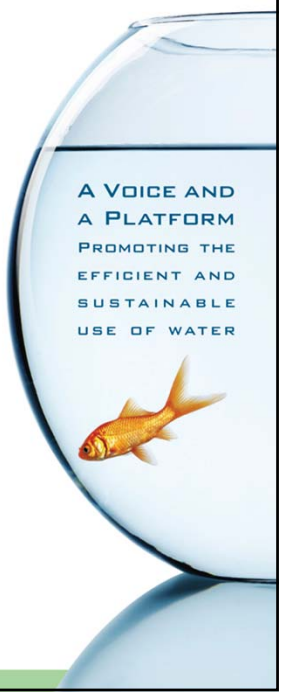
Alliance *for* Water Efficiency

To promote the efficient and sustainable use of water

GREAT LAKES INDUSTRIAL WATER EFFICIENCY

Assessing the Economic and Environmental Benefits of Industrial Water Use Efficiency in the Great Lakes Region



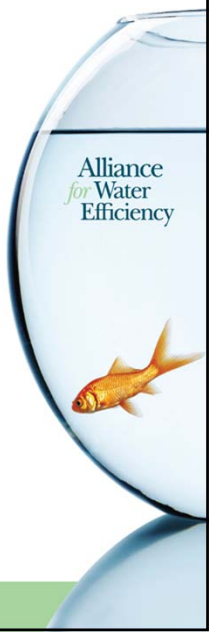
Webinar

February 13, 2013

Alliance *for* Water Efficiency

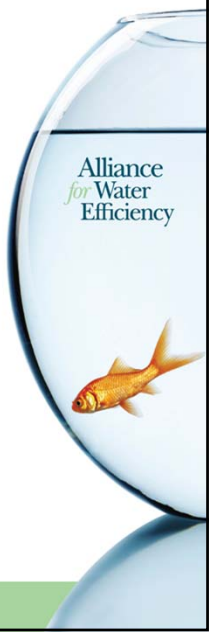
Welcome to the Webinar!

- 90 minutes in length with time for questions
- Audio is through your telephone
- Questions can be typed in through the webinar and will be answered at the end
- The webinar phone line will be muted during the presentation because we are recording



Webinar Speakers

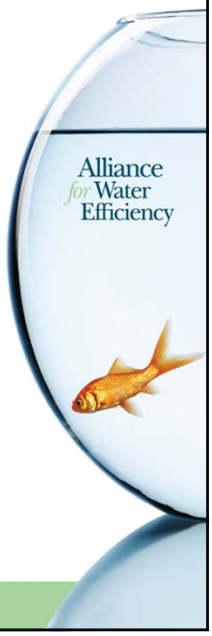
- Mary Ann Dickinson
  Alliance for Water Efficiency
- Thomas Pape
  Best Management Partners
- Jeff Edstrom
  Environmental Consulting and Technology
- Ken Mirvis
  The Writing Company



Project Background

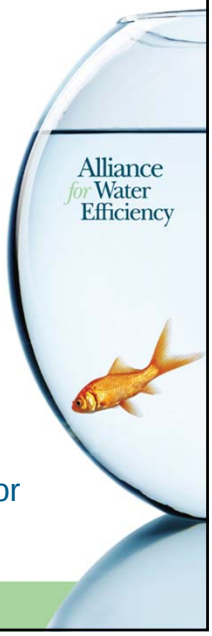
- 24 month project beginning in January 2011
- Funded by the Great Lakes Protection Fund
- Designed to evaluate industries served by public water supply systems
- Continued outreach work funded by the Alliance for Water Efficiency

Great Lakes Protection Fund



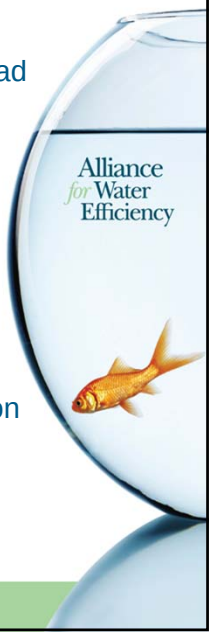
Project Team

- Mary Ann Dickinson – Project Director
- Jeffrey Hughes – Administration
- Bill Christiansen – Research
- Molly Garcia – Finance Administration
- Thomas Pape – Project Manager
- Ken Mirvis – Communications
- William Hoffman – Project Engineer
- Jeff Edstrom – Environmental Assessment Advisor
- Townsend Albright – Loan Development Advisor



Project Advisory Committee

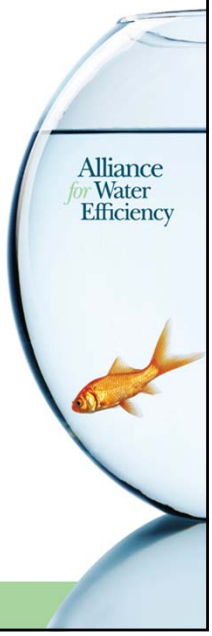
- Lynn Broaddus, Johnson Foundation at Wingspread
- Shannon Donley, GLPF
- Claus Dunkelberg, Milwaukee Water Council
- Ed Glatfelter, Alliance for the Great Lakes
- J.B. Hoyt, Whirlpool Corporation
- Tim Loftus, Chicago Metropolitan Agency for Planning
- Dale Phenicie, Council of Great Lakes Industries
- Jeffrey Ripp, Wisconsin Public Service Commission
- Adam Rix, Watermark Initiative
- Karen Sands, Milwaukee Metropolitan Sewerage District



