

Global steel company joins capacity market

A landmark agreement between this steel and mining company and Centrica Business Solutions, will return up to 150 MW to the transmission grid at peak periods.



Curtailling energy without impacting quality

Globally, this steel and mining company consumes approximately the same amount of gas and electricity as Austria, or 25% of the total annual energy consumption of the UK. To mitigate growing costs from energy taxes, transport and renewables levies, the organization set up an internal business unit, to focus on energy optimization and energy trading for its manufacturing plants across Europe.

Flexible approach to energy

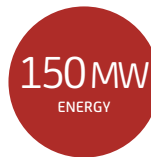
Following comments from the UK government that the country was going to struggle to avoid power blackouts during the coming winter, two steel plants started to assess the opportunity to participate in the capacity market. The critical question was whether it was possible to limit power to machinery fast enough, and long enough, to qualify for Demand Response (DR).

The manufacturer could not allow power to its electric arc furnaces or hot and cold roll mills to be curtailed during certain hours in the day. In addition, the local operations teams were concerned that steel quality and customer delivery would be impacted if machinery was without power for certain periods. On its own, it was likely that the company would not be able to meet the independent system operator's (ISO) stringent requirements for DR participation.

The results

Both the plants were aggregated into the Centrica Business Solutions' DR portfolio, which also contains a wide array of other industrial sites owned by different companies. When circumstances meant that the plants couldn't curtail power, another company in the portfolio could step in as a substitute, ensuring that the ISO had the required power available at all times.

This pooling approach ensured that local operations team could carry on with business as usual, while still enabling the company to generate revenues through participating in the UK capacity market.



Energy returned to the transmission grid during peak periods



Retains control of industrial processes

“

We are not 100% available because of the very nature of the electric arc furnace, but at times when blackouts are possible, we can help the network with the right incentives.”

Spokesperson, steel and mining company

Why Centrica Business Solutions?

- Technology automatically reduces energy consumption and allows businesses to return power to their local community when required
- Generates significant recurring revenue which can be used to reduce energy bills
- Unlocks new revenue and facilitates the further development of renewable energy
- Lowers industry's carbon footprint with more efficient power management
- Helps to curb global climate change