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Herman Poortinga, CIO, E.ON Benelux

AT A GLANCE

Summary

To meet the challenge of complying with complex environmental regulations – from local to international – E.ON Benelux decided to implement the SAP® xApp™ Emissions Management (SAP xEM) packaged composite application. The application enables the company to monitor, measure, document, and control emissions output in an efficient manner.

Web Site

www.eon-benelux.com

Key Challenges

- Monitoring permits and ensuring compliance
- Tracking emissions output across multiple facilities efficiently
- Interfacing with existing systems to automate emissions data management
- Supporting reporting requirements mandated by regulatory authorities

Project Objective

Implement a low-cost solution that would ensure total regulatory compliance while increasing compliance efficiency and reducing costs

Solutions and Services

- SAP xEM
- SAP Exchange Infrastructure, a component of the SAP NetWeaver™ platform

Why SAP Solution

- Enables automated emissions management processes
- Supports compliance and permit management
- Provides complete emission data auditing solution that meets modern accounting requirements
- Supports automatic data uploading via back-end enterprise resource planning (ERP) and process information systems
- Enables transparent evaluation and analysis of emissions data

Implementation Highlights

Developed solid relationship with TechniData, to overcome challenges and obstacles such as customizing interfaces with back-end systems and transferring data before going live

Key Benefits

- Greater efficiency and productivity through automated emissions management processes
- Increased integration and improved information visibility for exception and incident management
- Reduced risk of noncompliance
- Simplified reporting
- Improved audit transparency, building goodwill with regulatory authorities

Implementation Partner

TechniData

Database

Microsoft SQL Server 2000

Hardware

HP ProLiant DL380G4

Operating System

Microsoft Windows 2000

E.ON BENELUX

E.ON Subsidiary Uses SAP® xApp™ Emissions Management to Ensure Compliance and Increase Emissions Management Efficiency

E.ON Energie is one of the world's largest private energy services providers, boasting a global workforce of 66,000 and 40 plants and buildings throughout Europe. E.ON Benelux is a wholly owned subsidiary of the energy giant, serving the Netherlands, Belgium, and Luxembourg markets with six energy generation plants that produce 1,850 MW of electricity and 558 MW of heat for major customers and distributors in the region.

Like any other emissions-producing organization in the European Union, compliance with environmental regulations is a top priority for E.ON Benelux – as well as a significant cost center. While the Kyoto protocol receives most of the media attention, more significant regulatory challenges face the company. Chief among these is how to efficiently manage the bevy of local, regional, national, and international environmental regulations that – to maintain operating privileges – must be complied with. In the aggregate, these constantly emerging and always evolving regulations require a significant degree of operational flexibility to manage permits, monitor data, track and document incidents, and generate reports that meet the requirements of the various regulatory authorities.

To help meet this challenge, E.ON Benelux chose the SAP® xApp™ Emissions Management (SAP xEM) packaged composite application. SAP xEM is a powerful emissions data management system for monitoring, measuring, documenting, and controlling emissions output.

By providing visibility into reliable emissions data and allowing efficient management of permits, SAP xEM allows E.ON Benelux to respond quickly to changes in operational requirements, ensure efficiency, reduce compliance-related costs, and minimize risk.

Choosing SAP xEM

SAP xEM was introduced in June 2004 in response to growing demand by SAP customers for new cross-functional business processes that help align business strategy with the fulfillment of environmental regulatory requirements. Powered by the SAP NetWeaver™ platform, SAP xEM has the ability to span organizational and technical barriers and unify disparate data and application components into a logical system for maintaining compliance status, managing permits, monitoring and controlling plant emissions, tracking performance benchmarks, and communicating with key stakeholders.

What attracted E.ON to SAP xEM was the application's mixture of functional completeness and the fact that it sits on top of the existing landscape, leaving a minimal footprint by reusing existing data and components. Data that would otherwise be trapped in multiple systems across the company's six power generation facilities is gathered, uploaded, and stored in a centralized location and made accessible to authorized users via an easy-to-use, Web-based interface. This is made possible by SAP Exchange Infrastructure (SAP XI), a component of SAP NetWeaver that interfaces with back-end enterprise resource planning (ERP) and process information systems.

