

Tuesday Webcast for Industry

Engaging Supply Chains in Energy Management

Webcast Questions and Answers: April 10, 2012

Presenters:

Ron Reising, Senior Vice President and Chief Procurement Officer, Duke Energy; Treasurer, Electric Utility Industry Sustainable Supply Chain Alliance
Eric Battino, Supplier Sustainability Manager, PepsiCo

The U.S. Department of Energy's (DOE's) Advanced Manufacturing Office (AMO) hosts a series of webcasts on the first Tuesday of every month from 2:00 p.m. to 3:00 p.m. Eastern Time. The series helps industrial personnel learn about software assessment tools, technologies, partnership opportunities, and a variety of other resources that can be used to find ways to save energy and reduce carbon emissions.



Ron Reising, Senior Vice President and Chief Procurement Officer for Duke Energy and Treasurer of the Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA), and Eric Battino, Supplier Sustainability Manager of PepsiCo, were the presenters for the April 2012 seminar, *Engaging Supply Chains in Energy Management*. The following questions were asked by attendees during the webcast, and are accompanied by the presenters' responses.

Presenter: Ron Reising, EUISSCA

What does a company or organization have to do in order to qualify for the Green Suppliers Network and/or become a corporate partner?

To become a Green Suppliers Network Corporate Champion a company needs to identify potential program participants from its own supply base. Assessment findings are confidential and implementation of any recommendations is at the company's discretion. Outside third parties conduct the assessments and the assessment results are confidential. The business case is usually so strong that most companies implement many assessment recommendations. For more information on the Green Suppliers Network, visit www.greensuppliers.gov.

Does EUISSCA have a scorecard for evaluating suppliers?

EUISSCA is an industry association alliance and does not keep a scorecard or evaluate suppliers. EUISSCA is sensitive to antitrust rules and does not recommend or endorse individual suppliers.

Do you think the International Organization for Standardization (ISO) 50001 energy management certification is worth pursuing? Do you think it would help with supply chain management?

EUISSCA does not have a formal position on ISO 50001 certification.

(Eric Battino) PepsiCo has no problem with encouraging partners to engage in the process and become ISO 50001 certified because there is significant value in it. This new industrial energy management standard helps to identify gaps, and its adoption can provide other benefits as well

What was your response rate with the assessments? How did that compare to the survey responses?

The response rate was right around 40%, which is relatively high compared to the typical response rate for a general survey.

Are there any plans to increase the breadth of suppliers, expand to different groups or add more suppliers?

EUISSCA will continue to focus on suppliers serving the utility industry. Although past efforts have focused on key categories such as wire and cable or transformers, we expect to engage a broad selection of suppliers over time. We are looking at both the suppliers' operations and our requirements to identify best practices and other opportunities for improvement. Many of these practices may be relevant to other industries, and I encourage people to visit our website—www.euissca.org—for examples.

(Eric Battino) PepsiCo's outreach program is expanding both domestically and internationally. Internationally, the company is replicating best practices developed in the United States. PepsiCo also is beginning to place heavy emphasis on the agricultural sector—not only on the good quality of materials, but also on sustainability, including energy and water use.

Presenter: Eric Battino, PepsiCo

Since PepsiCo instituted its outreach program, have energy, water, and waste efficiency improved as well?

PepsiCo has set global environmental sustainability targets and reports them publicly each year. PepsiCo's environmental sustainability program has produced world class results—in 2011, PepsiCo was rated #1 in its respective Dow Jones Sustainability Index supersector. Sustainability is imbedded in our operations program, and it is truly important to PepsiCo.

Does PepsiCo offer the outreach program as a free service to its partners? If not, what is the cost to participate?

There is no charge for strategic partners to participate in the outreach program.

Did PepsiCo help its suppliers quantify the business benefits of implementing a sustainability plan, aside from energy savings?

Yes. PepsiCo has developed and shares tools that identify and quantify opportunities. PepsiCo is also working with AMO to utilize its assessment tools to quantify savings. The AMO tools can help energy managers assess all areas of a plant in order to identify energy- and money-saving opportunities. Suppliers can also quantify benefits by benchmarking one site versus another and noting what each plant is doing differently.

Is steam considered in conservation efforts?

PepsiCo focuses heavily on steam conservation efforts. The company has advanced training that focuses on the four biggest areas of energy usage: combustion, steam, refrigeration, and compressed air. Each training ensures participants understand system basics and can identify areas of typical energy loss.

For More Information

This webcast, as well as others in the series, are available at:

http://www1.eere.energy.gov/manufacturing/resources/tuesday_webcasts.html.