

# Simplified Operator's Guidance for a Cogeneration Plant\*

*Russell P. Muschick, P.E.*

*G. Loren Toole*

---

This article describes a simplified PC-based method which can be used to guide daily loading decisions typically required of cogeneration plant operators. This method has been successfully tested at an operating plant, with excellent results. Its main benefit accrues from avoiding lengthy data preparation and awkward calculations.

Instead it relies upon a small set of readily-available aggregate statistics such as the previous week's generation and standby energy cost which are typically logged in a plant control room. After initialization, the operator's program was used to set a monthly generation "target" for steam and electricity based on historic seasonal demands.

The overriding objective was to satisfy monthly targets; adjustments were made weekly to attempt to meet this goal. The method was designed to schedule least-cost operation for steam and electric production within the constraints of plant capacity, cost of standby electricity and related costs such as boiler rampup/rampdown. It can be easily modified to account for different load and cost patterns.

## BACKGROUND

This method was developed for use at a Department of Energy complex located in the Southeast US. This facility, which covers an area of 300 square miles, serves as a nuclear weapons material processor. All electricity is currently purchased off-site although a significant portion

---

\*Support for developing this guide was provided by the United States DOE.

was previously obtained from an on-site coal-fired cogeneration plant with process steam extracted as a by-product. The plant is rated at 58.2 MW electric and 350 Kpph output; it utilizes four boilers and six back-pressure turbines in the configuration shown in Figure 1.

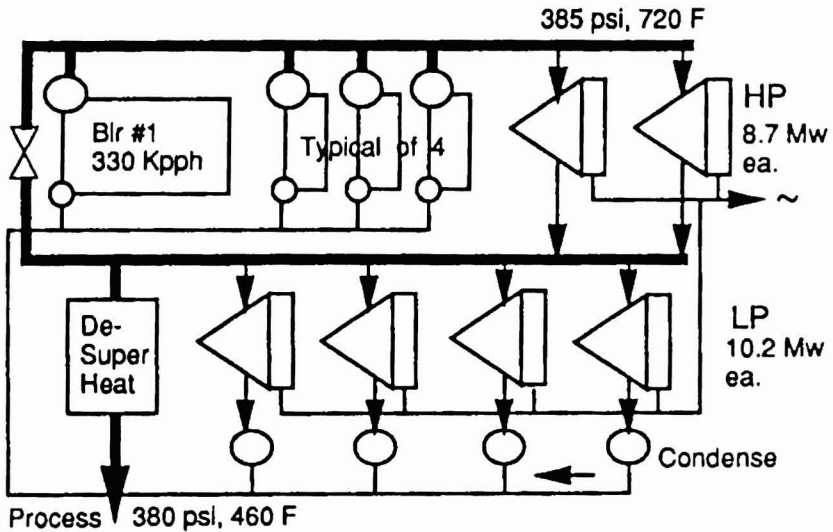


Figure 1. Boiler and Turbine Configuration

In order to explain the issues and basic terminology involved, we first review the following topics:

- Problem to solve
- Cost of plant operation
- Targeting

### Problem to Solve

Our plant operator was confronted each day with a complex decision i.e. Minimize  $(C_e + C_s + C_p)$  subject to demands for steam and electricity, limits of plant capacity and contract capacity established by the local utility (the terms are  $C_e$ = electric generation cost,  $C_s$ = steam generation cost and  $C_p$ = purchased power cost).

This problem had been previously analyzed for monthly budgeting purposes, but daily plant loading was more complex. Our cost model was already unwieldy. Therefore we agreed that a new ap-

proach was clearly required.

First, a simple interpolation of the plant cost function was not useful. Many underlying factors especially demand for steam and electricity were constantly changing and it was not practicable for an operator to re-execute the cost model frequently. The model needed to be tightly integrated into our short-term load forecasting process.

