



## TNK-BP

### A greenprint for the future

## Case Study

### Energy

# Slashing energy costs to increase financial performance and competitiveness

**Company Name:** TNK-BP

**Location:** Ukraine

**Sector:** Energy

**Function:** Production

**Business Challenges:** How to reduce a high energy bill to improve competitiveness - and make it sustainable

**Consulting Services:** Performance Improvement, Change Management

**Capabilities:** Asset Management, Energy Management

**Client Quote:**  
*"This project is a great opportunity for us to learn from Celerant's new tools and new ways of working so we can do much better job and get the results we want."* Maxim Grekov, Chief of utilities, LINIK Refinery

## Situation

TNK-BP is a leading Russian oil company and one of the World's Top 10 privately owned oil companies in terms of crude production. Its Linik Oil Refinery, one of the biggest in Ukraine, was designed to handle up to 22m tons of oil per year, but operated at just 4-5m tons.

Structural and technological inefficiencies were causing significant energetic and qualitative losses, so a step-change was required to meet the challenges facing the Ukrainian refining industry. Celerant was brought in to drive a comprehensive Change programme and Linik's energy bill of over \$130m, a significant percentage of operational costs, was a key focus.

## Approach & Delivery

To achieve maximum impact in the programme's compressed timeframe, Celerant quickly set up an Energy Efficiency Group and introduced a sophisticated Energy Performance Measurement System, including process maps, roles & responsibility matrixes and short interval controls, to all major consumption areas.

With the system in place, production and utilities personnel could now identify process irregularities, determine root causes and take rapid action. They could also capture and standardise energy consumption best practice and facilitate better cooperation and decision making. A rough-cut capacity plan was then introduced for the Crude Distillation Unit (the refinery's second biggest energy consumer).

Celerant also developed an internal energy audit that ensured the programme's sustainability and implemented new maintenance routines, with particular emphasis on actions with no capital investment.

## Results

A reduction in fuel consumption of 7.4% has been achieved, with over \$2.4m benefits.

An Energy Efficiency Group has been established to lead the changes and an internal energy audit system, involving key personnel in every production and maintenance shop, systematically drives energy saving actions and initiatives.

An action plan, with more than 90 actions for technical and organisational change, has been deployed to improve performance and a culture of continuous improvement has been created, moving the organisation from passive reaction and fire-fighting to performance management that actively seeks cost-reduction opportunities.

## Client Satisfaction

*"With this project many people in operations have finally started to accept that energy efficiency is their job – and they are ready to act to make it better."* Oleg Shmonko, LINIK Taskforce.