Project Goal

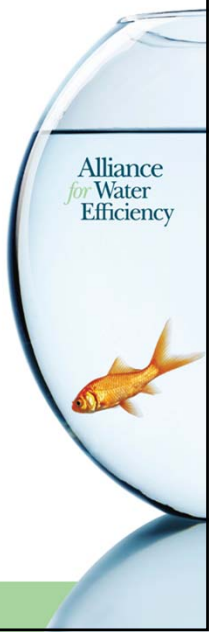
Achieve environmental benefits in the Great Lakes ecosystem through demonstration of sustainable water use reduction in the industrial water use sector

GREAT LAKES INDUSTRIAL WATER EFFICIENCY



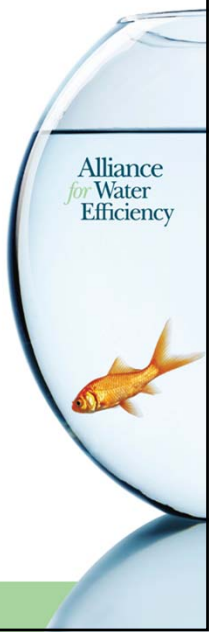
Project Method

- Reach out to industries to create awareness of proven technologies and opportunities for efficiency
- Offer technical assistance to conduct or verify benefit/cost analyses
- Guarantee confidentiality
- Identify barriers to implementing recommended efficiency actions
- Create structure for low interest loans to offset implementation costs



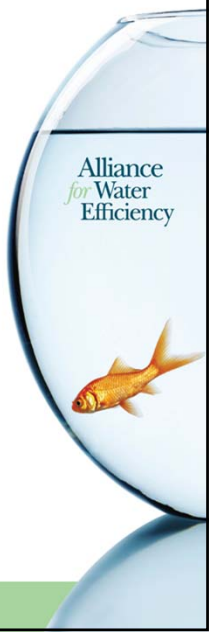
The Target Market

- Industries common to Great Lakes area
- Industries receiving water from public utility sources in Great Lakes Basin
- Industries sustaining or growing in marketplace
- Industries or users that are high volume



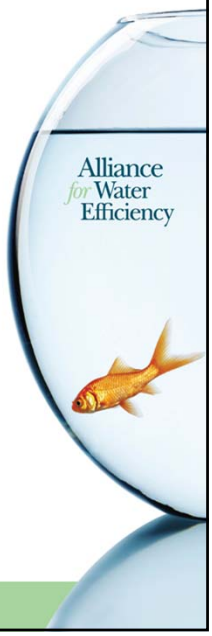
Industries Marketed

- Pharmaceutical
- Agricultural products processing
- Beverage and food production
- Dairy products
- Appliance & electronics manufacturing
- Plastics molders
- Vehicle manufacturing
- Metal platers
- Commercial laundries



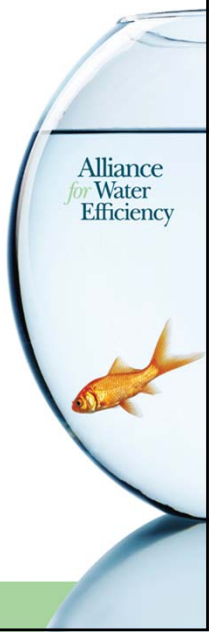
Program Assessment Factors

- Participation by target industries
- Implementation of measures
- Water use reductions
- Financing feedback
- Implementation results
- Benefit-cost assessment
- Environmental assessment



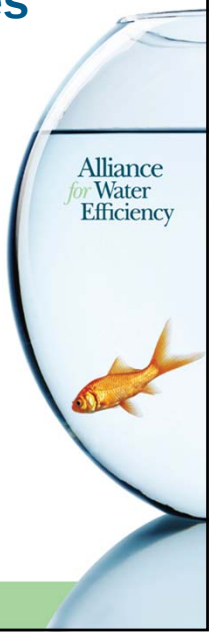
Industries Selected

Type of Industry	State	Source Water	Receiving Water
Beer Brewery	Michigan	Shallow Aquifer	Surface Stream
Leather Tannery	Wisconsin	Lake Michigan	Lake Michigan
Manufacturer	Ohio	Shallow Aquifer	Surface Stream
Metal Plater	Wisconsin	Lake Michigan	Lake Michigan
Plastics Compounder	Ohio	Lake Erie	Lake Erie

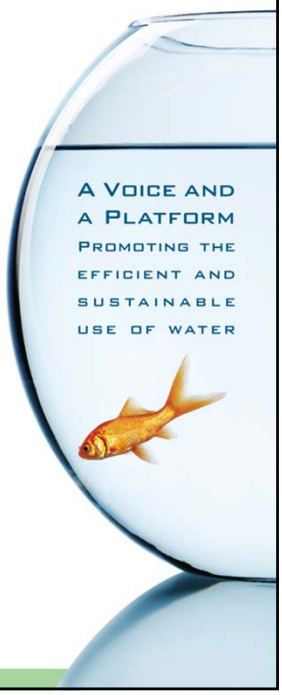


Summary Findings for Five Sites

1. Potential water savings: **66 million gallons per year**
2. Reduced wastewater flows: Roughly 66 million gallons per year
3. Payback time: 0.2 years to 5.8 years (Average: 1.2 years)
4. Average annual return on investment: 84%



