

# Marathon Oil Corporation

## At a glance

**Marathon Oil Corporation**  
Wyoming

**Project:**

Since 2008, Marathon Oil has worked closely with Rocky Mountain Power on several energy efficiency projects, including water shut off projects that have now become highly sought after opportunities to save both energy and operational costs.

**Annual energy savings:**

\$271,000 (4.4 million kwh/year)

**Project cost:**

\$733,100 before incentives

\$505,600 incentive payments

\$227,500 after incentives

**Other benefits:**

- Lower operating costs
- Reduced maintenance

*“It is often difficult to economically justify energy improvements due to high capital costs and long payouts. Rocky Mountain Power has helped to identify multiple areas of savings in operational and capital costs coupled with incentives which allowed us to make significant reductions to our energy costs.”*

**Brock Sherman**

Process Engineer

Marathon Oil Corporation



*Marathon Oil Corporation received more than \$505,600 in Rocky Mountain Power incentives for its energy efficiency efforts. Rocky Mountain Power's Bret Carlson (left) presents the 2016 wattsmart Business of the Year Award to Brock Sherman, process engineer at Marathon Oil.*

## Big savings below the surface

Marathon Oil Corporation has more than 100 years of experience in exploration and development in Wyoming and is the state's No. 1 oil producer. The company continually looks for ways to reduce energy consumption in its operations. For the last eight years, Marathon Oil has worked closely with Rocky Mountain Power on its energy efficiency efforts.

In 2015 alone, nine projects were completed for a total of 4.4 million kilowatt-hours and 491 kilowatts saved. Those projects resulted in \$505,600 in incentives to offset the \$733,100 investment, and the oil producer is expected to save \$271,000 annually.

## Energy Project Manager Co-funding

Marathon Oil was also Rocky Mountain Power's first customer in Wyoming to establish a co-funded position and recently received \$21,224 from Rocky Mountain Power toward the salary of a designated energy project manager.

With Energy Project Manager Co-funding, customers commit to an annual goal of at least 1,000,000 kilowatt-hours per year in energy savings through wattsmart Business. Rocky Mountain Power then funds an additional \$0.025 per kilowatt-hour of verified energy savings, up to 100 percent of an energy project manager's salary.

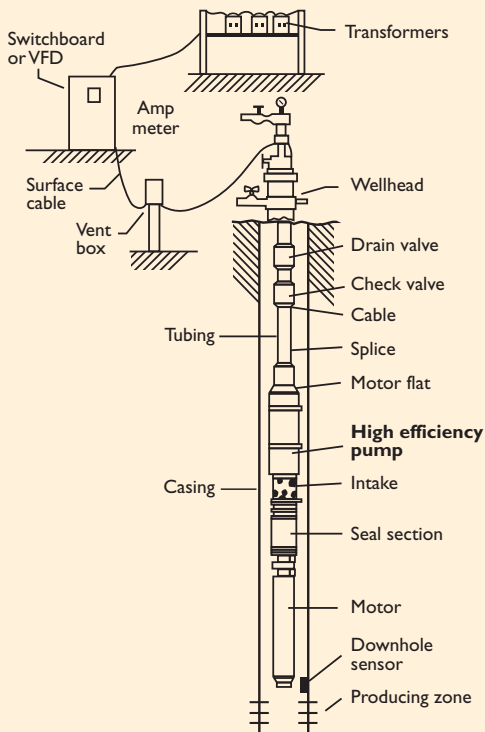
## Savings on pump operations

Marathon Oil and Rocky Mountain Power have worked together on water shut off projects that have now become highly sought after opportunities within the oil and gas industry to save both energy and operational costs. Additionally, Marathon Oil is the No. 1 program participant, among the states served by Rocky Mountain Power, for the newly established electrical submersible pump incentive.

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## Electric Submersible Pumps



## About Electric Submersible Pumps

Energy to power electric submersible pumps (ESPs) has become one of the major operating costs in the oil and gas production business. Each pump is a sizable electric load, and in a typical field there are hundreds of pumps operating continuously to bring water, oil and gas to the surface. Each year, the cost of electricity to run a pump can exceed the cost of the pump itself.

## Opportunity to save with incentives

Not much can be done about the operating cost of an ESP once it has been installed downhole. But when a pump fails and it's time to replace it, there is a moment of opportunity to reduce cost for the life of the new pump by selecting a high efficiency ESP. This costs more, but after cash incentives from Rocky Mountain Power's wattsmart Business program, not only does the extra investment pay for itself in short order through energy savings – it keeps saving for the life of the pump.

125 hp example	Standard model	Efficient alternative	Savings
Barrels per day	1,800	1,800	–
Annual energy use, kwh	1,007,400	928,560	78,840
Monthly demand, kw	115	106	9
Annual energy cost	\$39,903	\$36,780	\$3,123
Annual demand cost	\$22,609	\$20,839	\$1,770
Annual cost to operate	\$62,512	\$57,619	\$4,893
Cost of new pump	\$45,000	\$59,000	\$(14,000)
Rocky Mountain Power incentive			\$9,108
Net incremental cost of higher efficiency pump			\$(4,892)
Simple payback on incremental investment			1 year
NPV (5% discount rate, 7 year life)			\$23,420

Rocky Mountain Power will work with your supplier to rapidly evaluate savings and incentives so you can make a quick decision. Incentives are also available for other energy-saving equipment such as pump-off controllers and pump VFDs.

## About wattsmart Business

Rocky Mountain Power offers a variety of options to help our commercial, industrial and agricultural customers in Utah, Idaho and Wyoming build energy efficiency into new construction and retrofit projects. The wattsmart Business program offers technical expertise and cash incentives for lighting, HVAC, industrial processes and more.

## Let us help you get started

For more information on how we can assist your facility:

- Visit [wattsmart.com](http://wattsmart.com) and inquire online.
- Email [wattsmartbusiness@rockymountainpower.net](mailto:wattsmartbusiness@rockymountainpower.net).
- Call our energy experts toll free at **1-800-222-4335**.

Because there are requirements to qualify for an incentive, it is important to call us **before** you start your project.

[wattsmart.com](http://wattsmart.com)