Finally, we did not want to lose the credibility of our established costing methods by creating a new model. We ultimately decided to combine results from the existing plant cost and load forecast models into a system which could be used by virtually anyone with little training. This approach proved to be an excellent solution to the problem.

### **Cost of plant operation**

Our method assumed that product costs from the cogeneration plant cycle were quantified for various levels of demand. This topic is generally beyond the scope of this article since the method chosen is specific to each plant and usually reflects the availability of different types of data.

For example, our records did not allow plant electric heat rate (a measure of efficiency) to be easily calculated, but our cost method required it. We were forced to conduct a series of controlled tests over a range of load levels to estimate this parameter. Other costing methods are designed to use different parameters (Ref. 1,2).

The actual cost model consisted of multiple regression equations which were numerically coupled through  $C_e$  and  $C_s$ . The cost analysis utilized estimates of site demand (load factor, peak) for both steam and electricity as well as fuel cost, purchased power cost, and boiler availability.

Then, an iterative series of calculations were performed at different plant electric output levels to determine the optimum generation for given conditions. At our site, process steam demand was considered to be a "must-run" quantity due to nuclear safety concerns. We often generated a minimum electric output of 18 MW while exporting 100-200 Kpph of steam. During periods of higher electric demand, it was often advantageous to increase electric output above the minimum.

### **Targeting**

Here the term "target" refers to the quantity of electric needed to minimize costs over a fixed period of time, usually a week; units are

Apply proven strategies for effective industrial energy cost management as detailed by a leading industry expert...



# SUCCESSFUL INDUSTRIAL ENERGY REDUCTION PROGRAMS

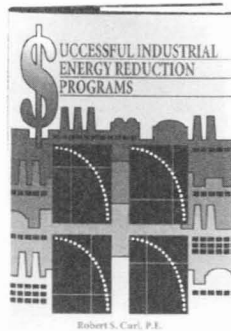
By Robert S. Curl

The many factors which are requisite to the success of an industrial energy cost reduction program are systematically examined in this practical reference. The author guides you step by step through the initial assessment process, test procedures, energy use evaluation, and field analysis, with a full chapter devoted to examining the details of actual field tests for a wide range of industrial and commercial settings. Fully covered are the effect of building construction on energy efficiency, heat recovery options, equipment operational factors, health and comfort factors, and strategies for building employee cooperation with energy conservation efforts. Case studies are used to illustrate effective energy cost control in industrial settings including food processing, chemical and plastics, machinery manufacture, primary and fabricated metals, electrical equipment and more.

ISBN: 0-88173-280-X

**ORDER CODE: 0407**

6 x 9, 157 pp., Illus.  
Hardcover, \$75.00



## CONTENTS

- 1 — Introduction
  - 2 — History of Heating & Air Conditioning
  - 3 — First Step Investigation
  - 4 — Test Procedures
  - 5 — Energy Information
  - 6 — Initial Field Analysis
  - 7 — Case Studies
  - 8 — General Description of Case Studies
  - 9 — Details of Actual Field Tests
  - 10 — Odors & Chemical Reactions
  - 11 — Effect of Building Construction
  - 12 — Heat Recovery
  - 13 — Equipment Operations
  - 14 — Health & Comfort Factors
  - 15 — Industrial Field Inspection
  - 16 — Workers' Cooperation
- Index

## BOOK ORDER FORM

① Complete quantity, book title, order code, price and amount due for each book you wish to order:

QUANTITY	BOOK TITLE	ORDER CODE	PRICE*	AMOUNT DUE

② Indicate shipping address: **CODE: Journal 99**

NAME (Please print) \_\_\_\_\_ BUSINESS PHONE \_\_\_\_\_

SIGNATURE (Required to process order) \_\_\_\_\_

COMPANY \_\_\_\_\_

STREET ADDRESS ONLY (No P.O. Box) \_\_\_\_\_

CITY, STATE, ZIP \_\_\_\_\_

③ Select method of payment:

- CHECK ENCLOSED
- CHARGE TO MY CREDIT CARD
  - VISA
  - MASTERCARD
  - AMERICAN EXPRESS

Make check payable in U.S. funds to:  
**AEE ENERGY BOOKS**

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

CARD NO.

