



OSIsoft®

UC2010

Real Time Information — Currency of the New Decade

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PI System Evolution at Magnelec

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Magnelec S.A. de C.V.
Grupo Peñoles

Agenda

- About Magnelec – Grupo Peñoles
- PI System at Magnelec
 - ❑ Initial Challenge
 - ❑ Timeline of PI at Magnelec
- Using PI Server Information
 - ❑ Value Creation
 - ❑ PI in Work Systems & 6 Sigma Projects
 - ❑ PI as an Everyday Tool
 - Energy Consumption Totalizers
 - Maintenance Planning
 - Efficiency Monitoring
- Benefits of PI at Magnelec

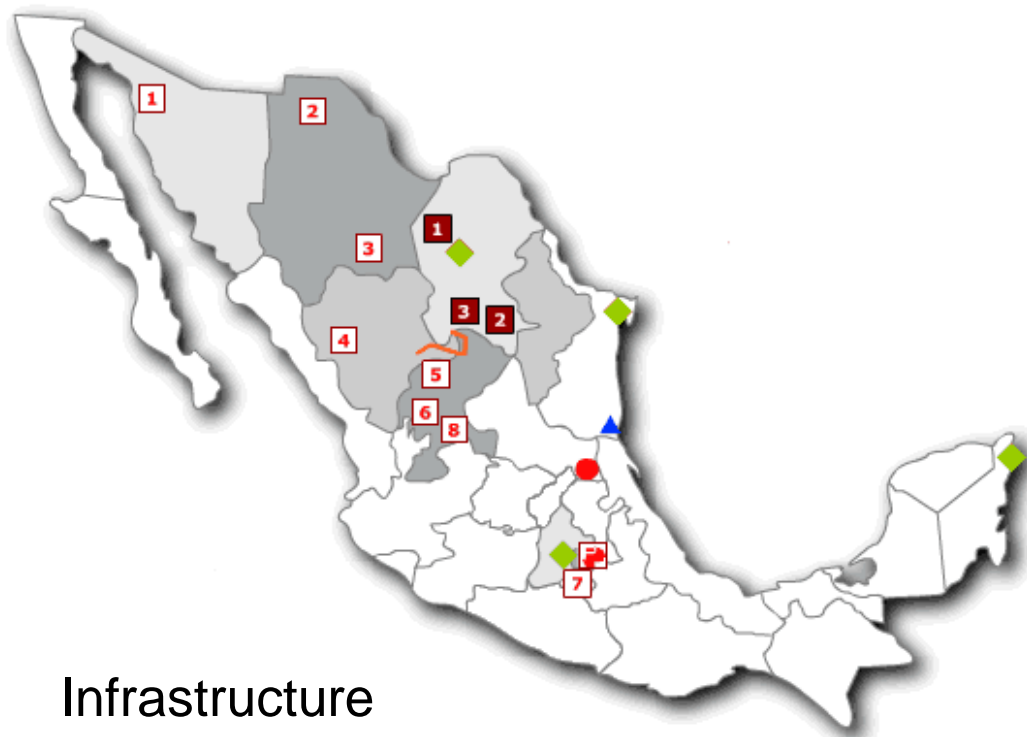


MAGNELEC S.A. DE C.V.

- **Grupo Peñoles Corporate Structure**
 - Exploration, Infrastructure, Mining, Metals – Chemicals.
- **Products**
 - Magnesium oxide, sodium sulfate.
- **Markets Served**
 - Asia, America, Europe.



About Magnelec: Geographic Locations



Mining Operations

1	La Herradura
2	Bismark
3	Naica
4	La Ciénega
5	Sabinas
6	Fresnillo
7	Tizapa
8	Fco. I. Madero

Infrastructure

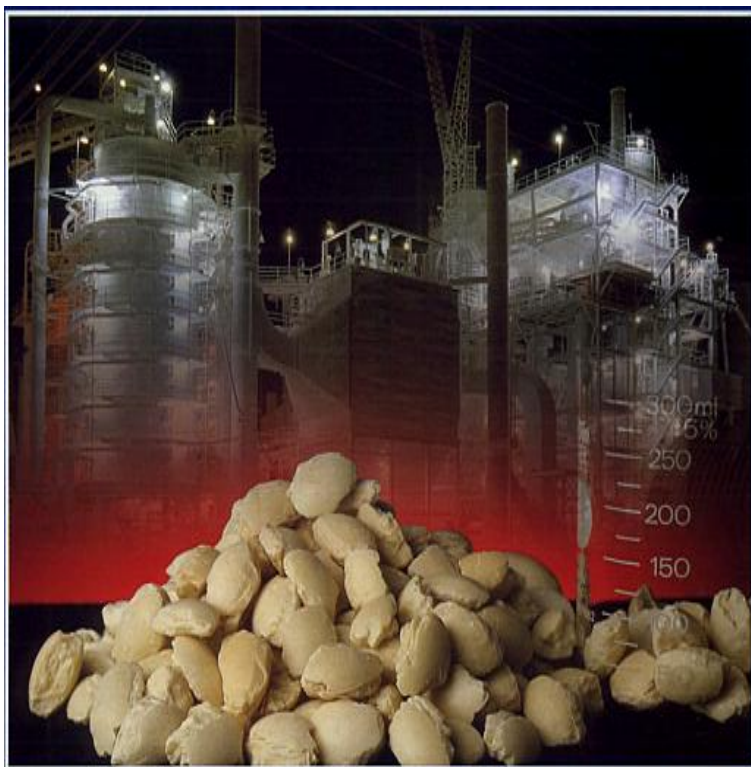
- Coahuila-Durango Railway Line
- ◆ Water Utility
- Peñoles Thermoelectric
- ▲ Termimar Marine Terminal

