

Delphi Develops Marginal Abatement Cost Calculator for Large Canadian Utility

CHALLENGE

Facing tough greenhouse gas reduction targets, this confidential utility client needed to quickly and easily identify, assess and prioritize potential internal abatement options across its numerous operations and power generating facilities.

SOLUTION

Delphi worked with the client to develop a software solution that would generate marginal abatement cost curves (MACC), quantify emission reduction potential and calculate financial metrics for potential abatement projects.

VALUE

Delphi's MACC solution enabled our client to quickly and easily quantify the cost-benefit analysis of potential internal abatement projects. The tool improves capital investment decision-making and allows for the detailed financial analysis of potential projects.



TODAY's REALITY

As climate change regulation and cap-and-trade schemes emerge, businesses are having to incorporate the cost of carbon into their daily operations and strategic plans. While often costly, investing in low carbon technologies and production efficiencies provides significant opportunity for improved competitiveness and sustained long-term performance.

THE CHALLENGE

Investing in low-carbon technologies, innovation and improved production efficiencies is crucial for long-term performance in a carbon-constrained world. However, poor cost-benefit information can lead to stranded capital investments, capital assets being decommissioned prematurely and missing more cost effective compliance options.

"Delphi understands compliance management and their solution helps us make better capital investment decisions and develop better compliance strategies."

Director, Compliance Management, confidential utility client

HOW DELPHI DELIVERED

Delphi worked with a large Canadian utility (confidential) to develop a software solution that enabled them to quantitatively define the marginal abatement cost curve (MACC) of potential internal emission reduction projects. The client was able to quantify potential reductions and the cost of reductions, and compare and contrast the ROI, net present value, IIR and long-term costs and benefits of projects identified.

VALUE ADDED

Delphi's MACC solution enabled our client to quickly and easily quantify the cost-benefit analysis of potential internal abatement projects.

The tool improved capital investment decision-making while ensuring their carbon management strategy made best use of their present assets while taking advantage of least cost emissions reductions possibilities.