Expiration date \_\_\_\_\_ Signature \_\_\_\_\_

Applicable Discount  
Georgia Residents  
add 6% Sales Tax  
Shipping Fees\* **6.50**

**TOTAL**

### MEMBER DISCOUNTS

A 15% discount is allowed to AEE members.

AEE Member (Member No. \_\_\_\_\_)

Send your order to:

**AEE BOOKS**  
P.O. Box 1026  
Lilburn, GA 30048

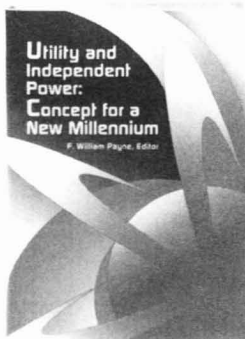
**INTERNET ORDERING**  
[www.aeecenter.org](http://www.aeecenter.org)

**TO ORDER BY PHONE**  
Use your credit card and call:  
**(770) 925-9558**

**TO ORDER BY FAX**  
Complete and Fax to:  
**(770) 381-9865**

### INTERNATIONAL ORDERS

Must be prepaid in U.S. dollars and must include an additional charge of \$10.00 per book plus 15% for shipping and handling by surface mail.



Read first-hand reports on what to expect and how to set winning strategies from the leaders and pioneers of the new competitive energy frontier...



## UTILITY & INDEPENDENT POWER: CONCEPT FOR A NEW MILLENNIUM

Compiled and Edited by F. William Payne

The electric industry is undergoing a fundamental and historically unparalleled transformation. This important book compiles contributions from many of the individuals who not only are directly involved in these changes, but in many cases are the creators of the new concepts which are driving them. The book's five major sections include: Strategies for Change, covering the concepts and visions which are defining new directions; The Customer Viewpoint, examining the specifics of new options for customers; Marketing, exploring the roles of power marketers and brokers in the restructured marketplace; Finance, covering stranded cost issues, as well as new project financing instruments; and Environmental Concerns, addressing emission compliance issues as they impact electric utility developments.

ISBN: 0-88173-267-2

ORDER CODE: 0399

6 x 9, 354 pp., Illus.  
Hardcover, \$89.00

## CONTENTS

### SECTION 1: STRATEGIES FOR CHANGE

- 1 - From the Utility Business to the Power Business
- 2 - Northeast States' Vision of a Competitive Utility System
- 3 - Rebuilding the Electric Business on a New Foundation
- 4 - The Future Power Industry - Defining the Boundaries
- 5 - How Utilities View the Future: A Self-Analysis
- 6 - Electric Power Competition & the Economic Doctrine of Contestable Markets
- 7 - Providing Open Transmission Access & Services
- 8 - The Competitive Power Market: How Profitable Will It Be?

### SECTION 2: THE CUSTOMER VIEWPOINT

- 9 - Blueprint for Customer Service
- 10 - What Will Customers Want from the Competitive Marketplace?
- 11 - Utilities & Industrial Customers: Partners in Energy Management
- 12 - Energy Utilities - Partners with the HVAC Industry

### SECTION 3: MARKETING

- 13 - Power Marketers Can Serve the Evolving Electric Utility Industry
- 14 - Will Power Marketing Parallel Gas Marketing?
- 15 - Electricity Marketing & Brokering Services
- 16 - Marketing Utility Energy Services in a Competitive Environment
- 17 - Efficient Markets of Efficient Loads? How? Utility Restructuring Affects Federal Customers
- 18 - Electric Cooperatives Can Thrive by Marketing New Services
- 19 - How Electric Power Marketers & Brokers Are Altering the Industry
- 20 - A Spot Market for Electricity