Metal-Chemical Operations

1	<u>Magnelec</u>
2	Fertirey
3	Met-Mex



About Magnelec: Production



Sodium Sulfate
620,000 ton/yr



Magnesium Oxide
90,000 ton/yr

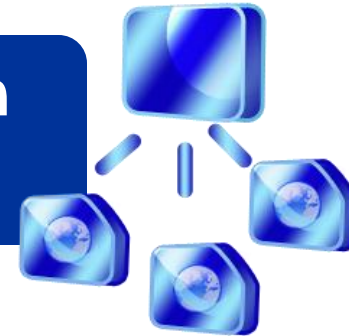


Boiler & Utilities
Steam: 805,920 ton/yr
Electricity: 142,768 MW/yr



About Magnelec: Business Challenge

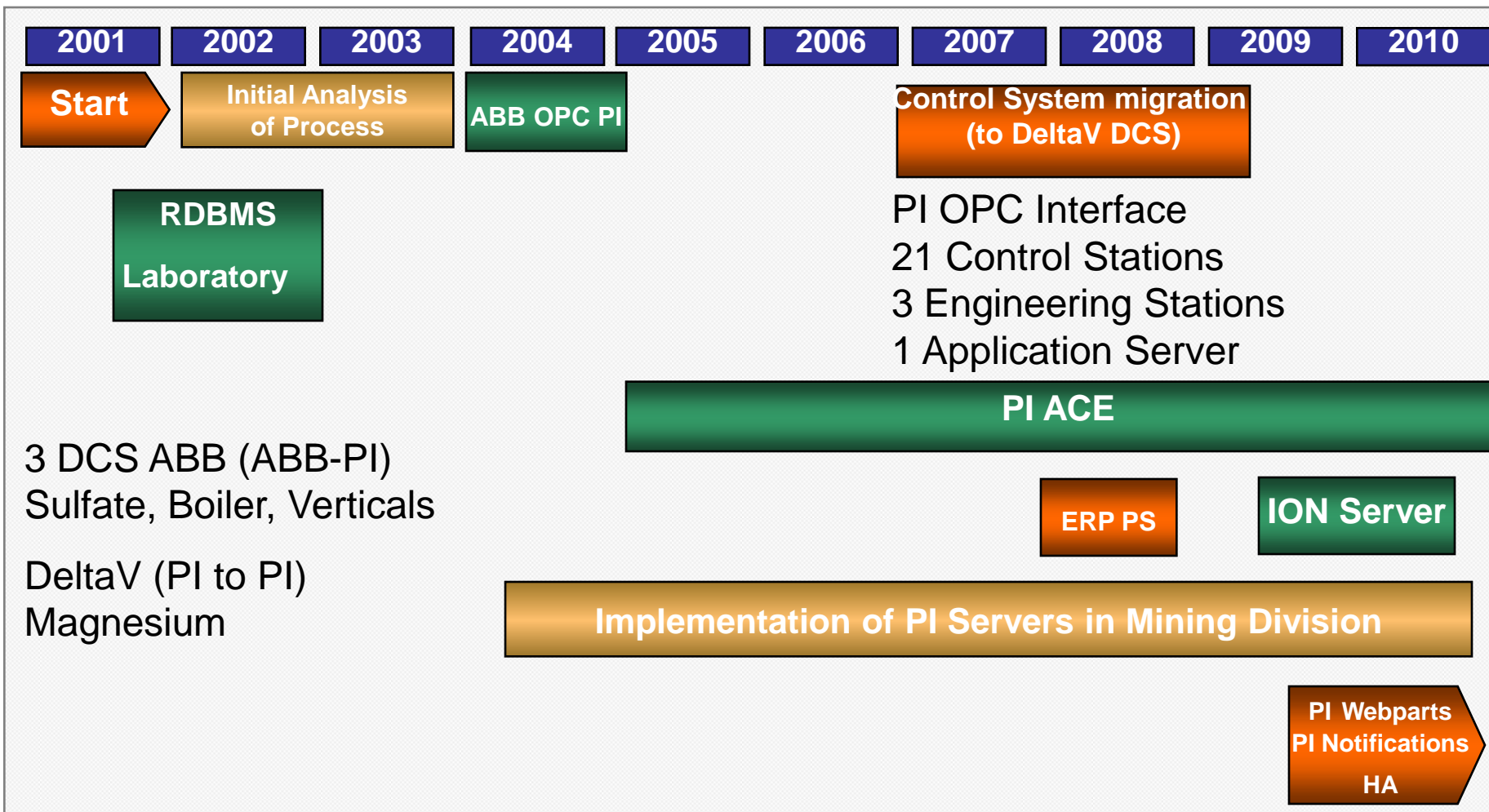
**Obtain strategic information
for decision making**



