

Memorandum



Date: January 24, 2014

To: Gay Powell

From: [REDACTED]

File No: Project IRCx 050 (X373)

Subject: PG&E custom project No. IRCx 050 (X373)– Final Review Disposition

CC: Nikhil Gandhi, Joseph Ball

Staff had denied PG&E's project No. IRCx 050 as a retrofit measure because it appeared to be like-to-like replacement of a nonworking valve, and the proposed measure did not exceed industry standard practice (ISP) as expected in replace on burnout (ROB) and normal replacement projects. Staff then had not considered the replacement of a nonworking steam valve as optimization of the system that is typically expected in retrocommissioning projects. From the implementer's report, it appeared that an automated valve was being installed and the baseline condition was a nonautomated valve. It would have been possible to use non-automated working valve the baseline and consider incremental savings from automation as a possible retrofit project. A review of documents PG&E provided for another similar project implemented at this facility (not selected for custom review) suggested that the proposed project should have been evaluated together with the project that was not selected for review. No conclusive information was available from the two sets of project documents to understand the baseline and the system optimization concept.

Staff, therefore, contacted the participating facility's engineer to understand the project background of both projects. From the responses provided by the facility engineer, staff found that the existing leaking valve 1402 a/b, proposed to be replaced in project IRCx 050, was an automated valve. The replacement of this valve was not a high priority project for this facility because additional steam from this leaking valve, which does not fully close, is needed anyway. The facility believes that while some energy savings might accrue from replacing this inexpensive valve 1402 a/b, not replacing it would not have serious operational implications. Now that the baseline is conclusively proved as automated working (nonleaking) valve, the proposed project is a like-to-like replacement that does not qualify as a retrofit. Further, system is not being optimized in anyway by replacing the existing valve. By this memo, Staff reaffirms denial of project IRCx 050 completely – as a retrofit or an RCx measure. PG&E should not claim any savings from IRCx 050.

This denial applies to IRCx 055 as well on like-to-like replacement grounds.