Findings by Site



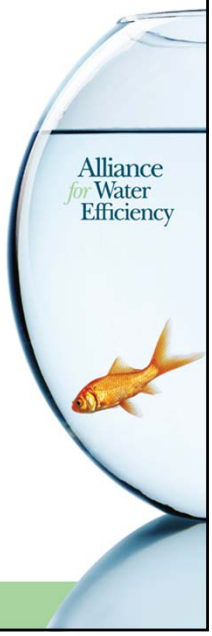
Alliance *for* Water Efficiency

Plastics Compounder

Recommendation:

Flow restrictors on surge tank fill lines to reduce flow from 2.34 gpm to .5 gpm

Water use reduction	78%
Annual water savings	1,934,500 gallons
Annual savings	$16,250
Cost of measure	$2,500
Payback	0.2 years
ROI	666.7%

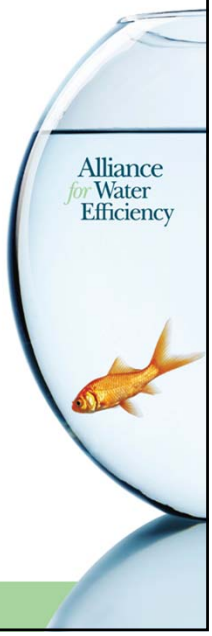


Plastics Compounder

Recommendation:

Change Cycles of Concentration from 2.5-3.0 to 3.5-4.0

Water use reduction	11%
Annual water savings	87,166 gallons
Annual savings	$732
Cost of measure	$500
Payback	0.7 years
ROI	153.8%

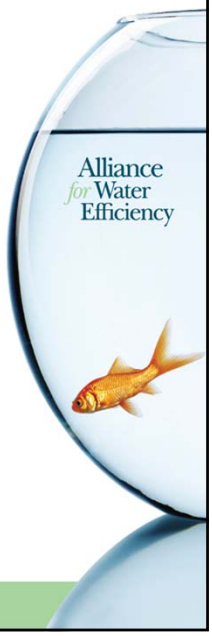


Plastics Compounder

Recommendation:

Retrofit Sanitary Fixtures

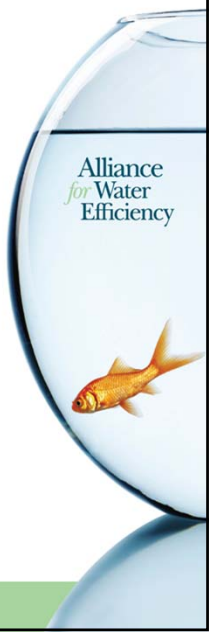
Water use reduction	80%
Annual water savings	125,560 gallons
Annual savings	$1,055
Cost of measure	$2,250
Payback	2.1 years
ROI	47.6%



Plastics Compounder

Work Completed

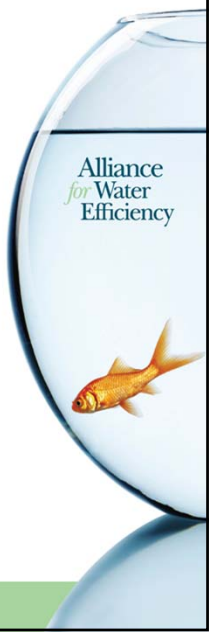
- Plans in place for replacing flow restrictors, work to be completed within 1 year
- Toilets and sanitary fixtures are being replaced as part of a normal upgrade program
- The company is satisfied with its current cooling water regimen of 3 cycles of concentration



Plastics Compounder

Obstacles to Implementation

- Personnel capacity

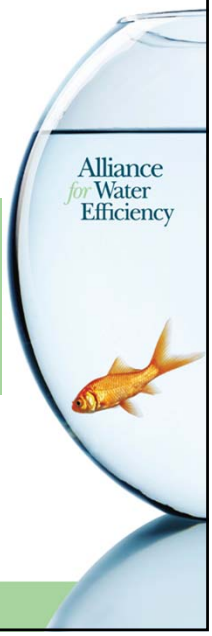


Manufacturer

Recommendation:

Reuse testing water and RO discharge water

Annual water savings	43,800,000 gallons
Annual savings	$110,000
Cost of measure	$60,000
Payback	0.55 years
ROI	181.8%

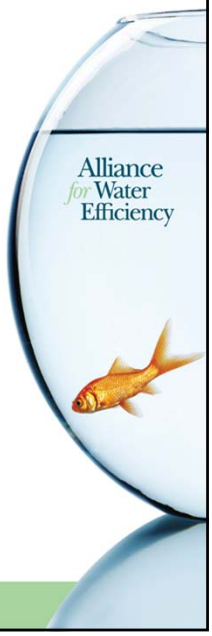


Manufacturer

Recommendation:

Replace Cafeteria and Sanitation Fixtures

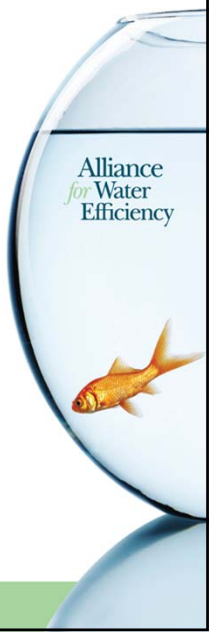
Annual water savings	3,926,000 gallons
Annual savings	$18,168
Cost of measure	$60,000
Payback	3.3 years
ROI	30.3%