**Increase productivity in all
organizational areas**

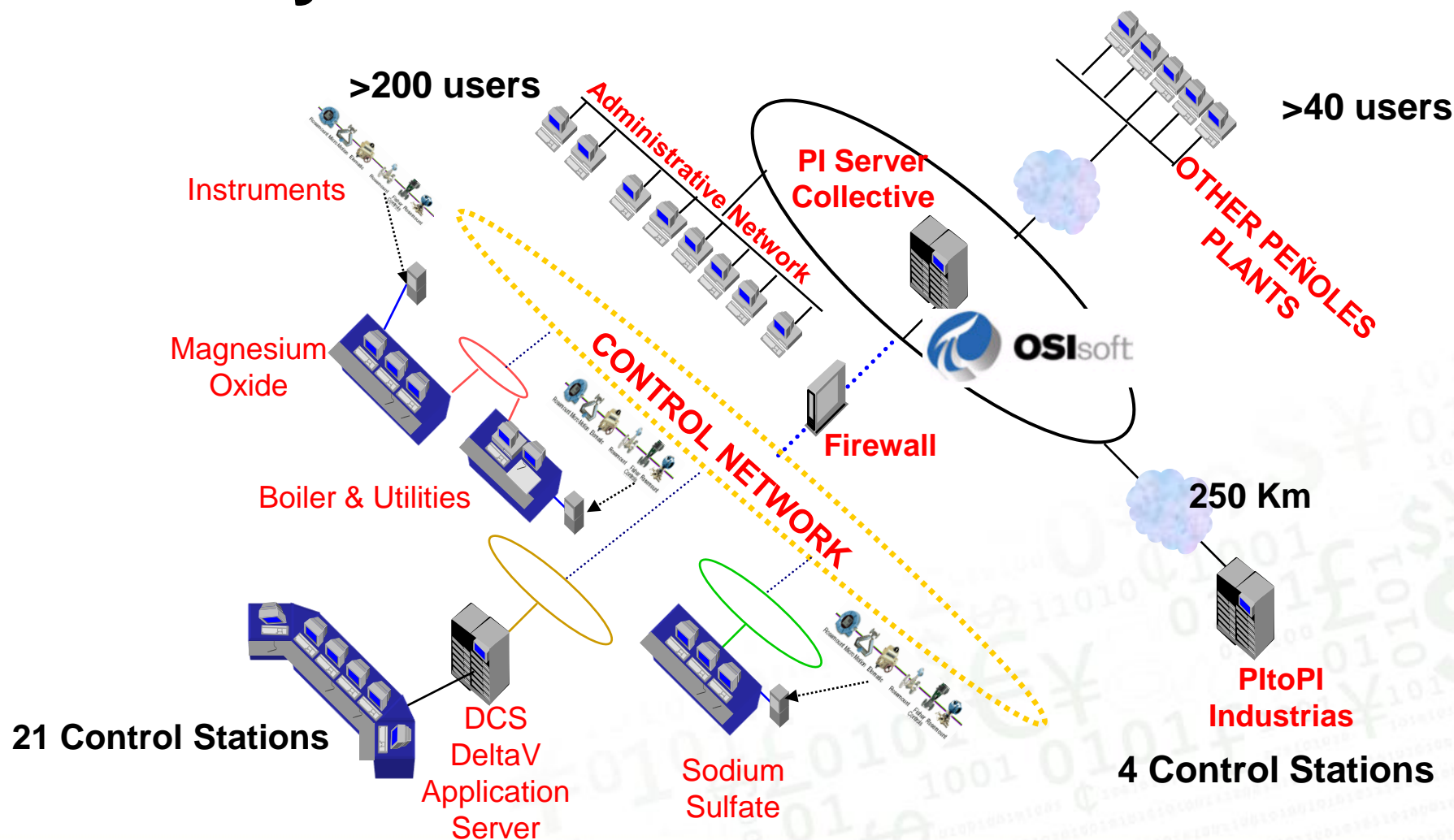


About Magnelec: Timeline of PI



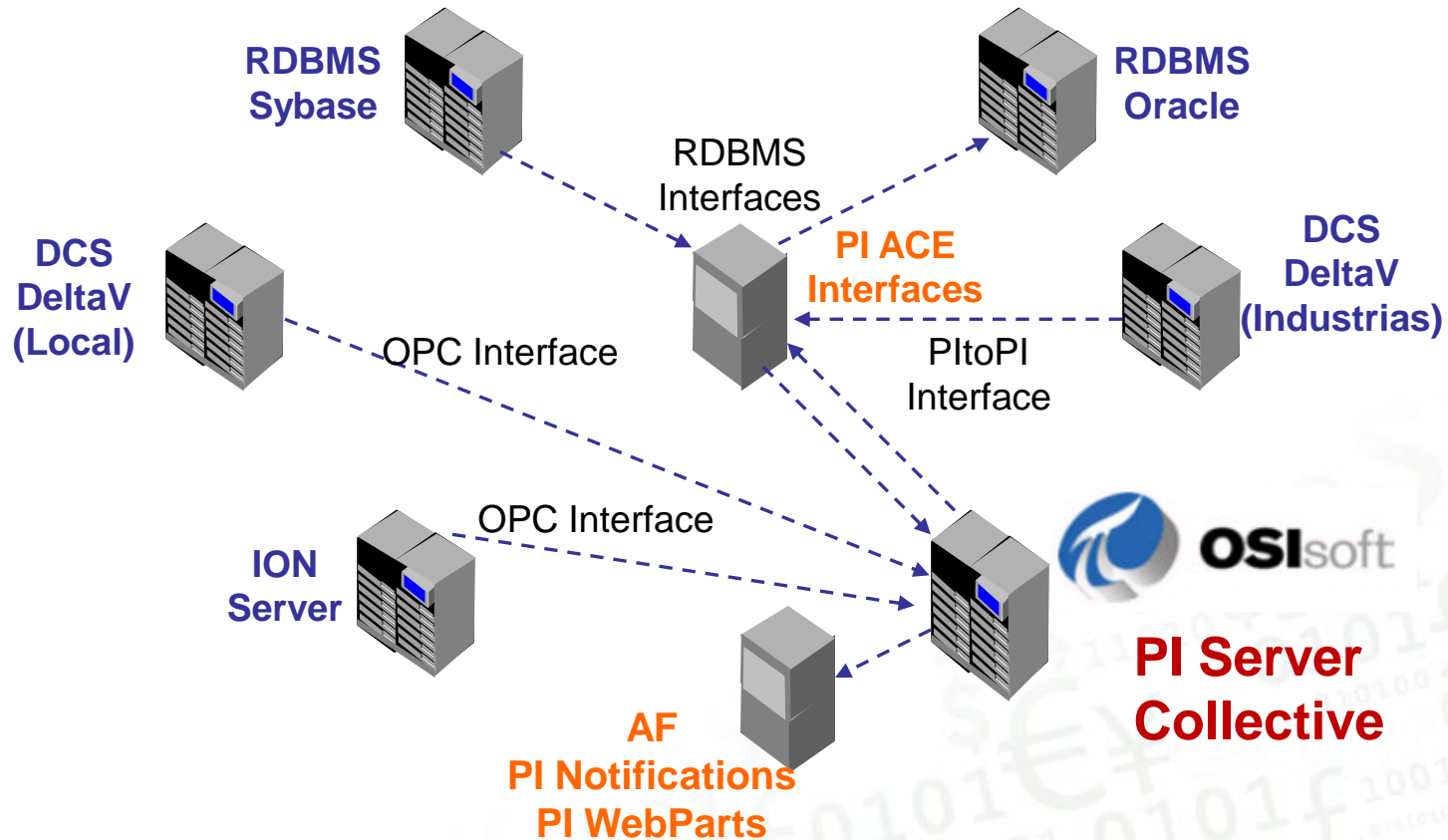


About Magnelec: System Architecture



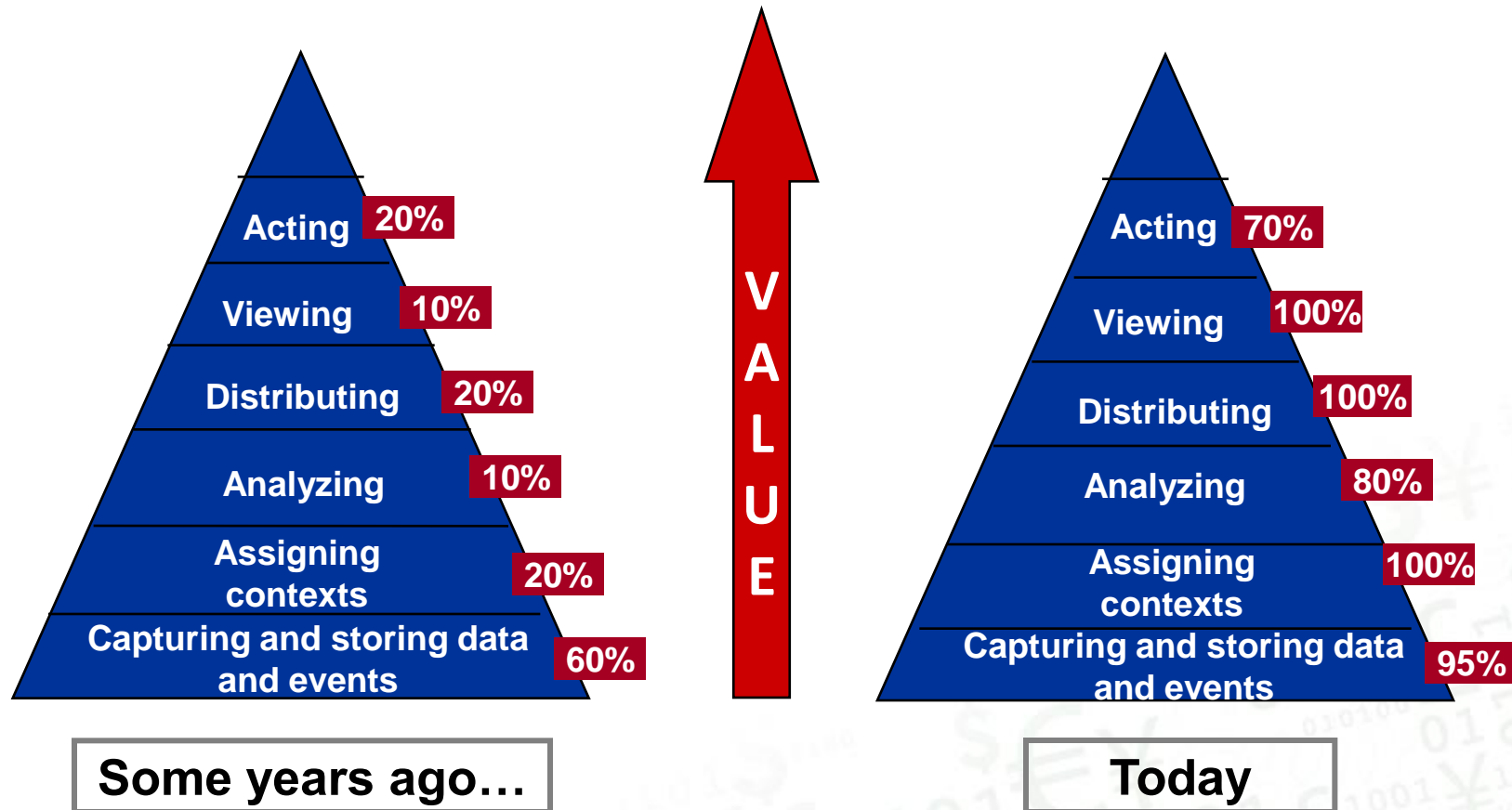


About Magnelec: Site Configuration





Value Creation with PI: Then & Now





Value Creation with PI: A Systemic Approach

Rapid response to operation problems

Adjustments in operational
process

Continuous improvement

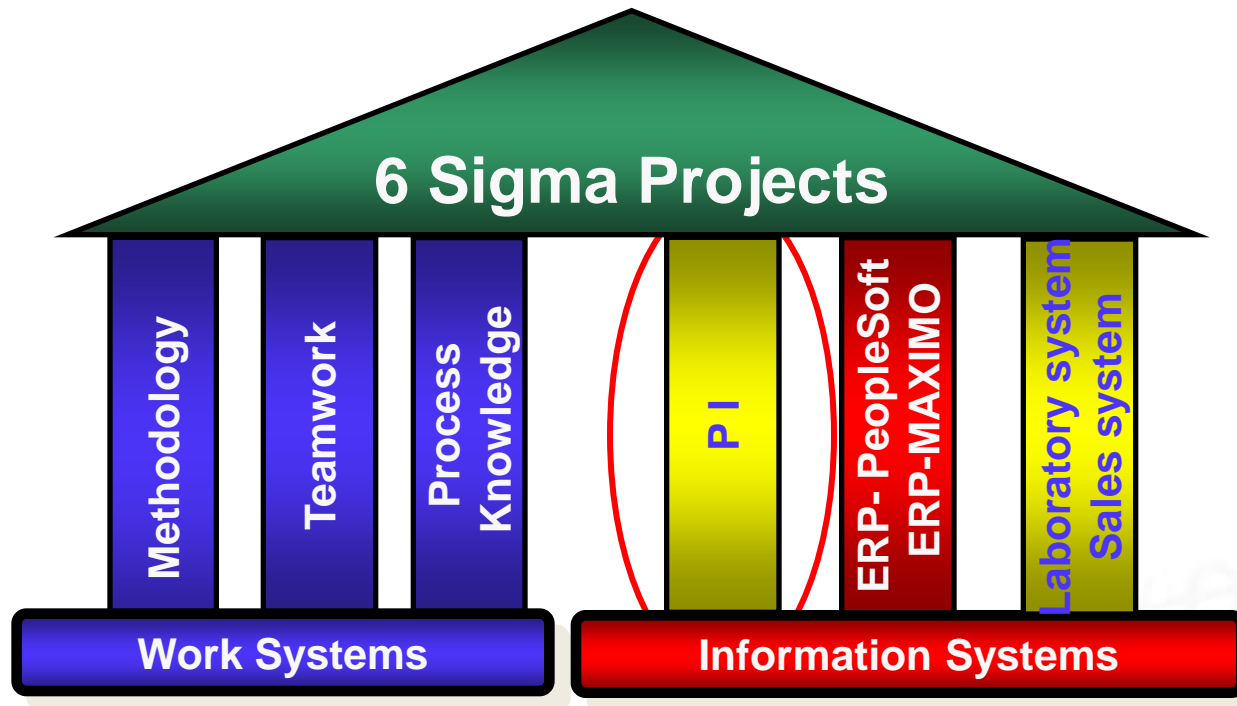
~3% of TOC

Projects and work systems

Budget, projections



PI and Six Sigma: Pillar of Real Time Data



