



**WATERLOO
MANUFACTURING**
COMPLETE BOILER ROOM SOLUTIONS

Boiler News

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Cap & Trade What is the impact on your boiler room?

You may or may not be aware, the Province of Ontario has adopted Cap and Trade. It has come about very quickly and has caught most of us unprepared. Announced in the February 2016 budget, passed into law May 18, 2016, new regulations released May 19, 2016, and comes into effect January 1, 2017. Essentially it comes down to the following. If you emit 25,000 tonnes of GHGE you must purchase credits to offset those emissions. If you emit between 10,000 and 25,000 tonnes of GHGE you can either opt into purchasing emission credits, or accept a surcharge from your natural gas supplier that is calculated to be the equivalent per cubic meter consumed. If you emit less than 10,000 tonnes you will pay the surcharge from your natural gas supplier.

The cost impact of the Cap & Trade Regulations is two-fold:

Union Gas has calculated that surcharge based on the current floor price for emission credits at 2.6 cents per cubic meter and has submitted it to the OEB for approval. They are concerned that the government is predicting a higher floor price which would push the surcharge to 3.6 cents per cubic meter. Based on the OEB published price range of a cubic meter of natural gas, this represents a 10 to 30% increase in fuel cost depending on your particular supplier price, and whatever the final surcharge is approved at.

There is also the projected increase of 4.3 cents per liter of gasoline that will be added to help fund green-house gas reduction efforts. (Reference page 27 Ontario Budget Feb. 2016)

As a result of this regulation and fuel cost increases, it makes sense that focus needs to be placed on efficiency improvements as well as emission reductions taking advantage of cost offset programs that are offered by utilities and those that will be offered by the government as part of the Cap and Trade Regulation.

End users like yourself need to approach this from two fronts. Efficiency and Emissions.

We would recommend system efficiency should be the main driver. Not only does that provide a reduction in the amount of fuel consumed with immediate ROI, the reduced amount of fuel consumed is also a reduction in GHGE produced.

Note I stated System Efficiency. Not just the boiler room. Review your system distribution, point of use, application and recovery opportunities as well as the equipment in your boiler room.

Emission reduction specific opportunities focus on the combustion process. Whether it is replacement burners or the entire boiler, ensure you include reduced Nox along with efficiency related items such as increased turndown, burner design, parallel positioning and O2 trim.

We hope you find the preceding information a valuable tool to help identify targets of opportunity.

We look forward to continuing to work with you toward these goals.

For more information, contact us or go to one of the following links:

1. <http://www.watmfg.com/site/resource>
2. <http://www.ontario.ca/page/cap-and-trade-program-overview#section-3>

Boiler Plant Optimization

Boiler Room Safety, Efficiency, Reliability and Sustainability.

These are the goals and benchmarks boiler room owners and operators strive to achieve.

The high costs of operation, maintenance and now, the additional costs of legislation like Cap and Trade make it more challenging to stay on budget, reduce costs, increase efficiencies and decrease emissions.

We at Waterloo Manufacturing understand that and want to help you identify the opportunities within your boiler room by offering you our free, no obligation Boiler Plant Optimization Overview.

A Boiler Plant Optimization Overview is a complementary site visit from a Waterloo Manufacturing Cleaver-Brooks factory certified Boiler Plant Optimization Specialist™ to review basic operational characteristics of the boiler plant. The visit is typically 2-4 hours on site. During the visit the Boiler Plant Optimization Specialist evaluates and records pertinent information of the major operational pieces of boiler plant equipment including the boiler, burner, controls, heat recovery, and water treatment and other key equipment. After the information is collected, it is assembled into a detailed report, presented and reviewed with you during a follow-up meeting.

The Boiler Plant Optimization Overview identifies target areas within the boiler room to further pursue for improving the four cornerstones of Boiler Plant Optimization which are safety, efficiency, reliability and sustainability. The overview would also identify key areas related to deficiencies or observations recommended to be corrected to further optimize the boiler room operations. The improvement Opportunity Summary provides a detailed description for areas that can be improved to have a further positive impact related to Boiler Plant Optimization. These opportunities can be translated into energy savings, emission reduction and increased reliability of your operation.

Options for these opportunities and implementation costs can then be discussed together to help define a road map for improvement. Contact us today to schedule your Boiler Plant Optimization Overview.

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Ask me about boiler room Safety, Efficiency, Reliability, Sustainability



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