Manufacturer

Additional Savings

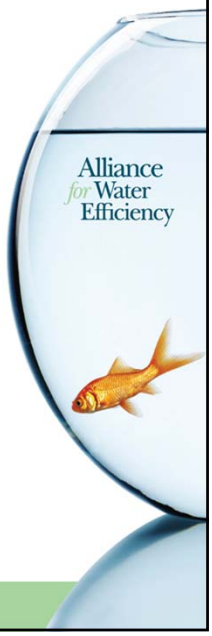
Rainwater harvesting could provide as much as 5,000,000 gallons per year of untreated water that could be used for cooling tower replenishment



Manufacturer

Obstacles to Implementation

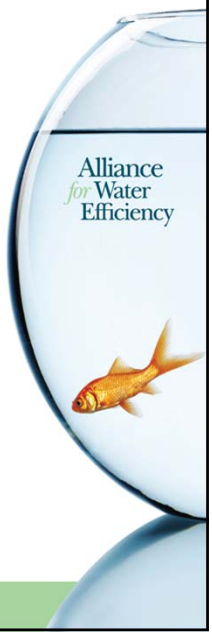
- Time needed to fit the work into the budget cycle



Metal Plater

Water Conservation Measures Already Implemented

- Conductivity controllers to limit rinse water waste
- Countercurrent rinsing
- Level sensor controls

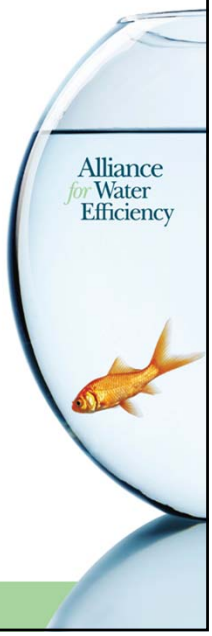


Metal Plater

Recommendation:

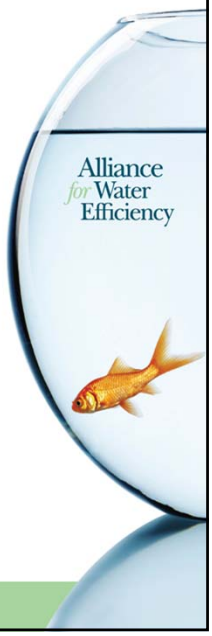
Reuse rectifier cooling water in plating process

Annual water savings	3,000,000 gallons
Annual savings	$12,500
Cost of measure	$31,000
Payback	2.5 – 3.5 years
ROI	33.3%



Leather Tannery

- Discharges 433,000 gallons per day to the wastewater system
- Spends $1 million per year on water and wastewater, including $65,000 in fees for the loadings of total suspended solids (TSS) and biological oxygen demand (BOD) in the wastewater stream

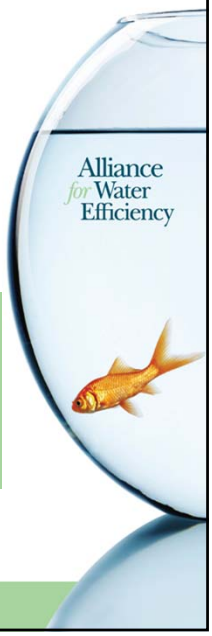


Leather Tannery

Recommendation:

Reuse the water used in hydraulic cooling

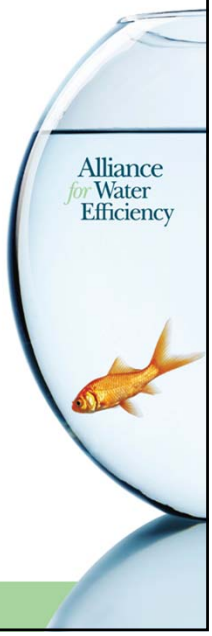
Annual water savings	11,000,000 gallons
Annual savings	$21,800
Cost of measure	$50,000
Payback	2.3 years
ROI	43.4%



Leather Tannery

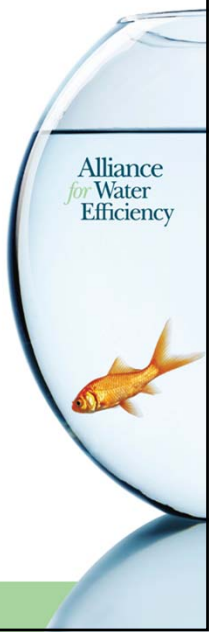
Physical constraints

- Could save more than 80,000,000 additional gallons per year by treating, filtering, and reusing wash water
- Constrained by small footprint and urban environment



Beer Brewery

- Uses about 5.6 gallons of water per gallon of beer: Average, but improvable
- Moved to a new state-of-the-art brewhouse incorporating some of the recommended conservation measures

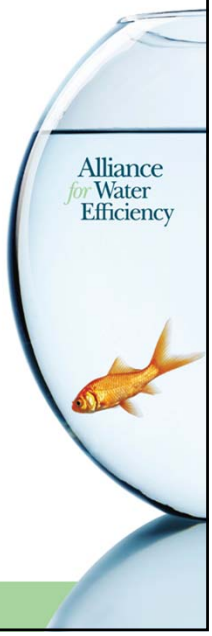


Beer Brewery

Recommendation:

Redesign foam control measures

Annual water savings	1,800,000 gallons
Annual savings	$7,722
Cost of measure	$500
Payback	0.1 years
ROI	1,000%

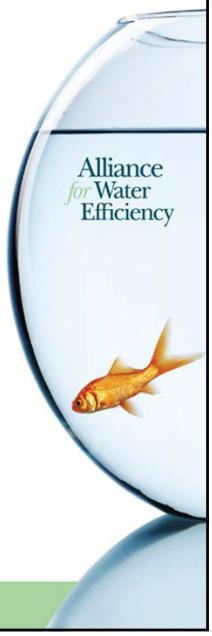


Beer Brewery

Recommendation:

Use efficient water brooms for floor cleaning

Annual water savings	100,000 gallons
Annual savings	$429
Cost of measure	$500
Payback	1.2 years
ROI	83.3%

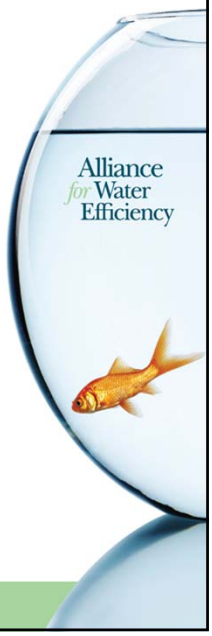


Beer Brewery

Recommendation:

Reuse bottling wash water and lubrication water

Annual water savings	300,000 gallons
Annual savings	$1,287
Cost of measure	$7,500
Payback	5.8 years
ROI	17.2%

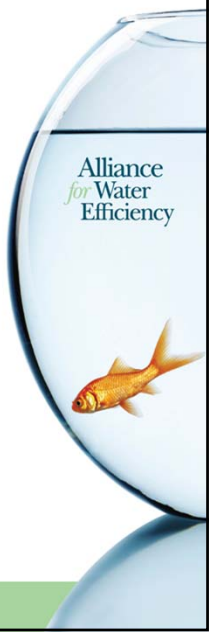


Beer Brewery

Recommendation:

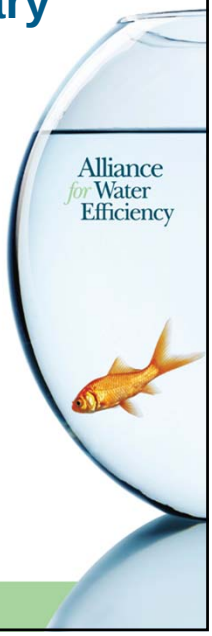
Reuse wort line purge water

Annual water savings	5,000 gallons
Annual savings	$21
Cost of measure	$100
Payback	4.8 years
ROI	20.8%



Environmental Benefits Summary

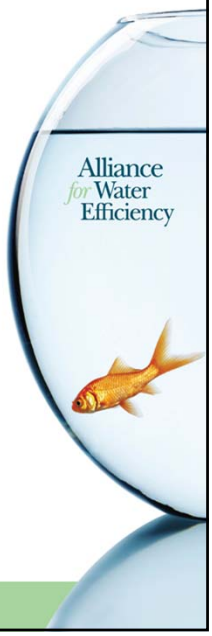
1. Improved stream flows and aquifer levels
2. Healthier aquatic ecosystems
3. Air quality improvements through reduced energy requirements for pumping



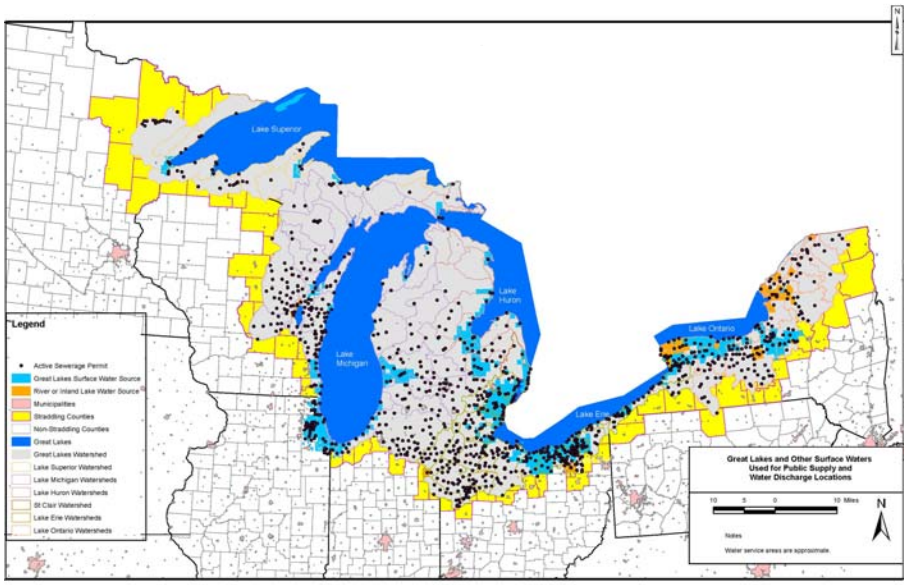
Environmental Impacts

Relevant Factors:

- Origins of the water
- Type of sewer system receiving discharges
- Location of the wastewater system discharges
- Air quality impacts related to embedded energy