“[SAP xEM] saves us time and money, helps us stay flexible enough to respond to changed market conditions, and prevents legal sanctions. But the best thing about SAP xEM is that it brings us much closer to our goal of being a sustainable, environmentally friendly operation.”

Herman Poortinga, CIO, E.ON Benelux

Ensuring Full Compliance

The meticulous management of emissions data across all of E.ON Benelux's facilities is what ensures full compliance. The SAP xEM application enables the company to monitor emissions data and related tasks, use alert mechanisms to track instances of excess output, and respond accordingly using powerful incident management capabilities. All such incidents are automatically logged so that they can be entered into the appropriate reports as required by law.

Permits are also easier to manage with SAP xEM, because it automatically tracks permit applications to make sure they are up to date and alerts the company to approaching expiration dates. The flexibility of the application also makes it easier to

accommodate permit changes as they occur – impressive benefits for an organization that has to manage hundreds of permit-related regulatory details.

E.ON Benelux also liked the fact that SAP xEM supports sophisticated analysis of emissions data – made possible by the business intelligence capabilities of SAP NetWeaver. This data remains fully transparent for the purpose of auditing and regulatory compliance. Flexible reporting tools,

meanwhile, make it possible to meet evolving reporting requirements and maintain positive working relationships with the regulatory authorities.

“We chose SAP xEM, as it provides all the critical capabilities to automatically track and manage emissions-related processes in one application that leverages our existing IT environment,” says Herman Poortinga, CIO at E.ON Benelux. “We expect SAP xEM will help us drive down the cost of compliance over the long term.”

Meeting the Challenges of Implementation

After settling on SAP xEM as its solution of choice, E.ON Benelux chose TechniData as its implementation partner – a wise choice, as TechniData also developed the application through SAP’s partner-developed packaged composite application program. “We built the solution and we know it inside out,” says Hans Bosch, vice president, TechniData. “Our job was to fit the solution to the IT landscape at E.ON Benelux and provide comprehensive implementation services and technical expertise.”

The biggest challenge facing TechniData was customizing the interface to back-end systems to allow automated data transfer. “We were hoping for a quick fix – one that didn’t require the time and effort of customization,” says Pim Bender, IT project leader at E.ON Benelux. “But the simple reality was that some systems, both on our side as well as on the side of Technidata (SAP xEM), needed modification to make the solution work.”

While this obstacle slowed down the implementation, E.ON Benelux and TechniData worked well together to meet the challenge. Today at E.ON Benelux, the system is fully installed. And now the company is in the process of building up experience with the new product – a product that provides the scalability to meet future growth and the flexibility to accommodate existing and new regulatory requirements as they emerge.

Reaping the Benefits

With SAP xEM in place, E.ON Benelux enjoys a functionally complete emissions management solution that improves data visibility, increases efficiency, and reduces the costs of compliance and the risks of noncompliance. With powerful scenario and analysis management capabilities, for example, the company can quickly describe a plant and its emissions-related processes – a common requirement for obtaining permits and meeting other regulatory requirements. Once a permit is obtained, SAP xEM helps the company track expiration dates, manage changes as they occur, and generate any required reports – with all appropriate data included in the format required by the authorities.

Compliance tasks are also significantly streamlined. With greater data monitoring capabilities, E.ON Benelux can track exceptions and manage incidents in an efficient manner and generate the required reports. The company even has the option of managing by exception. This means that, rather than recording the values for each item requested in a given report, the company has the option of reporting only on those items for which the company exceeds preestablished limits. Such a reporting option is reserved only for those companies that can fully demonstrate comprehensive emissions data tracking capabilities – something enabled by SAP xEM.

“SAP xEM gives us a firm handle on all emissions data, both within our own sites and outside the company,” says Poortinga. “It saves us time and money, helps us stay flexible enough to respond to changed market conditions, and prevents legal sanctions. But the best thing about SAP xEM is that it brings us much closer to our goal of being a sustainable, environmentally friendly operation.”

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