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Using asset management to drive effective, operational change

The recipe for utility planning has changed — radically. The challenges to effective grid planning and management are many: the maturation of renewable generation, the rise of distributed generation, energy storage, environmental mitigation and peak-demand reduction technologies.

Plus, regulatory mandates are fueled by consumer demand for more sustainable, resilient and customizable energy resources. Throw in the complexity of increasing pipeline safety regulations and potential incident risks, and utilities are presented with quite a task. Suffice to say, it has created an opportunity for both electric and natural gas utilities to step up their game in terms of asset management.

My first exposure to asset management was during my tenure at Bonneville Power. A lot has happened since. Today, asset management takes a far more inclusive and positive approach because it examines extracting value, as opposed to just looking at risk.

Last summer, *WE* published an article that addressed the deployment of asset management tools, *Creating a Roadmap for Investing in Utility Infrastructure*, written by Boudewijn Neijens, of Copperleaf Technologies, and Jenna Van Vilet, of Hydro Ottawa. Their case study outlined Hydro Ottawa's initiative in 2014 to implement an asset investment-planning tool and aligning it with an ISO 55000 framework. The outcomes of the Hydro Ottawa approach were significant. It helped the company:

- Make investment decisions that are aligned with its strategic framework;
- Manage its capital project and program plans efficiently;
- Optimize the use of scarce resources;
- Improve project execution rates;
- Predict future investment needs based on asset conditions;
- Integrate all data sources; and
- Build a solid foundation for rate setting.

Enhanced asset management programs, especially in the ISO 55000 framework, are proven methods that help utilities manage and understand risks in a way that leads to improvements in asset performance and flexibility. Good asset management maximizes value-for-money in a manner that satisfies stakeholders' expectations.

It would be a mistake to surmise that reliability statistics point to an exemplary record of utility asset management. The challenge goes deeper than keeping the lights on. Improved asset management practices based on ISO 55000 will help executives facilitate and build a new culture — one that is based upon asset data metrics and customer information, resilience analysis and overarching knowledge management. In turn, good, cutting-edge, asset-management techniques will help drive and manage organizational change and efficient operations.

CHUCK MEYER

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