PI is an essential pillar of the 6 Sigma approach. Components of the PI System are leveraged in each phase of this methodology.



PI and Six Sigma: Consistency in a Specialty Plant

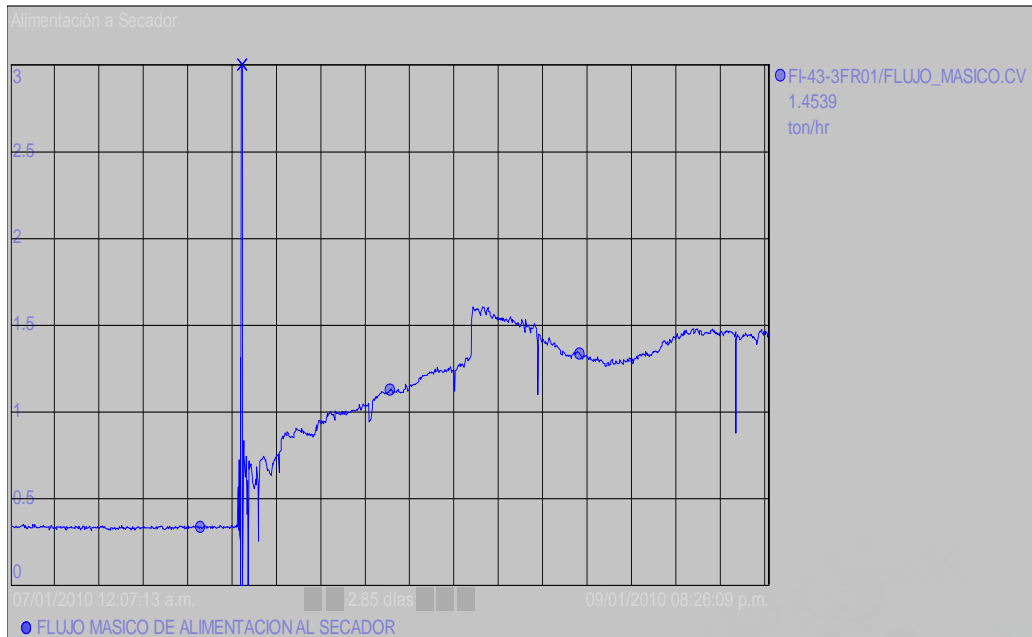
Define

Measure

Analyze

Improve

Control



PI tools are used to identify critical process parameters and quantify their overall importance



PI and Six Sigma: Readily Available Data

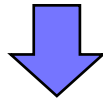
Define

Measure

Analyze

Improve

Control



HQ2001						
Etapa del Proceso	Métrico	Unidades	Definición Operativa	Punto de muestreo	Equipo de medición	Base de Datos
Dilución	Densidad	gr/lt	línea	Avance de tanque de dilución.	Coriolis	SCD / PI
Dilución	Nivel	metros	línea	Tanque de dilución	Transisor de nivel radar.	SCD / PI
Dilución	Flujo de avance a cribas	lt/min	línea	Avance de tanque de dilución.	Coriolis	SCD / PI
Sedimentación	Densidad	gr/lt	línea	Avance de asentador Lamella	Coriolis	SCD / PI
Almacenamiento de Materia Prima	Nivel	metros	línea	Tanque de Balance 1	Transisor de nivel radar.	SCD / PI
Almacenamiento 2	Nivel	metros	línea	Tanque de balance 2	Transisor de nivel radar.	SCD / PI

PI information is the database for our 6 Sigma projects.