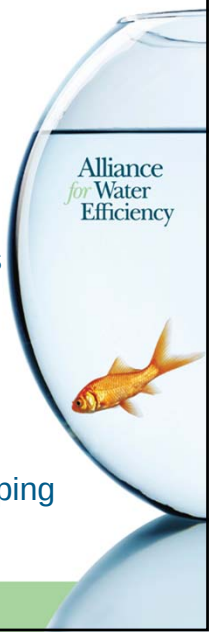
Great Lakes Water and Wastewater



Environmental Impacts

Visible Effects

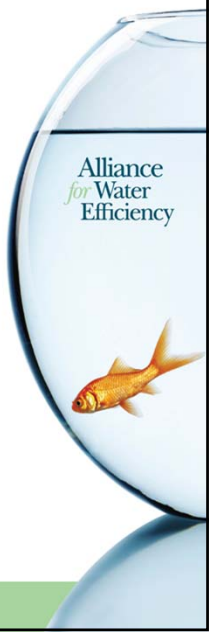
- Levels, flows, and quality of source water
- Health of water-dependent natural resources
- Groundwater and surface water levels & flows
- Quality of receiving waters
- Improved water supply reliability
- Ecosystem health
- Greater infrastructure capacity and reliability
- Protection of aquatic life from decreased pumping
- Improved air quality from reduced energy use



Environmental Impacts

Aquifers and Surface Water

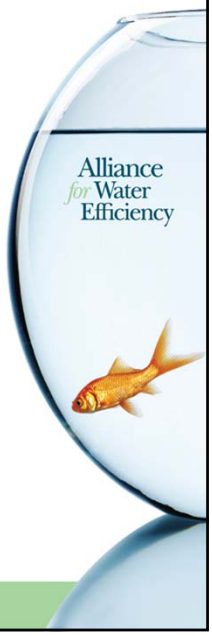
- Aquifer and surface water levels stay more reliable with concerted conservation efforts
- Surface receiving waters could experience decreased flow because of lower effluent flows
- In areas where water is drawn from one source and wastewater released to another, water flow could decrease in one watershed while increasing in another, thus changing the hydrology of both regions affecting plants, wetlands, and aquatic life



Environmental Impacts

Stormwater Management: Water Harvesting

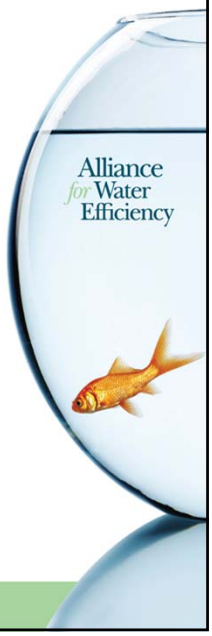
- Allows on-site retention of stormwater, reducing flows to storm sewers and treatment plants
- Improves the overall water quality of wastewater flows by capturing pollutants and debris carried by stormwater runoff
- Supplements an industrial facility's water supplies through appropriate use, reducing the need for treated municipal water



Environmental Impacts

Air Quality Impacts

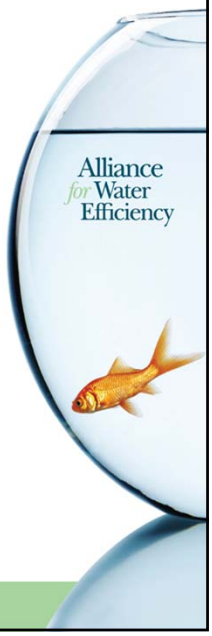
- Treatment processes and pumping are energy intensive
  - ✓ Lower water demand reduces this energy use
- Carbon dioxide emissions reductions in these industry sectors
  - ✓ Could eliminate release of 1 billion pounds of CO_2 over 20 years, which is the equivalent of 100,000 car-years



Environmental Impacts

Scaling the Results: Rough Approximations

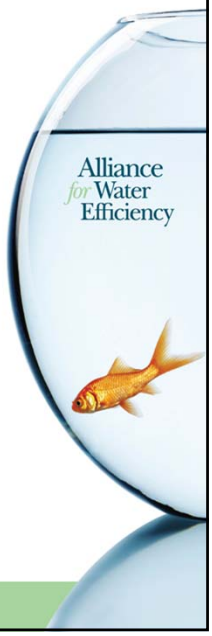
- The 5 examined industries revealed potential water savings of approximately 66.5 million gallons per year
- The Great Lakes region is home to approximately 1,000 comparable facilities in these five industry sectors
- What would the savings look like scaled up?



Scaled Impacts: 20 Years

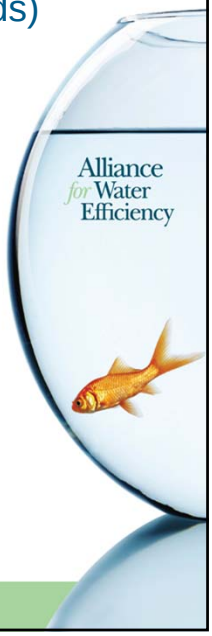
Potential Savings:

Surface Water and Wastewater:	460 Billion Gallons
Ground Water and Wastewater:	100 Billion Gallons
Surface Water, Wastewater Pumping and Treatment:	500 Million kWh
Groundwater and Wastewater Pumping and Treatment:	120 Million kWh



Scaled Impacts: 20 Years (in pounds)

