

Fossil Power

Hydro Power

Information Technology

Nuclear Power

Transmission and Distribution



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Spring Fever—Come Catch it in Austin with EUCG!

Baseball players have reported to Spring Training; the brackets are starting to fill up for college basketball's March Madness; and flowers are starting to peek through the ground. Yes, that can only mean one thing...Spring is in the air and there is no better place to kick-off your spring season than with your friends and colleagues at the EUCG Spring Workshop & Conference in Austin, Texas, April 15–18, 2012 at the fantastic Omni Austin Hotel Downtown.

Within this e-newsletter, you will find out much more about the presentations and discussions that each of the committees have planned. I think that you will find the agendas and abstracts are one of the finest ever for EUCG. While we know you focus on your particular committee of interest, make sure to take a look at all of the committee schedules. You may find that there are things of interest for you or another member of your company.

We are very pleased that David Spence, Associate Professor of Law, Politics, & Regulation at the McCombs School of Business at the University of Texas at Austin, will give a keynote address

entitled "The Future of Competitive Electricity Markets" on Tuesday, April 17th from 1:00pm–2:30pm. Professor Spence teaches courses on energy regulation, environmental regulation, business-government relations, corporate social responsibility and stakeholder relations. Before coming to academia, Spence was a practicing attorney representing public utilities, energy companies, and others in a wide variety of environmental and energy regulatory matters. This session is guaranteed to be a very informative and lively discussion.



Keynote Speaker David Spence

So, as we have been saying in all of our conference materials, "Dust Off Your Cowboy Boots" and join your colleagues and friends in Austin. The conference registration form can be found online [here!](#)

The EUCG Vision

A global association of utility professionals and member companies which is recognized as the electric energy industry source for performance information.

For information about how to join EUCG, contact Don Kaiser, EUCG Executive Director, at kaiser@eucg.org

The EUCG Objective

To assist member companies in achieving excellence by providing relevant, accurate and timely benchmark information on cost, performance and best practices.



Fossil Productivity Committee

WORKSHOP TOPICS

The Fossil Productivity Committee (FPC) has a wonderful workshop planned for the EUCG Spring Conference this April 15-18, 2012. Topics include:

- Fossil Steam and CC/CT cost and performance databases
- 2011 Best Performance Coal Steam and CC/CT Best Practices
- Maintenance Productivity Metrics and Staffing Surveys
- Capital Project Cost Escalation and a Wet and Dry FGD Design Basis and Cost Survey
- See following EUCG FGC website for the complete EUCG Agenda http://www.eucg.org/dnn5/Portals/12/spring2012/2012_conference_schedule.pdf

Recent Fossil News – Times are Changing! — What's Changing?

- Mild winter weather across much of the country
- Low natural gas prices around \$2.75/MM-Btu, as described by EIA Short Term Energy Outlook as of February 7, 2012 (<http://www.eia.gov/forecasts/steo/report/natgas.cfm>)
- Natural gas fracking of shale gas deposits gives forecasters potential for low cost natural gas well into the future.

- Severity of recent Environmental Air Regulations - February 16, 2012 release of Mercury and Air Toxics Standards (MATS)

Fracking Risks?

- Natural gas fracking of shale gas deposits continues without much political or media disruption
- EPA plans to study the risks to ground water with shale gas fracking (http://water.epa.gov/type/groundwater/uic/class2/hydraulicfracturing/upload/hf_study_plan_110211_final_508.pdf)

Impact of Low Demand, Low Natural Gas Prices, and Increasing Environmental Regulations

- Low winter electrical demand and low natural gas prices have caused combined cycle plants across the country to displace coal-fired plants for base load capacity. Coal fired units are now having to cycle with operation of only those coal fired units that have lowest operating and startup costs, short start-up times, and most turndown capability.
- Environmental impacts -with CSAPR stayed and no real CAIR emission market value, small "dirty" coal-fired units tend to be called upon to operate more than large "cleaner" coal fired units, due to the typical cycling capability of small coal fired units. The result is that emissions solely from coal fired genera-

tion, on a ton of SO₂ or NO_x/GWH of coal fired generation appears to be on an increase.

What to do with Coal-Fired Units?

- Coal units on the dispatch "bubble" can stay off-line (in reserve) until natural gas prices rise.
- Expand existing turndown and cycling capability of existing coal fired units.
- Find ways to operate with lower cost, possibly higher emitting coals, to improve dispatch position against natural gas and other coal fired units
- Advance retirement of coal fired units slated for retirement under MATS (replace early with combined cycle or even simple cycle)
- Or convert the coal fired units to natural gas

What Can Utilities Do?

