



RWE's expertise maximises power station's financial contribution to its company

CASE STUDY

RWE's business risk assessment of a 330MW coal-fired plant allowed the customer to revise business targets, refocus strategies and future investment and optimise the plant's operational capability.



The need for our expertise

A North American operator, with a vertically integrated portfolio, needed to assess the key business risks of its 330MW, 3 unit, coal-fired power plant in Michigan.

RWE was asked to evaluate the plant condition, relative to the operational regime, comment on the proposed capital expenditure plan and assess the operational capability of the plant.

This was set against market conditions and environmental legislation that prevailed in the area at that time and into the future.

Putting our expertise into action

Using our knowledge and expertise we carried out our business risk assessment. This identifies and quantifies the key risks in the power plant operation in terms of cost, availability, performance and environmental compliance and recommends a way forward to optimise the asset value.

The key to our assessment was combining the customer's detailed 'in house' power plant expertise with that of our specialist engineers.

The information obtained from the plant assessment was carefully processed and analysed by several of our engineering experts back in the UK. To complete the picture, a market assessment was carried out using a local specialist consultant.

RWE's experts processed the gathered information and identified the most significant business risks which faced the customer. We were able to suggest appropriate mitigation strategies that allowed the customer to refocus its future investment plans within identified areas.

The plant condition was modelled against three future market-led scenarios and the maintenance spend requirements were assessed to give optimum levels of reliability.

The difference we made

One of the key deliverables to the customer were suggestions on how to improve the operation of the fuel handling system.

We also presented the customer with options that would ensure maximum financial contribution to its group overall. This included reviewing the cost management structure and tailoring maintenance expenditure to the desired plant condition, using RWE's Plant Life Use System (PLUS).

Following our business risk assessment, we suggested revised business targets and improvements to some of their business systems.

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
F +44 (0)1793 892421

T +49 (0)221 4801300
F +49 (0)221 4801350

E rwepi@rwe.com
I www.rwepi.com