

Managing Outage Capital and O&M Budgets in Real Time

Interview with Joe Kimlinger, Director, Outage Management, Dynegy



Outages are among the largest expenditures for power plants and operations are continuously faced with immense pressure to successfully plan, execute and recover from outages with limited resources. Focusing on running outages cost-effectively and efficiently without sacrificing operational excellence, proves to be repeatedly unpredictable and challenging. As outage management techniques continue to evolve and improve, it is vital that aging facilities integrate with new technologies to optimize costs and gain the most value from plans.

Joe Kimlinger, Director, Outage Management at Dynegy, recently shared with marcus evans lessons learned for navigating O&M expenses:

What are the main points that plants need to cover in their outage cost baselines and budgets? What factors affect the ease to which this is covered properly?

JK: For a centralized team to come to a plant and assist with the planned outages, communication, timing and preparation are the keys. That is not always easy since we are constantly juggling outages from multiple outage seasons at any one time. This work load combined with the geographic diversity of our fleet does not allow us to be physically present at the plants as much as we would like during the planning phases of an outage.

The plants are working on outage scope very early on, before we really have a chance to fully engage. It is important for us to at least meet with them before that step so we can request that they develop their work in a manner that makes it more efficient to get good data back out of our systems. For instance, coding work in our CMMS a certain way, helps us to run useful reports on status and cost.

Within a plant, who decides how to track costs? How do different approaches to tracking costs benefit the analysis of project progression?

JK: Our outage management group does not manage projects, just the outage process and data. Therefore, we help develop, collect and assimilate data for the work that is going on, and the project owners own the costs for their projects. For capital work, there is a defined project owner that should know his or her project better than anyone and can forecast cost to complete.

It is more complicated for BOP O&M work. Depending on the level of project breakdown, there can be hundreds or thousands of activities to complete during an outage. That work might be done by plant maintenance personnel or a contractor, but there generally is not one person that is following each activity and creating an update or forecast for that work. Some forecasting is done manually and some

using corporate systems. Both have positives and negatives, and it takes some skill to get the best data out of either method.

How can a plant simplify the practice of day-to-day budgets?

JK: The problem is that in our industry, being a merchant generator, we don't have the resources or staff to manage costs and forecasts for each work scope during an outage, especially O&M work. We tend to manage on a larger scale and follow trends. Once the budget is set, it is set. So we try to follow costs and forecast the final number to see if we will be within the budget amount or not. Once we have a good forecast, we present that to the plant and they decide if they need to add or cut scope to maintain spend to their authorized amount, but ultimately do as much as they can to improve the reliability of their units.

What are the "red flags" that identify an over budget project? What can plants do to quicken the time it takes to identify and, in turn, address the issue?

JK: We are somewhat limited to the systems we use and the data that gets entered into them. Sometimes that 'formal' data is pretty old in outage terms when it comes out on a report, which is why we focus so much on forecasting. One method we use to get a quick idea of cost outflow is to enter daily time sheets and costs from contracts in order to develop more of a real time view of costs before we would see those costs in our corporate systems. Working with contractors and requiring they provide us with daily information can improve the timeframe of developing good cost and forecasting data.

Do you use a specific scheduling/reporting system to manage budgets?

JK: We use a variety of systems to manage contracts, materials, labor and schedules. Getting the systems to effectively work together is one of the more challenging aspects of managing data during an outage. Many of the systems work well alone, but none of them tell the whole story. Integrating the data and understanding the output is paramount to getting good information from which plants can make decisions.

What is one current topic/issue that you look forward to addressing with the delegation at the upcoming conference?

JK: Our biggest hurdle to good information is keeping track and forecasting costs for non-capital O&M balance of plant work. I know there are automated systems out there that can help manage that data, but getting all our systems to work together may be difficult. Doing so with limited resources makes it even more challenging.

Joe Kimlinger, P.E. is the Director – Outage Management for Dynegy and resides in the St. Louis metro area. Joe holds B.S. and M.S. degrees in Civil Engineering from the University of Illinois at Urbana-Champaign, and an M.B.A. from Illinois State University. After a brief time with Chicago Bridge and Iron Co. as a design engineer, Joe began work with Illinois Power Co. (a Dynegy predecessor) in 1991.

news release

During his nearly 25 years with Illinois Power and Dynegy, Joe has held positions as a Civil Engineering, Ash Product Manager, Sr. Environmental Professional, Construction Manager and his current role in Outage Management. Joe's seven years in construction was as the manager of four dry scrubbers that were built at two plants in the Dynegy fleet. In his current position Joe manages a group that assists plants in the Dynegy fleet with execution of major outages.

Join Joe at the 15th Outage Management for Power Plants Conference, July 26-28, 2016 at the Astor Crowne Plaza in New Orleans. View the [conference agenda](#) to check out Joe's case study topic. For more information, please contact Tyler Kelch, Digital Marketing Manager, marcus evans at 312.894.6310 or Tylerke@marcusevansch.com.

About marcus evans

marcus evans conferences annually produce over 2,000 high quality events designed to provide key strategic business information, best practice and networking opportunities for senior industry decision-makers. Our global reach is utilized to attract over 30,000 speakers annually; ensuring niche focused subject matter presented directly by practitioners and a diversity of information to assist our clients in adopting best practice in all business disciplines.