### SECTION 4: FINANCE

- 21 - Preparing for Financial Restructuring in the Electric Utility Industry
- 22 - Stranded Costs: Who Should Pay & Why?
- 23 - Managing Project Risks Through a Team Building Approach

### SECTION 5: ENVIRONMENTAL CONCERNS

- 24 - Emission Allowances - Long-Term Price Trend
- 25 - Estimating Utility Atmospheric Emission Factors
- 26 - Systems Approach to Acid Rain Control
- 27 - Increased Energy Efficiency & Decreased Emissions: Utility Case Studies

Index

## BOOK ORDER FORM

① Complete quantity, book title, order code, price and amount due for each book you wish to order:

QUANTITY	BOOK TITLE	ORDER CODE	PRICE*	AMOUNT DUE

② Indicate shipping address:

CODE: **Journal 99**

Applicable Discount

*Georgia Residents  
add 6% Sales Tax*

Shipping Fees\*

**6.50**

**TOTAL**

**6.50**

NAME (Please print)

BUSINESS PHONE

SIGNATURE (Required to process order)

COMPANY

STREET ADDRESS ONLY (No P.O. Box)

CITY, STATE, ZIP

③ Select method of payment:

CHECK ENCLOSED

CHARGE TO MY CREDIT CARD

VISA

MASTERCARD

AMERICAN EXPRESS

Make check payable  
in U.S. funds to:  
**AEE ENERGY BOOKS**

CARD NO.

Expiration date

Signature

Send your order to:

**AEE BOOKS**  
P.O. Box 1026  
Lilburn, GA 30048

④

**TO ORDER BY PHONE**  
Use your credit card and call:  
**(770) 925-9558**

**INTERNET ORDERING**  
[www.aeecenter.org](http://www.aeecenter.org)

**TO ORDER BY FAX**  
Complete and Fax to:  
**(770) 381-9865**

### INTERNATIONAL ORDERS

Must be prepaid in U.S. dollars and must include an additional charge of \$10.00 per book plus 15% for shipping and handling by surface mail.

megawatt-hours. Our plant operators' overriding concern prior to implementing the new method was to insure flexibility in setting targets. One alternative considered but rejected was to simply set a monthly target. This approach did not allow for interim adjustments made necessary by forced outages, unforeseen changes in demand or standby electricity costs.

We agreed that a daily targeting method was also probably too much refinement due to costly boiler ramping. The method was ultimately designed to use weekly targets set on Monday, with the option of a midweek correction.

## METHOD OF ANALYSIS

The most important feature of the operator's program was ease-of-use, particularly in regards to gathering prior week's data for input to the model. Only six data items were needed. Two results were displayed as output: weekly (total) megawatt-hours generated and average turbine loading. Each re-calculation was automatically archived for later review. The user was prompted for inputs through click-on selections and numeric box entries while entering the following information:

### **Year? Month? Week of Month?**

Select the time period for analysis. These inputs established the internal calendar, allowing the program to select a one of three load patterns, depending on season.

### **Previous week's standby power cost?**

Enter the highest standby power cost quoted by utility dispatchers during the previous week, dollars per megawatt-hour (\$/MWH). These data were taken from a plant report issued daily.

### **Previous week's site generation?**

Enter the sum of megawatt-hours generated on-site during the previous week. These data were taken from a plant report issued weekly.

### **Previous week's total energy use?**

Enter the sum of megawatt-hours consumed on-site during the previous week. Data were taken from a plant report issued weekly.

Other data not supplied by the operator were required to drive our program, notably a cost versus load matrix. The cost model was executed for "expected" conditions and then "incremental" conditions to quantify the impact on optimal plant loading. These results were entered in matrix format as shown in Figure 2.

