy continued



Policy continued



		Achieved	Target
Danone (Dairy)		45% in five years.	30% reduction in carbon emissions in five years
Nissan USA		30% in five years.	25% reduction in energy intensity by 2020
Dow Chemicals		38% in 20 years.	25% reduction in energy intensity in five years
3M		20% in five years.	25% reduction in energy intensity in five years



People

Energy champions

- Capability
- Availability
- Consistency

Leadership

Senior leadership need to be informed, committed and setting expectations.

Communication

“Winning hearts and minds”



Managing risks

Sometimes the short term solution may look more appealing



Post-Paris



Mining in a carbon contained world:

- Increased cost and risk
- Investor scrutiny
- Renewables support emissions goals and offer energy independence





In summary

- Energy costs are controllable
- Intimate understanding is required
- We need to better assess the opportunities (& risks)
- A comprehensive approach delivers the biggest benefit



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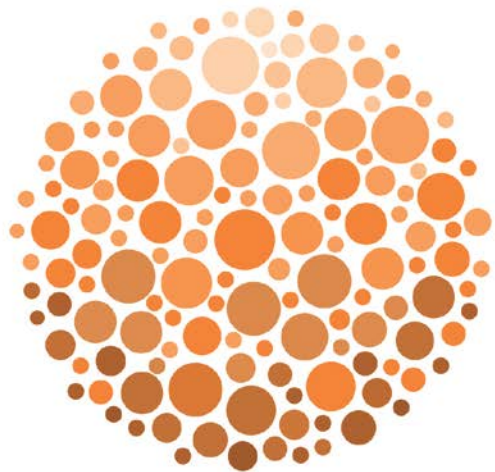
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