PI and Six Sigma: Meaningful Data Analysis

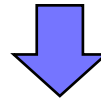
Define

Measure

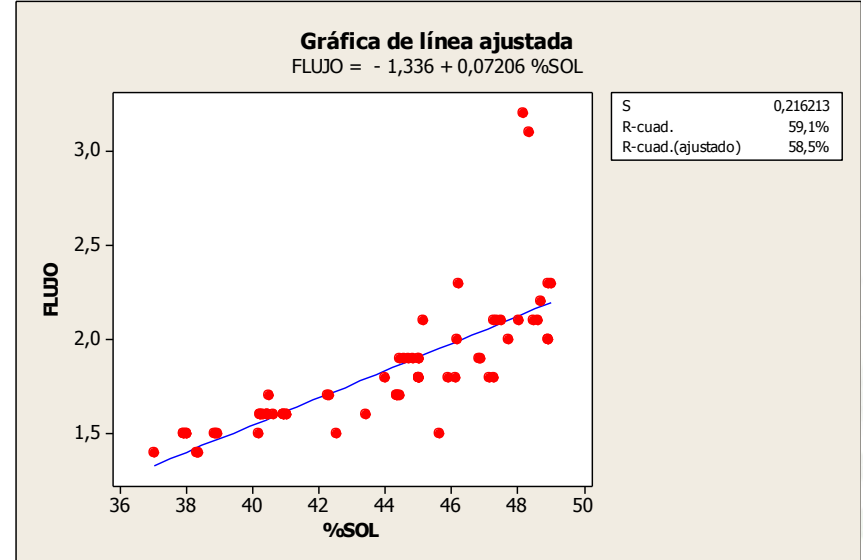
Analyze

Improve

Control



A	B	C	D	F	G	H	I	J	K	L	M	N
21	Fecha	14/08/2009		Limpia								
22	14/08/2009	15/08/2009		Actualizar								
23		Air Heater		Air	Fuel	DMR	DMR	Class.	Rotor	Blower	Fan	Airflow
24	Turno	Process		Heater	Capacity	Temp	Skin	Amper	Amper	Amper	Hr.	CFM
25		Inlet Air		Outlet, °C	m3/h	Outlet °C	Temp. °C					
26						Maintain	<185°					Advice
27	Optimal	>100 °C	Star time					FLA = 60	FLA=327	FLA=381	60 Hz Min.	>26,500
58	1		14-Ago-09 07:30:00		105.3626	164.79512		21.55172	101.2349	333.5899	51	19354.44
59	1		14-Ago-09 07:45:00		100.9672	161.36249		21.40431	100.3402	336.9365	51	19719.1
60	1		14-Ago-09 08:00:00		101.0305	158.16637		21.2569	98.85505	342.324	51	20257.93
61	1		14-Ago-09 08:15:00		101.5293	147.4594		22.01961	109.5937	335.2094	51	19681.47
62	1		14-Ago-09 08:30:00		124.6012	157.06776		22.61539	113.4477	346.8853	52	20420.15
63	1		14-Ago-09 08:45:00		123.2635	160.69971		22.17169	110.8704	337.3357	52	19857.37
64	1		14-Ago-09 09:00:00		118.1049	165.57524		22.04031	112.3493	350.1756	52.21096	20199.79
65	1		14-Ago-09 09:15:00		119.5343	157.25142		23.41693	113.6304	356.4484	53.34713	20354.93
66	1		14-Ago-09 09:30:00		123.8544	157.18747		22.2882	114.7286	356.083	53.51806	20100.99
67	1		14-Ago-09 09:45:00		125.3323	162.68562		21.07555	101.6333	360.5403	53.6	20735.87
68	1		14-Ago-09 10:00:00		122.328	161.98483		22.26688	112.3382	353.9456	53.6	20421.29
69	1		14-Ago-09 10:15:00		124.6633	154.97769		22.03299	115.2	353.5167	53.6	20460.01
70	1		14-Ago-09 10:30:00		129.7715	154.31061		22.22079	118.3832	356.47	53.6	20579.67
71	1		14-Ago-09 10:45:00		139.4578	157.86832		21.57779	119.2627	355.5088	53.66109	20362.28
72	1		14-Ago-09 11:00:00		137.6805	164.56479		22.10329	114.9097	357.825	53.70942	20368.26
73	1		14-Ago-09 11:15:00		153.4434	161.9169		21.63541	115.2975	349.8763	53.8	19938.79
74	1		14-Ago-09 11:30:00		162.8605	161.63037		21.25091	113.9429	351.2936	54.0365	20262.12
75	1		14-Ago-09 11:45:00		159.836	163.60631		21.54424	111.9658	362.5311	54.86602	20554.54
76	1		14-Ago-09 12:00:00		164.4878	159.31839		21.58053	114.6571	360.7445	55	20639.67
77	1		14-Ago-09 12:15:00		164.491	159.3096		21.64039	116.1859	361.0463	55	20662.47
78	1		14-Ago-09 12:30:00		161.0931	157.89337		21.71515	116.7593	359.3192	55	20460.25
79	1		14-Ago-09 12:45:00		164.5746	160.08173		21.44785	112.4383	363.774	55.04775	21077.8
80	1		14-Ago-09 13:00:00		164.644	160.35799		21.11923	114.665	365.3727	55.1	20637.43
81	1		14-Ago-09 13:15:00		163.0715	158.65431		21.31816	118.0819	364.5315	55.1	20467.58
82	1		14-Ago-09 13:30:00		165.1445	153.95007		21.39613	111.2386	371.7366	55.1	20839.9
83	1		14-Ago-09 13:45:00		163.5608	157.12018		21.03056	114.9276	364.5222	55.14275	20837.94
84	1		14-Ago-09 14:00:00		161.889	156.68025		26.73971	234.961	352.7493	55.2	19941.7
85	1		14-Ago-09 14:15:00		165.7355	159.0507		21.49891	115.8358	369.7517	55.2	20873.31
86	1		14-Ago-09 14:30:00		167.6286	159.57358		21.3756	118.378	365.0753	55.2	20719.92
87	1		14-Ago-09 14:45:00		169.317	160.22784		21.15648	115.325	366.9625	55.2	21048.99
88	1		14-Ago-09 15:00:00		166.3214	156.80009		20.61230	116.525	366.8604	55.2	20680.42