		\$/MWH		
		25	50	75
$\Delta$	-20	27,670	29,352	31,035
MW	0	26,370	28,052	29,735
	20	25,070	26,752	28,435

**Figure 2. Optimal Generation**

There are several important features shown. First, the table entries represent electric generation needed to minimize costs for a full month; units are megawatt-hours. We previously referred to this quantity as the "target." The left column lists deviations from our monthly peak forecast i.e. -20, 0 and 20 MW. The top row lists deviations in the cost of purchased standby power i.e. 25,50 and \$75 per MWH.

For example, if no deviation in peak demand occurs and standby power costs are \$50/MWH, the target is shown to be 28,052 MWH. The cost of purchased electric demand is not considered. Instead, we assumed that the plant would always be operated over short intervals of time to avoid creating a sudden increase in purchase demand, and therefore to avoid utility ratchet charges.

The information contained in Figure 2 was embedded in the operator's model and became an integral part of the overall targeting process. Figure 3 shows the overall program flow. Steps 2, 3, and 4 yield key intermediate results which are discussed next. Entries from the cost versus load matrix are selected in Item 2 on the basis of calendar data. The operator program also establishes a "synthetic" prior week in Item 3 by proportioning weekly site energy over a unitized demand curve. The estimated weekly peak and load factor are compared to forecast quantities.

If there is a deviation from expected conditions, then a residual error ( $\Delta$  peak,  $\Delta$  load factor) is calculated. This error factor is utilized in the target interpolation. In practice, this situation always occurs although the errors are often quite small.

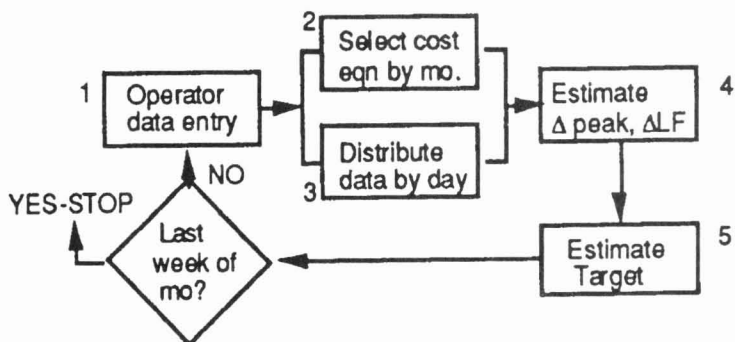


Figure 3. Program Flowchart

### SAMPLE RESULTS

To illustrate results from our program, refer to Figure 4. Daily site demands for June, 1996 are shown in the upper plotline, while cogenerated power is arbitrarily assumed to be constant, roughly 840 megawatt-hours per day (an average of 35 MW). Also plotted are the weekly series of targets needed to optimize plant output. The “target” plotline shows small week-to-week adjustments are being made in response to changes in site demand.

However, by the last week, accumulated generation exceeds the desired sum of weekly targets. The program signals for a rampdown. Since this did not occur overall operation would not achieve least-cost levels. This case is somewhat unrealistic since plant output diverged from all weekly targets, but it illustrates the flexibility needed to reach a monthly cost goal.

Finally, it was necessary to track savings actually achieved with this method. Figure 4 illustrated a simple example in which generation was assumed to operate at constant output for the entire month. By comparing this profile at various loading levels to the target profile, a series of savings can be estimated. Figure 5 tabulates these results. The zero savings case assumes a must-run electric output of 18 MW and adequate steam extraction to meet site demand. Using a “flat” profile across all hours, savings relative to must-run operation are shown. At 35 MW output (approximating the target in Figure 4) over \$40,000 per month is achievable. This savings includes both reduced purchased power costs as well as reduced fuel burn per unit production of both steam and electricity.