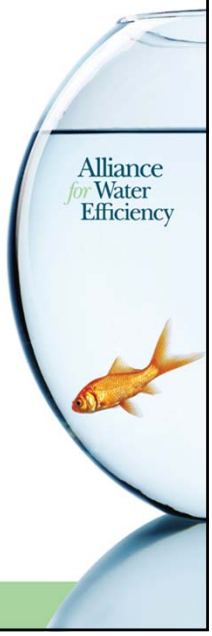
CO_2	1.02 Billion
SO_2	4.36 Million
NO_X	1.4 Million
Ozone season NO_X	1.02 Million
Annual HG	19
Annual CH_4	18,000
Annual N_2O	15,600



Utility Revenue Loss

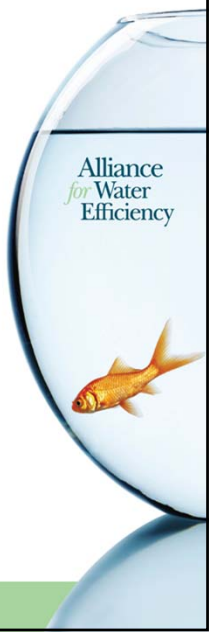
Lost revenue from decreased water sales is of significant concern to some utilities … and less concern to others.

- Surveyed 100 water utilities, 87% of which were in the Great Lakes Basin
- Efficiency improvements present a significant challenge for utilities with a shrinking customer base or large debt service on an infrastructure system with unused capacity
- Yet efficiency improvements reduce variable costs for energy and treatment chemicals, and defers the high costs of developing new supplies or infrastructure



Funding: Survey Results

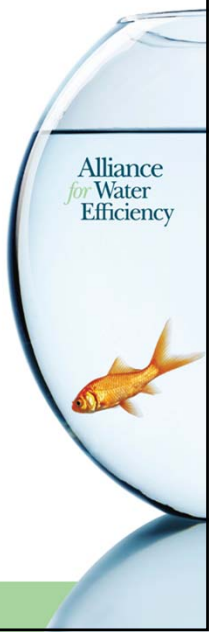
- Survey conducted of **37** companies to determine the importance of funding on a decision to implement measures
- Available funding would “likely” or “very likely” affect a company’s decision to implement water efficiency measures: **66%**
- Water efficiency improvements are planned but not implemented because of a lack of available funding: **36%** (25% unsure)



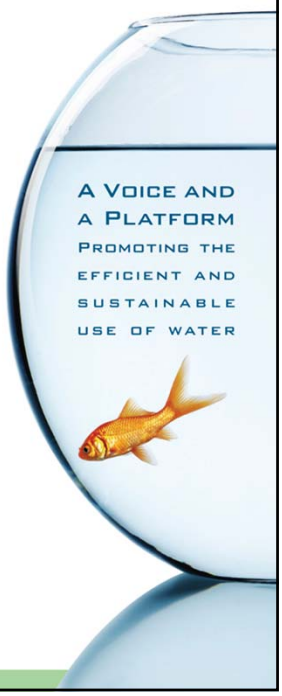
Funding: Survey Results

- Interest rates of 5% or lower would encourage decisions on facility improvements: **60%** YES
- Need to be able to document payback times of two years or less: **45%**
- Would undertake projects with payback times of five years or more: **26%**

  - **A structure for a revolving loan fund was developed in this project to help incentivize more industrial water efficiency retrofits**



Conclusions and Recommendations



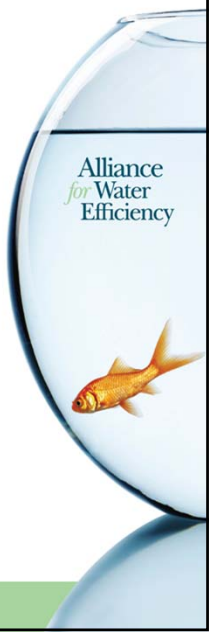
Alliance *for* Water Efficiency

Conclusion #1

Significance of Benefits

Even in a region as water rich as the Great Lakes basin, the benefits of water conservation are meaningful across a range of areas. These include:

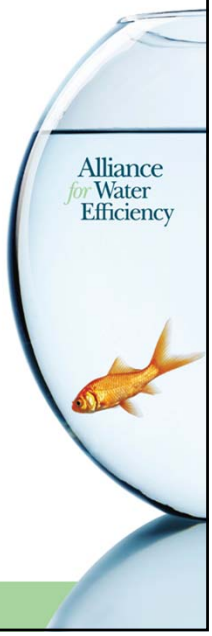
- supply reliability
- reduced pumping
- reduced treatment



Conclusion #2

Protected Wastewater Stream

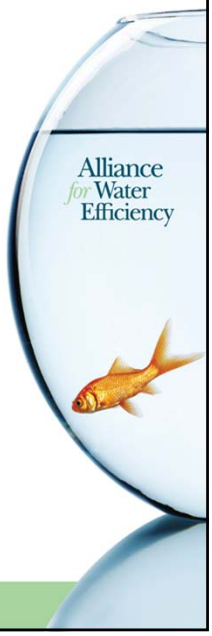
Filtering, treating, and re-using water on site not only reduces water consumption, it can also remove dissolved and suspended solids and BOD from the wastewater stream.



Recommendations

1. Explore Untapped Opportunities

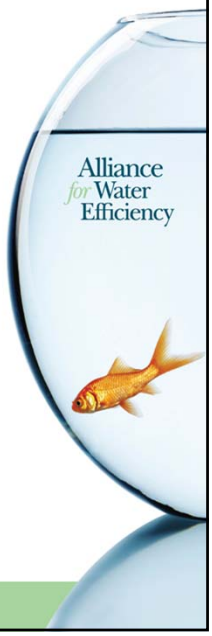
Other high-water-use industry sectors, such as food processing, dairies, cheese making, meatpacking, concrete batching, and pharmaceuticals, should be explored and assessed.