PI Data is more reliable and detailed than manually captured data. This information, accessed via DataLink, is analyzed in specialized statistical tools.



PI and Six Sigma: Justified & Measured Improvements

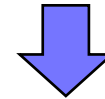
Define

Measure

Analyze

Improve

Control



PI allows us to monitor the success of the previous 6 Sigma phases and see their benefits graphically.





PI and Six Sigma: Lasting Achievements

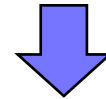
Define

Measure

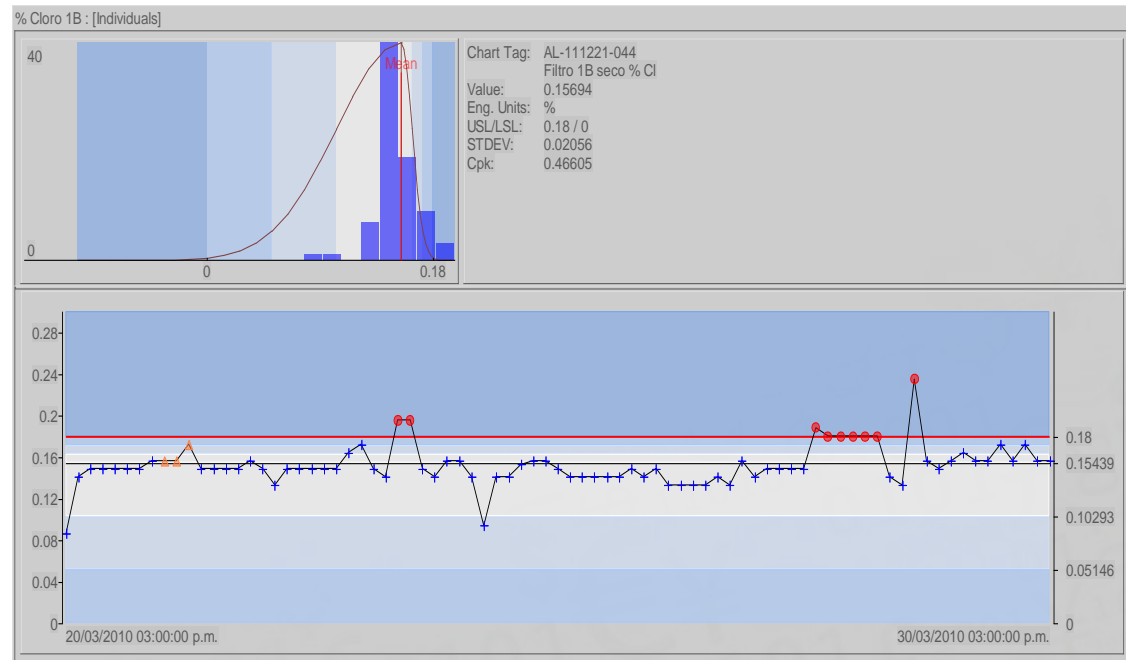
Analyze

Improve

Control



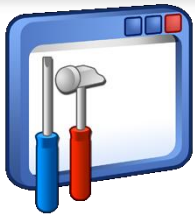
With PI SQC, we
verify and track our
processes, ensuring
lasting success of our
improvement projects



