



Texas Industries of the Future

“ENERGY OUTLOOK AND EVALUATING ENERGY PROJECT INVESTMENTS”

Texas Industrial Energy Management Forum

Thursday, March 4, 2010

Brady's Landing

Houston, Texas 77012

Presentations

Natural Gas Outlook 2010 – New Era or Same Old Story?

Anne Keller, President
Mid-Stream Energy Group, Inc.

There is renewed optimism for the future of natural gas as a preferred fuel in the United States due to improved technology for increasing our domestic gas supply through development of gas shale reserves as well as its potential to be a transition fuel as a low carbon bridge between the “black oil” era and renewables. This presentation will examine the current supply and demand outlook for natural gas and discuss opportunities and challenges for end users looking to capitalize on its potential.

Benefiting from ERCOT's Newest Demand Side Management Program

Jeff Hackworth

An overview of ERCOT's Emergency Interruptible Load Service (EILS) Program will be presented. Emphasis will be placed on consumer participation in the program. Specific items to be covered include program requirements, potential economic benefits, risks and contracting.

Energy Improvement—Making Value Added Choices

Sumit Chatterjee, Houston Refinery Energy Management
LyondellBasell

The presentation will describe the journey towards energy efficiency improvements within LyondellBasell starting in 2006. This will be an overview of the systems developed to create a sustainable energy management program which could ride through the recent economic downturn. The speaker will also present the methodology to assess current performance and identify focus areas of performance to close gaps. Attention will be given to topics such as data analysis, key performance indicators, energy assessments, opportunity identification, and cap-ex prioritization. Tools that are being used for institutionalizing energy management systems and practices will be touched

upon. Finally, efforts undertaken to promote cultural shift towards energy efficiency where ideal behaviors and practices become a part of normal business

DuPont's "Bold Energy Plan": Changing the Way Investments Get Made

Ian Bickford, DuPont

DuPont's total energy use has declined about 7% since 1990 while total production has increased more than 40%. However, unprecedented increases in natural gas and crude oil prices in November 2007 prompted DuPont executives to call for a strategic energy plan that would accelerate the rate of improvement in energy efficiency for the years 2008-2010. The resulting "Bold Energy Plan" instituted principles and practices that resulted in a 3.2% reduction in energy use and CO₂ emissions and a 5% reduction in energy costs compared to 2007. These reductions came on top of significant reductions that were made as part of DuPont's "Energy Breakout" program between the years 2005-2007. The program had seven major elements that contributed to its success in 2008. DuPont will be addressing three elements of the program: 1) Expansion of an "Energy Capital Set Aside" program to fund all energy efficiency projects down to 25% IRR; 2) Provision of resources to implement improvement projects if the value exceeds the fixed cost by at least 2X; and 3) Engineering energy efficiency into all new projects by changing the way capital projects are scoped and front-end loaded so energy improvements are considered earlier in the design process. This award winning project resulted in annualized 2008 energy savings of 4,545,757 MM Btu, with associated CO₂ emissions reductions of 299,000 tons.