

Energy Team update

When Charles Koch mentioned the importance of teamwork in his recent Founder's Day video for employees, one of his examples was Koch Industries' Energy Team initiative.



INVISTA employees at the Maydown plant in the U.K. have captured an energy reduction of 9.94 million BTUs per ton of production.

"We now have energy teams from every Koch company," Koch said, "working together to develop and share ideas for conserving resources and improving energy efficiency."

Those teams are in their second year of tracking energy-saving projects and activities from Flint Hills Resources, Georgia-Pacific, INVISTA, Koch Fertilizer and Koch Pipeline sites.

The goal is to better understand how to create value through improved energy efficiency at each site.

According to Energy Team leader Ernie Schutt, KII's global director for operating capability and energy, there are at least 32 notable success stories so far this year.

"Our site energy leader network," Schutt said, "has not only documented those success stories, but worked hard at sharing best practices across the organization so others can benefit."

"Last year, our sites contributed almost \$50 million in new energy-saving ventures. So far this year, we've captured an additional \$35 million."

20/20 Teamwork

Following last year's first-ever KII Energy Leader Conference, representatives from

Georgia-Pacific and INVISTA met to share knowledge and ideas for establishing and promoting a long-term energy goal.

That interaction helped INVISTA crystallize its thinking about how to organize and roll out its "20 by 2020" goal of reducing overall energy intensity by 20 percent. (See page six of July's *Discovery* to learn more.)

In Asia, INVISTA's energy teams have already succeeded in reducing energy consumption by 3.31 million BTUs per ton of production at the company's facility in Sakra, Singapore.

In turn, GP is now learning from INVISTA's experience in building a long-term plan for energy efficiency improvement.

Late last year, several members of the KII Energy Team were invited to visit GP's tissue mill in Camas, Wash., where they attended the kickoff of the Camas Energy Team and helped develop initial rollout plans.

That visit also provided an opportunity for the entire KII Energy Team to learn from the Camas team as they provided additional knowledge and support. The KII Energy Team made a follow-up visit to Camas in August.

Similarly, based on takeaways from the 2010 conference and interaction with other energy team members, Flint Hills Resources has launched the development of an energy vision for fully optimizing its existing energy assets and systems.

FHR calls this "optimizing the base case." The vision is intended to provide guidance to FHR's sites on "doing the best with what we have" as a starting point for energy efficiency programs.

What's next?

The KII Energy Team has already started planning its 2012 KII Energy Conference, scheduled for next September in Atlanta.

More than 150 site energy leaders and energy team sponsors from around the

world will be invited to that event.

Topics for the meeting will be built around the theme "Accelerating energy value creation through MBM®."

"When you get right down to it," Schutt said, "this effort is all about MBM Guiding Principle 6: Knowledge."

"We're trying to capture the best knowledge and share it as widely as possible."

"When we succeed in that effort, we create enormous benefits for the company, our communities and the environment."

Principles in action

Jim Mahoney, KII's executive vice president for operations excellence and compliance, sees this energy initiative as a great example of Koch Industries' MBM® Guiding Principles.

"This energy initiative is a great example of our principles in action."

- Jim Mahoney

"These energy teams are generating real value (Principle 3) by sharing knowledge (Principle 6) and proactively sharing and challenging each other to identify opportunities (Principle 4) for Koch," Mahoney said.

"This is all about our principles in action."

To view a summary of Energy Team success stories, visit <http://khcwss.khc.local/kioe/energy/Success%20Stories/Forms/>



Employees at INVISTA's Tuas plant in Singapore have reduced energy intensity by 5.1 million BTUs per ton of production.