- Reduce costs by sharing experiences with others across the utility industry through benchmarking and best practice studies and surveys through the EUCG Fossil Productivity Committee.
- Come join us at the April 15–18, 2012 EUCG Spring Conference in Austin, TX

Click [here](#) for the Fossil Program.



Hydro Productivity Committee

Key topics for the Spring Workshop

- Capital Investment Projects Prioritization Panel Discussion
- Capital Investment Survey led by Hydro Quebec
- Statistical Analysis of Hydro Cost and Performance Data and the utilization of EUCG data led by the Corps of Engineers
- Russ Davidson will describe the Corps of Engineers use on an automated system to gather data for HPC database submission.
- A panel will discuss Key Performance Indicators used to track performance in their maintenance programs

- The HPC will discuss transitioning to a 5 year basis for leading performer analysis.

Data submission will open April 1 and close June 1. Finalized data should be published in early July.

The HPC welcomes new members and their representatives

Eugene Water and Electric Board: Roger Kline

Exelon Corporation: Caryn Selagy

Oglethorpe Power Corporation: Richard Clark

Southern Company: Chuck Devane

2012 Brings Changes to the IT Committee

First, the leadership of the IT Committee changed as *Chair* Patty Cease from Progress Energy and *Vice Chair* Jim Peterson from PGE both could not continue in their leadership roles for the committee. The committee thanks Patty and Jim for all their efforts to help grow and enhance the committee's products.

Stepping into their leadership roles are Kathleen Heffelfinger from PPL Corp and Ron Dick from Omaha Public Power District (OPPD).

Click [here](#) for the IT Program.

T&D Committee

The T&D Committee is poised to grow in 2012. Companies had drawn back from benchmarking during the uncertainty of the financial crisis in 2008–2009. Things stabilized in 2010. We are now being contacted by many former and prospective members about participation in 2012.

We are excited about the possibility of seeing new faces in 2012 along with some old friends this year!

Click [here](#) for the T&D Program.



Nuclear Committee

The Nuclear member representation of EUCG includes almost 60% of the nuclear units worldwide and 100% of the United States nuclear units, making it one of the most comprehensive and representative sources of nuclear cost and performance data in the world. Our purpose is to continue to improve value to the members by:

- Providing access to up-to-date benchmarking & analytical tools
- Providing timely, relevant and accurate information
- Bringing focus on industry leading issues
- Broadening access to diverse nuclear and business experiences to enhance the overall knowledge base of the members.

To support our stated purpose we have committee approved initiatives each year to deliver specific products and services for the good of the overall Nuclear Industry. The following are the initiatives we have for 2012.

Benchmarking Tools

The EUCG Nuclear Benchmark report will combine standard benchmark charts and tables which summarize nuclear performance across multiple performance dimensions such as cost, staffing and operational performance. The key features are:

- Up-to-date, audited information (6 months old)
- Industry-standard definitions of data elements and Industry-recognized metrics

- US and International member data (with normalized currency views)
- Wide range of peer depictions (e.g.: vintage, MW size, fleet/non fleet, geographical etc.)
- Range of time horizons (e.g.: matching outage intervals)
- Cross over charts (Cost vs. Performance, Staffing vs. labour costs)

The purpose is to enhance the ability of member utilities to use industry performance data in their annual planning and target setting processes. It will be based on the comprehensive data submissions and is targeted to be issued, on an annual basis, around mid-year. There is no cost to the EUCG members for this product.

Timely and Accurate Information

To drive towards more accurate and consistent data to enhance benchmarking for all members:

- Implemented improvements to data definitions and technology improvements to support the efficiency of annual data input by members.
- Data audit processes have become more comprehensive and rigorous to support the integrity of the Nuclear Database.

Industry Issues

The Fukushima incident in March 2011 not only dominated the industry issues in 2011, but also is projected to have a noticeable impact across all nuclear jurisdictions in the areas of safety related investments.

The EUCG continues to keep this subject in the forefront of its semi-annual workshop discussions with data collection efforts to assess and discuss member company impacts as the regulatory assessments and related responses crystallize.

Broadening the Knowledge Base Membership expansion

The Nuclear Committee has significantly expanded its membership in recent years, moving towards a more global representation. This has provided the overall membership with access to a broader base of operational and business experience.

Affiliates

EUCG Nuclear continues to assess affiliations with major industry nuclear organizations to determine if there is mutual value. (E.g.: World Nuclear Association, International Atomic Energy Association, Energy Information Association).

Best Performers

We invite to our Workshop, the annual winner of the Nuclear Industry Institute's Top Industry Performer award in Management Processes & Support Services to present how they achieved success.

Non-Utility Best Performers

We support a philosophy to promote more "out of box thinking" by having well performing non-utility companies present at our semi-annual Workshop, their business practices and their platform for achieving and sustaining success.

Click [here](#) for the Nuclear program.