

DGMS Jamaica and Cogeneration

AMCHAM private sector forum on energy

William K Clark

Agenda

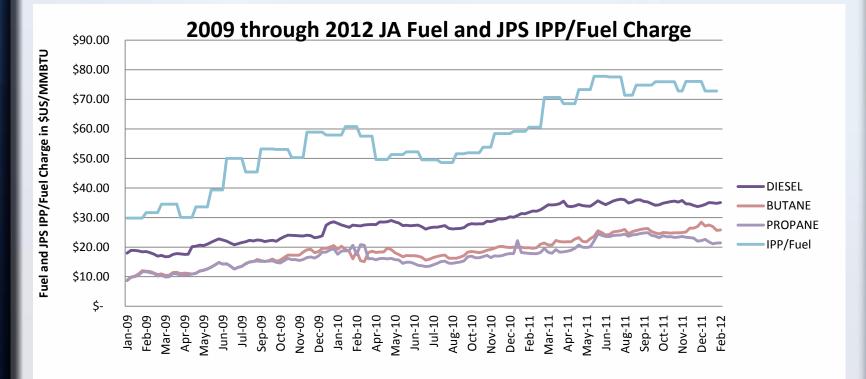


- Energy Costs in Jamaica
- Define high efficiency generation systems?
- Identifying the right applications
- Keys to a **successful** project
- Economic Modeling
- Bill's **5 Step Plan** to lowering costs

Energy Costs in JA



- There has been a dramatic Increase in cost of electricity
- <u>The cost of electricity has increased at a faster rate than that of fuel</u>



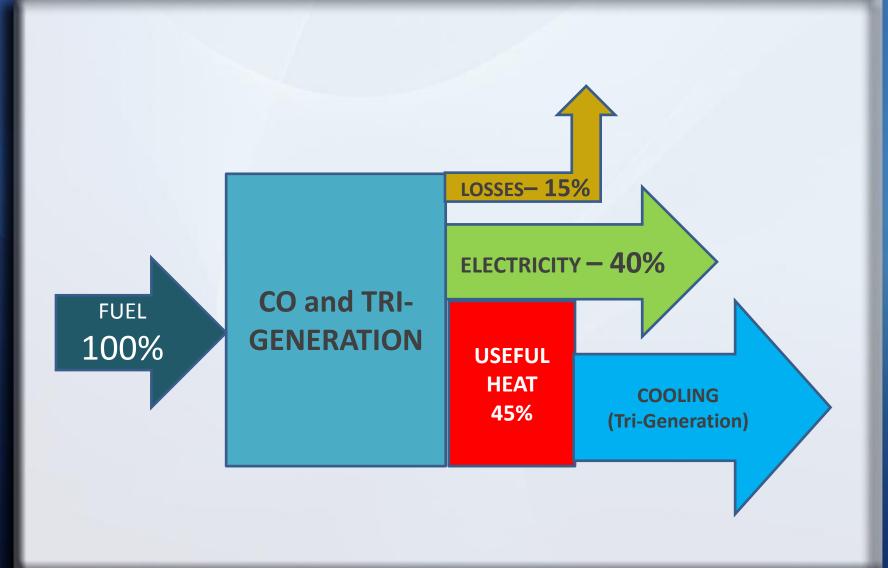
Jamaican Energy facts



- The IPP/Fuel Charge is 60-70% of the JPS cost
 - Demand is 10% or less
- A/C is typically 50-60% of the energy use (Hotels & Office)
- Solar and Wind power does not <u>replace</u> the need for base load energy production.
- LPG is lower cost (per energy unit) than other readily available fuels in JA
- LNG will come to Jamaica

What is Cogeneration





The Right Application for Co-generation



Good Overall Power Factor

24/7 Operation

Constant Thermal usage

- Steam & hot water
- A/C (chilled water)

Constant Electrical usage Understanding facility energy consumption behavior

Energy costs are greater than JA\$15 mil/month

Keys to successful energy projects



- Know your Usage Profile
 - Electric
 - Thermal
- Manage your Energy Usage
 - Energy Management System
 - Flatten your Usage
- Integration of Energy Production Systems
- "Future Proof" the Investment
- Skilled O&M

The Golden Rule



Efficient Energy Supply *is dependent upon* Efficient Energy Usage!

It is much less expensive to save a KW than it is to produce a KW!

Keys to successful energy projects



- Installed Capital Costs
 - J\$100M to J\$150M/MW
- Investment can be phased in
 - Thermal
 - Use of existing systems
 - Full Cogeneration or Tri-generation systems

Payback is typically three years or less!

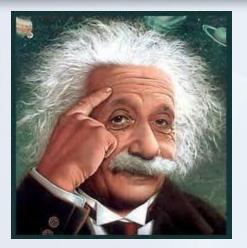
5 step plan



- **Step 1** Know how you use the energy you purchase
- **Step 2** Lower consumption whenever possible
- **Step 3** Look to the future
- **Step 4** Invest in high efficiency energy systems
- **Step 5** Maintain and Service the systems

Albert Einstein





"In the middle of difficulty lies opportunity."

"We can't solve problems by using the same kind of thinking we used when we created them."

"A man should look for what is, and not for what he thinks should be."



THANK YOU FOR YOUR TIME

Questions?



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