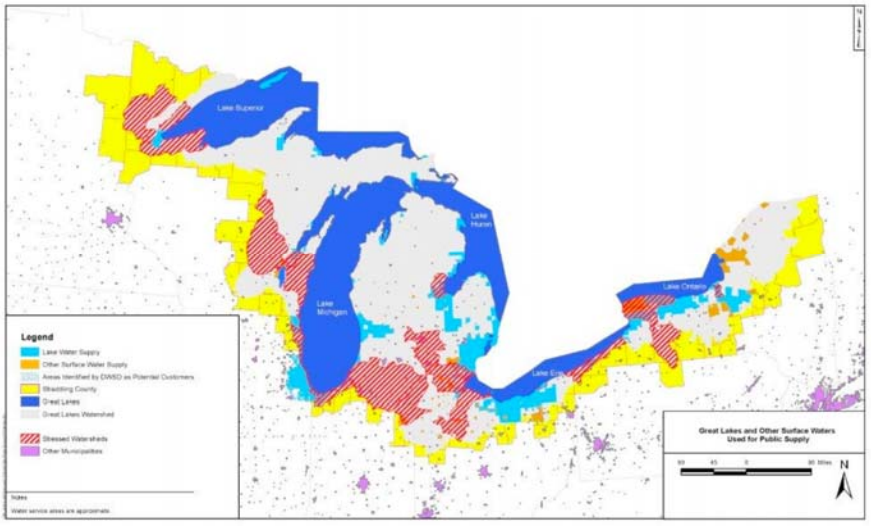
Recommendations

2. Explore Regions with the Potential to Have the Greatest Impact

While the benefits of conservation are apparent everywhere, they are most profound in areas with stressed supplies, especially where utilities draw water from and release water to streams or aquifers.



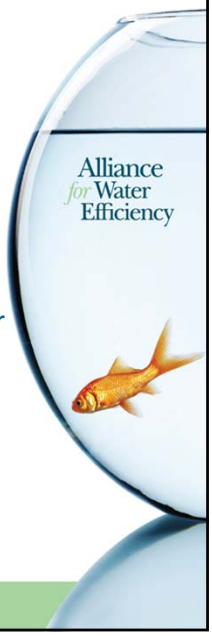
The red hash marks on this map show the three most-stressed watersheds in each of the Great Lakes States.



Recommendations

3. Explore Utility Service Areas with the Greatest Potential Benefit from Conservation

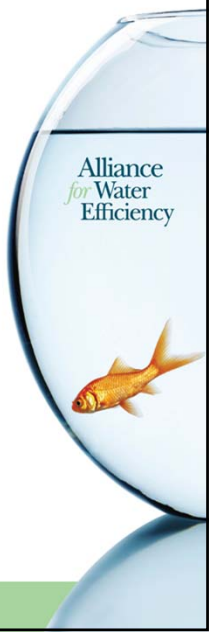
Targeted utilities should realize the greatest benefits from large-scale industrial water conservation efforts. These are utilities in either water-stressed areas or those experiencing rapid growth. Environmental benefits will have value to all regions, but not equally.



Recommendations

4. Include Stormwater Capture

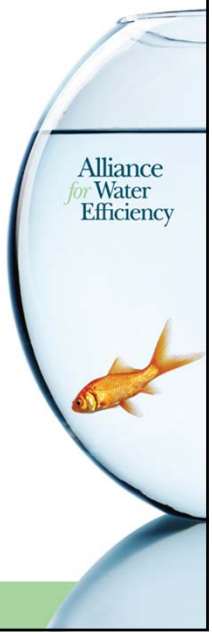
Capturing and using rainwater on site requires minimal treatment and may be used for cooling towers, irrigation, or floor washing. It reduces the need for treated water and provides additional protection from storm surges and combined sewer overflow events.



Recommendations

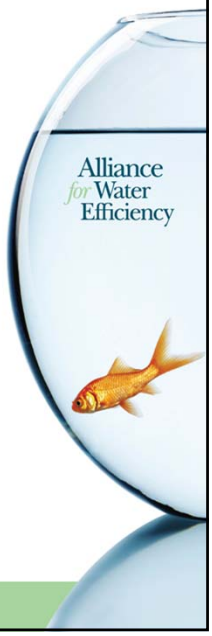
5. Develop Funding Options

In addition to securing a source of dollars for the revolving fund, work must be done to determine how to assess and fund those measures that balance financial return with benefits to the environment.



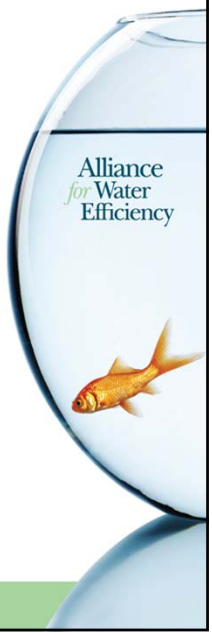
Takeaway Lesson

Even in the most freshwater-rich area on earth, industrial scale water conservation provides meaningful benefits and should be pursued.



In Closing

- Got any questions? Type them in!
- The recorded webinar will be available within a few days
- Contact maryann@a4we.org with any future questions

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