



FIRST PUBLIC REPORT – Energy Efficiency Opportunities

Controlling Corporation

Incitec Pivot Limited

Period to which this report relates

Start 1 July 2006

End 30 June 2008

Part 1 - Summary of assessments conducted thus far

Table 1.1 - Description of the way in which the corporation has carried out its assessments and over what period was each assessment taken. A statement saying that the intent and key requirements of the Energy Efficiency Opportunities legislation have been met must be made.

In 2007- 2008 Incitec Pivot Limited (IPL) undertook a Energy Efficiency Opportunities (EEO) assessment of its Gibson Island Site in line with the program requirements. Gibson Island Site used 13.01PJ of energy in 2007-2008 which was approximately 55% of IPL's total energy use for this year. To date IPL has identified potential energy efficiency savings of up to 0.86PJ with paybacks up to four years. Of the opportunities identified IPL has implemented 0.14PJ savings and is investigating the feasibility of the remainder. In 2009 IPL will undertake the EEO assessment at its Phosphate Hill Site.

Table 1.2 - Group member/business unit/key activity/site that have been assessed	Energy use per annum in the year the assessment is completed *	Energy data accuracy (if not within ±5%)	Reasons for not achieving data accuracy to within ±5%
Gibson Island Site	13.01 PJ	Not applicable	Not applicable
Total	13,01 PJ		
Total as a percentage of total energy use of the group covered by this report	55%		

Part 2 - Outcomes of and business response to opportunities that have been identified and evaluated for each group member, business unit, key activity or site assessed

Group member/business unit/key activity/site >0.5 PJ name: Gibson Island Site

Table 1.3 Status of Opportunities		Number of Opportunities	Estimated energy savings per annum by payback period (GJ)		Total estimated energy savings per annum (GJ)	*Accuracy range (%)
			0 – < 2 years	2 – ≤ 4 years		
Outcomes of assessment	Identified (accuracy ≤ ±30%)	5	130,000		130,000	20-30%
	Identified (accuracy > ±30%)	28	380,000	350,000	730,000	30-50%
	**Total Identified	33	510,000	350,000	860,000	30-50%
***Business Response	Under Investigation	25	370,000	350,000	720,000	30-50%
	To be Implemented					
	Implementation Commenced					
	Implemented	8	140,000		140,000	20-30%
	Not to be Implemented					

Note: An opportunity is any potential change to a system, activity or piece of equipment that:

- is identified during an EEO assessment;
- is consistent with legal requirements such as OHS, and
- may result in energy savings projects with payback periods of 4 years or less.

Details of at least three significant opportunities found through EEO assessments

Table 1.4

Opportunity 1

Advanced Process Control:

In 2008 IPL implemented advanced process control of its Ammonia Plant at Gibson Island. This project is saving approximately 0.1GJ per tonne of ammonia manufactured or approximately 30,000GJ per year. The project has also resulted in production gains of approximately 5 tonnes per day of extra ammonia by improving control close to process constraints.

Opportunity 2

Running Motor Driven Pumps to Reduce Steam Demand

The EEO assessments conducted at the site identified that there was the potential to reduce total energy use by normally running motor driven pumps instead of their turbine driven alternatives. The optimal configuration is dependent upon the site steam balance at a particular time. This project has been implemented saving 27,000GJ per year.

Opportunity 3

Cold Insulation of Syngas Compressor Suction Pipe

The EEO assessment identified a section of cold piping before a compressor which was not insulated and was absorbing energy from ambient conditions increasing the load on the compressor. The piping was insulated in 2008 and is saving 2600GJ per year while also increasing production by approximately 200 tonnes per year of ammonia.

Part 3 - Voluntary Contextual Information

Incitec Pivot Limited (IPL) with a total energy use of 23.7PJ in the year July 2005- June 2006 has been actively involved in the Energy Efficiency Opportunities program and to date has assessed energy use at its Gibson Island Site in Brisbane. IPL plans to assess energy use at its Phosphate Hill Site in 2009. When this is complete IPL will have assessed 96% of its total energy use which exceeds the requirements under the EEO program.

The assessment performed at Gibson Island Site identified 33 opportunities to save energy of which 8 have been implemented. The remaining opportunities are under investigation to determine if they are feasible. The assessment completed to date has complied with the intent and key requirements of the EEO program and has identified significant energy efficiency opportunities.

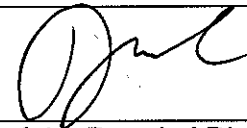
Energy use at Gibson Island in 2007- 2008 was 13.01PJ, down from 13.46PJ in 2005-06.

IPL has had a long term focus on energy efficiency at its manufacturing plants. The Ammonia plant at Gibson Island has improved its energy use by approximately 20% since the 1980's. This improvement has been achieved through a number of plant upgrades.

Part 4 - Declaration

(See paragraph 8 of Schedule 4 of the Regulations and paragraph 22(4)(c) of the Act)

The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the *Energy Efficiency Opportunities Act 2006* and *Energy Efficiency Opportunities Regulations 2006*.



Chair of the Board of Directors/CEO/Managing Director/equivalent officer (state position)