

Bulk Chemical Management at Diablo Canyon Power Plant



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DCPP's Journey

- Managing our bulk chemicals has been costly, inefficient and problematic
- Our current providers have on-going logistical problems that delayed deliveries and created additional issues
- We wanted to pursue someone to take this over for us and just signed a contract with a chemical management company in August 2005.
- We are including 12 bulk chemicals in our contract with the idea of expanding this in the future (after we have success).

Our Starting Point

- Improve the support of bulk chemicals to the plant (operations & chemistry)
- Reduce the total cost of this support
- Improve the process of sourcing, procuring and managing bulk chemicals
- Reduce the burden to the plant staff

Our Process for TCO

- Actual Chemical costs from PO's (ERP)
- Estimated internal costs (stakeholders)
 - Procurement
 - Chemistry
 - Operations
 - Security
- Our estimate of internal costs surprised us
 - much higher than we thought. (10%-15% of TCO)
 - captured hard & soft costs
- Approved by all internal departments
- This process took us about three months.

Key Participants

- Operations Director (Sponsor)
 - Chemistry reports to Operations
- Chemistry Manager
- Chemistry General Foreman
- Operations foreman
- Security Management
- Procurement Services
- Internal Auditing

Lessons Learned

- Understand what you want before you get started and ensure stakeholder agreement
- Understand the drivers behind the problems or issues you are having
- Understand your TCO or have a plan on how to get the data so you can understand it
- Gain an understanding of the depth/breadth of a chemical management provider.
- Do not underestimate the importance of the transition plan and start-up
- Don't overreact to 'bumps in the road'
- Understand your organizations flexibility and ability to change