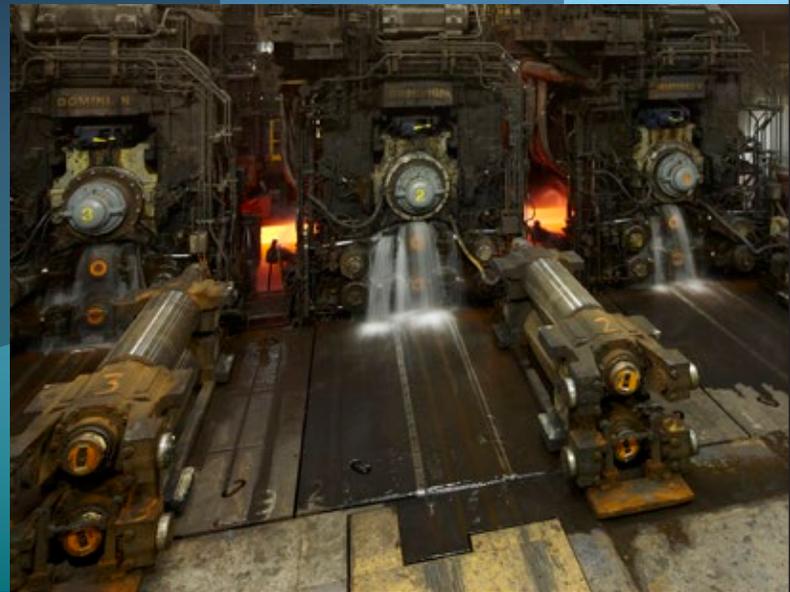


# ArcelorMittal Dofasco's portfolio strategy keeps energy savings rolling

As incentives for one energy project are paid out through the IESO's Industrial Accelerator program, ArcelorMittal Dofasco redeploys the money to fund the next project, resulting in a net-neutral cash flow that preserves working capital.



## Start saving today

The Industrial Accelerator Program (IAP) is an incentive program designed specifically for transmission-connected facilities across Ontario. Tailored to support energy-efficient capital investments, the four programs that fall under the IAP banner include:

- Retrofit
- Process & Systems (including Small Capital Projects)
- High Performance New Construction
- Energy Managers

Contact an IESO Business Manager at [ia@ieso.ca](mailto:ia@ieso.ca) or visit [www.industrialaccelerator.ca](http://www.industrialaccelerator.ca) for more information.

*ArcelorMittal Dofasco's staggered approach to energy management contributes to its cash flow position and has the full support of the corporate finance team.*

# ArcelorMittal Dofasco's portfolio strategy designed to pump out the savings

ArcelorMittal knows that strategic energy management is not only about what, but when, to invest in energy projects.

Timing is everything, and as is the case for most businesses, cash flow is king. According to Ian Shaw, Manager of Energy Management, ArcelorMittal Dofasco takes a portfolio approach to managing energy projects to ensure that with every investment, energy savings are re-invested directly back into the business, provincial incentives are used to finance upcoming or ongoing projects and net-neutral cash flow is preserved.

"It all comes down to cash flow. Since 2010, we've completed nine energy projects and two more projects will be completed by the end of this year," said Shaw. "We run a portfolio of energy projects simultaneously, and by the time the final project in the portfolio needs cash, the first project is generating electricity savings that can be used for financing. This staggered approach to energy management contributes to our cash flow position and has the full support of our finance team."

## How ArcelorMittal Dofasco does it

ArcelorMittal Dofasco has a three-phase strategy for achieving its substantial energy savings targets. The projects listed here are part of the first phase of the portfolio, which was completed in 2015. Recently completed phase two projects include a second turbine generator and a nitrogen compressor system retrofit.

### WATER TREATMENT SLUDGE DEWATERING EQUIPMENT

Helping to conserve 4,000 megawatt-hours/year

### VARIABLE FREQUENCY DRIVES

Delivering energy savings of \$500,000 annually

### NEW COMPRESSED AIR SYSTEM

Reducing electricity costs by \$400,000 annually

### NEW TURBINE GENERATOR

Generating 40,000 megawatt-hours/year by using excess by-product fuels

Energy is the third-largest input cost for ArcelorMittal Dofasco after raw materials and labour, and so it's easy to see why energy management plays such an important role in the company's cost containment strategy. Commitment to energy management starts with top-level management and cascades down throughout the organization in the form of quarterly Energy Councils where strategy and resourcing issues are discussed.

An Energy Leaders Forum consisting of technical and operational representatives from across the facility meets on a monthly basis to review plant performance and improvement initiatives, and ensure programs are aligned with the facility's manufacturing objectives.

"Energy plays an important part in keeping us competitive," said Sean Donnelly, President and Chief Executive Officer. "We're focused on technological advances and reducing, recycling and generating energy. Working in partnership within the Industrial Accelerator Program has allowed us to escalate our plans and move various projects forward in order to lower our demand on Ontario's power grid, keep our business competitive and contribute to the reduction of Canada's greenhouse gas emissions."

In addition to strong internal commitment, ArcelorMittal Dofasco leverages the IESO's Industrial Accelerator Program, which enables energy-efficient projects undertaken by transmission-connected facilities across the province. Since 2011, the company has achieved 125,000 megawatt-hours in recurring annual energy savings and reduced electricity costs by more than \$10 million annually. Currently, ArcelorMittal Dofasco also has projects underway that are projected to deliver an additional 290,000 megawatt-hours of savings by 2020.

"These are significant savings opportunities for any company," said Shaw. "Results like these get the attention of our senior management team and go a long way towards getting support and the approval we need for future projects."



Ian Shaw, Manager of Energy Management, ArcelorMittal Dofasco

IndustrialAccelerator