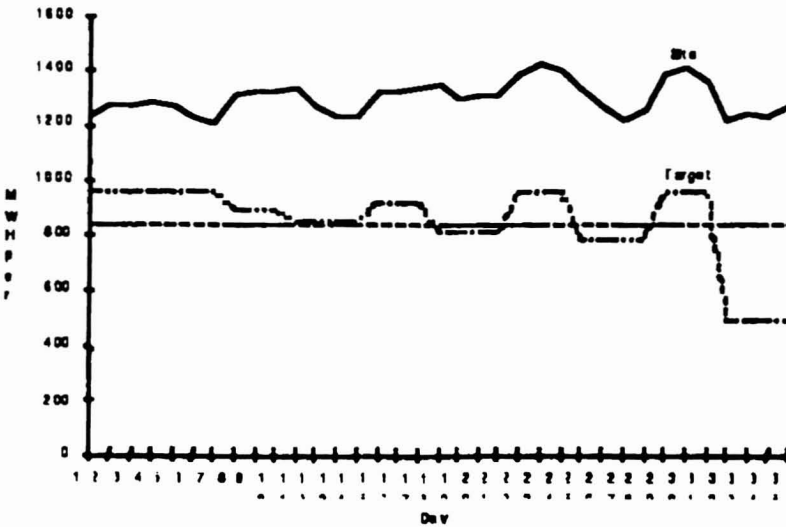


Figure 4. Generation Target Versus Site Demand

MW	Cost/Mo. 000's	Savings 000's	$\Delta$ Target MWH
18	1199	0	-18,600
26	1189	-10	-11,500
35	1159	-41	-1,300

Figure 5. Estimated Savings

SUMMARY AND CONCLUSIONS

While the primary goal of this method is to improve cogeneration plant economy, it offers significant operational benefits by avoiding lengthy data preparation and awkward calculations.

Section 1 outlined the process of characterizing production costs based on a pre-existing plant model. Section 2 described the operator program's features. It was designed to be simple to use in routine plant conditions, and it has proven to be operator-friendly. Finally, the estimated savings stream shown in Figure 5 suggested that costs associated with maintaining the software (primarily data entry and re-calibration) can be easily offset by "targeting" more efficient plant

operation. The authors believe this method can be readily adapted to other plants, if product costs can be accurately estimated.

## References

- (1) "Operation of Cogeneration Plants with Power Purchase Facilities," N.N. Benjamin, IEEE Transactions on Power Systems, Vol. PAS 102 No. 10 (Oct. 1983). pp 3467-3472.
- (2) "Optimum Operation for a Back-Pressure Cogeneration System Under TOU Rates," B.K. Chen and C.C. Hong, IEEE Transactions on Power Systems, Vol. 11, No. 2 (May 1996). pp 1074-1082.

---

## ABOUT THE AUTHORS

**Russell P. Muschick, P.E.**, serves as a principal engineer, Site Utility Department for Westinghouse Savannah River Company, Aiken, South Carolina. Mr. Muschick holds a BSME degree from Clemson University and has completed graduate studies in nuclear engineering at North Carolina State. He was employed for 20 years by Duke Power Company in both the fossil and the nuclear production departments. Currently, Mr. Muschick serves as chair of SRS Engineering Standards Board, Mechanical Equipment Committee. He is a Registered Professional Engineer in S.C. and N.C.

**G. Loren Toole** is currently assigned to Los Alamos National Laboratory, assisting in the development of high-power microwave systems. Mr. Toole received his B.S. and M.S. (power systems) degrees in electrical engineering from Georgia Tech. His industrial experience includes over 20 years in the promotion of energy-related projects such as cogeneration and load management. Mr. Toole serves as a principal, Kalmia Consultants, Aiken, SC.

Russell Muschick, P.E., WSRC, Site Utility Department, Building 777-20A, Aiken, SC 29808; russell.muschick@srs.gov

G. Loren Toole, Principal Engineer, Los Alamos National Laboratory, TA53 Building 31, RM 282, MS H827, Los Alamos, NM 87544; ph 505-665-0562; fax 505-665-2818; loren.toole@aotmail2.atdiv.lanl.gov