

Simplot's Energy Program Achieving Savings Ahead of Schedule



From left to right: Lucas Bergeson, Greg Huderle, Pete Bruggeman, Travis Seaver, Tal Elseth

Six years ago, the J.R. Simplot Company launched an aggressive energy reduction effort.

The goal was to reduce Simplot's energy intensity (energy per unit of production) by 25 percent over the course of 10 years.

The energy reduction goal started in 2009 when Simplot was invited by the Department of Energy (DOE) to participate along with 30 other Fortune 500 companies in a program dubbed "25 in 10."

However, finding ways to save energy in many of the big production facilities that Simplot operates isn't always an easy task. Energy – by-and-large – has been thought to be "cost of doing business" without much attention being placed on it.

"We didn't realize how much it cost and it was always someone else's job. Changing our awareness and culture have been key," said Don Sturtevant, Simplot's director of energy.

Often energy savings can be right in front of you as was the case at the Rivergate Terminal in Portland. For safety, Rivergate had a natural gas flare to burn excess ammonia that ran constantly rather than when it was needed. A new system was developed that used a much smaller flare without sacrificing safety. It

also had the added benefit of helping us realize how often we were burning the very ammonia that we were selling to our customers which increased our revenues.

That and other changes helped Rivergate become the first to achieve the 25x10 goal in just two years. The change to the flare operation alone saved 8 billion BTUs, which was enough energy to power nearly 7,000 high efficiency refrigerators for a year.

The latest location to meet its 25x10 goal is the Grand Forks processing plant.

Grand Forks implemented a number of efforts including its anaerobic digester that produces a biogas to offset natural gas use by 20 percent; a fully condensing economizer system that recaptures heat from boilers to save more than \$320,000 annually, and a water conservation effort that reclaimed and treated grey water to use in cleaning the plant which saves enough water to fill an Olympic size swimming pool each day.

"Since starting this goal, our plant teams have exceeded our expectations and now Simplot is seen as a global leader in energy efficiency," Sturtevant said. "This has resulted in adding \$30 million back to our bottom line. It's amazing, but I know that there is a lot more work to be done."

In just five short years, eight Simplot locations exceeded the 25 percent reduction with some approaching 40 percent. These sites include : Rivergate, Helm, Kelso NSW, Grandview Feedlot, Western Stockmen's Caldwell, Simplot IT Irving, and Grand Forks. In addition, The Idaho Plant and AgB Overton are on target to meet the "25 in 10" goal this fiscal year.

With 2019 looming not too far in the future, what's next after the "25 in 10" program is completed?

"Electricity prices in particular, have strong upwards pressure due to much needed generation, transmission, and distribution capital improvements and the EPA is trying to add on cost of carbon," Sturtevant says. "All of this will make electricity rates much higher in the years to come."

"Reducing our Energy Intensity is not just a goal, anymore," said Bill Whitacre, Simplot Company president and CEO. "Careful management of all of our business costs will make us more competitive. Reducing energy globally has the added benefit of reducing our greenhouse gas emissions and will be a vital part of our social operating license for years to come. It is simply the right thing to do."