



RWE's experts identified potential savings of over €15 million

CASE STUDY

RWE conducted a comprehensive business risk assessment, which evaluated the actual and projected performance of five AEC plants and identified target areas for achieving potential savings of over €15 million.



The need for our expertise

AEC is engaged in generation, transmission and distribution of electricity to a local population of over 1 million customers in India. It has a total generating capacity of 490MW: 3x110MW and 1x60MW coal-fired plants on one site, along with a 100MW CCGT plant at another site. Peak system demand is 630MW with the shortfall met by expensive imports.

Following privatisation, the company had fundamental decisions to make on its future strategy and needed a comprehensive, authoritative assessment of its options. It requested a study to identify measures to improve the quality and availability of generation and to reduce forced outages and subsequent damage to plant. RWE was awarded the contract for this study, bringing to bear its experience of the transformation from a state-owned producer to an integrated energy company competing in a liberalised market.

Putting our expertise into action

RWE carried out its business risk assessment which began with clear objectives that were agreed with AEC management to:

- evaluate the techno-economic performance of the existing units for the next six years
- evaluate reliability of plants, identify factors contributing to reduction in reliability and suggest plans for improvement
- define target reliability levels against international standards
- evaluate the most likely remaining economic life of each unit and suggest cost-economic measures for enhancement
- identify areas of major improvement, eg. plant load factor, heat rate, auxiliary consumption and safety, which might yield a high rate of return
- examine the management structure and style of the company and its capacity to handle business change successfully.

AEC supplied initial information on the plant and the company, from which RWE identified a list of key questions. A team of engineers visited the sites and talked to local managers and engineers.

The difference we made

A full report was presented to AEC senior management four weeks after the beginning of the project. It reviewed current performance and suggested improvements across all aspects of company operations, from boilers and fuel flexibility to maintenance and the environment.

Performance was benchmarked against international standards and areas of strength and weakness clearly identified.

The report set out a range of options available for the company, together with an engineering strategy to improve availability, efficiency, fuel management and accounting practices.

RWE Power International

Electron
Windmill Hill Business Park
Whitehill Way, Swindon
Wiltshire, SN5 6PB
United Kingdom

Stuettgenweg 2
50935 Koeln
Germany

T +44 (0)1793 892900 T +49 (0)221 4801300 E rwepi@rwe.com
F +44 (0)1793 892421 F +49 (0)221 4801350 I www.rwepi.com