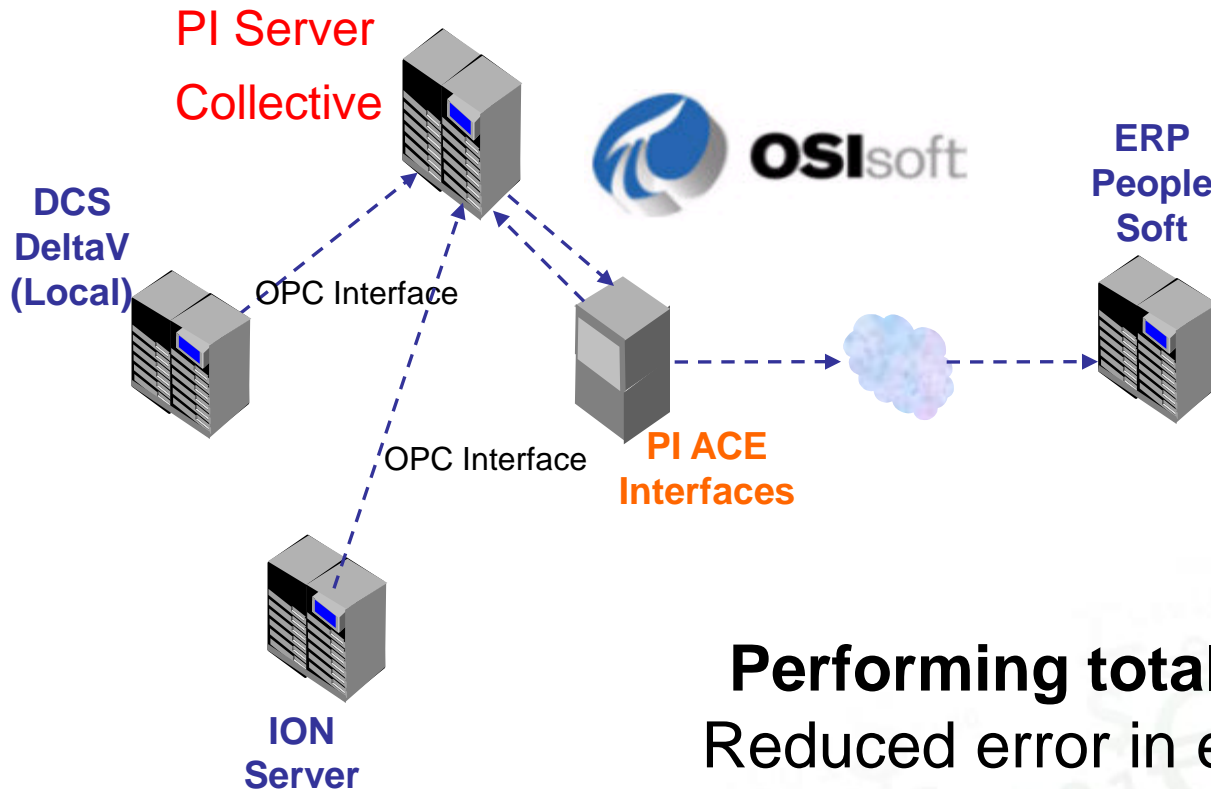


PI as an Everyday Tool: Energy Consumption Totalizers

- Cost of energy accounts is 45% of TOC
- Prior to PI, energy consumption recorded at end-of-day
- Greater resolution allows more accurate estimates



PI as an Everyday Tool: Energy Consumption Totalizers

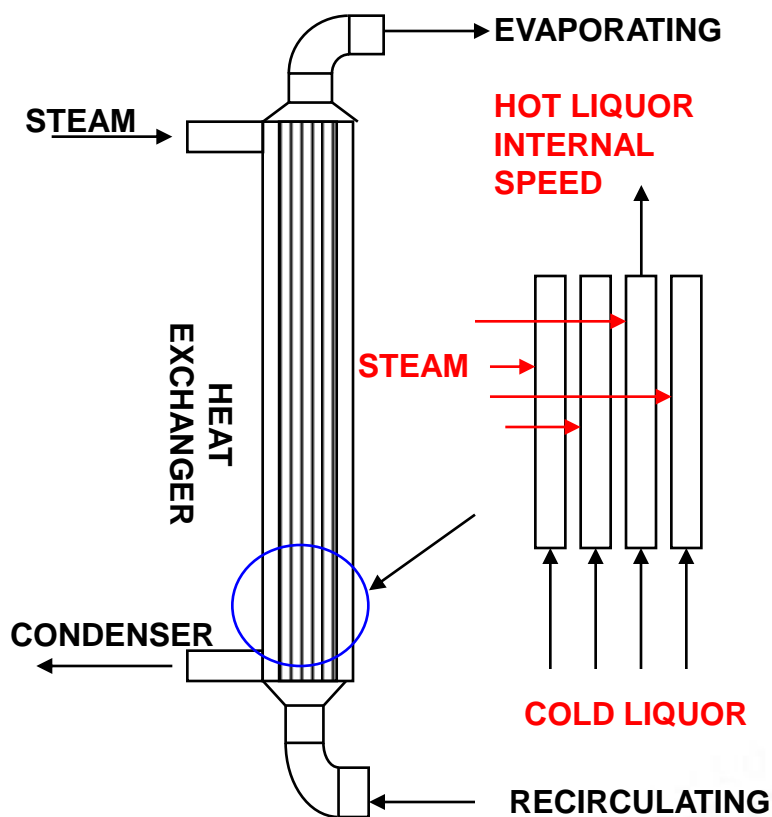


Performing totals & analysis in PI
Reduced error in energy consumption
estimates from **30% to 4%**



PI as an Everyday Tool: Maintenance Planning

Calculations involving process
values & constants



Velocidades2 - Microsoft Visual Basic [diseño] - [Sulfato (Código)]

Archivo Edición Ver Proyecto Formato Depuración Ejecutar Consulta Diagrama Herramientas
Complementos Ventana Ayuda

(General) ActualPerformanceEquations Proyecto - Velocida

```
GPM3D = 143.75 * AMP3D / DEN3D

'CALCULOS PLANTA C

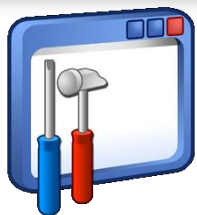
AMP1C = II_12_7LA1_AI1_PV_CV
DEN1C = DIC_12_7LA1_PID1_PV_CV

AMP2C = II_12_8LA1_AI1_PV_CV
DEN2C = DIC_12_8LA1_PID1_PV_CV

AMP3C = II_12_9LA1_AI1_PV_CV
DEN3C = DIC_12_9LA1_PID1_PV_CV

V1C = 0.0645154 * AMP1C / DEN1C
GPM1C = 143.75 * AMP1C / DEN1C

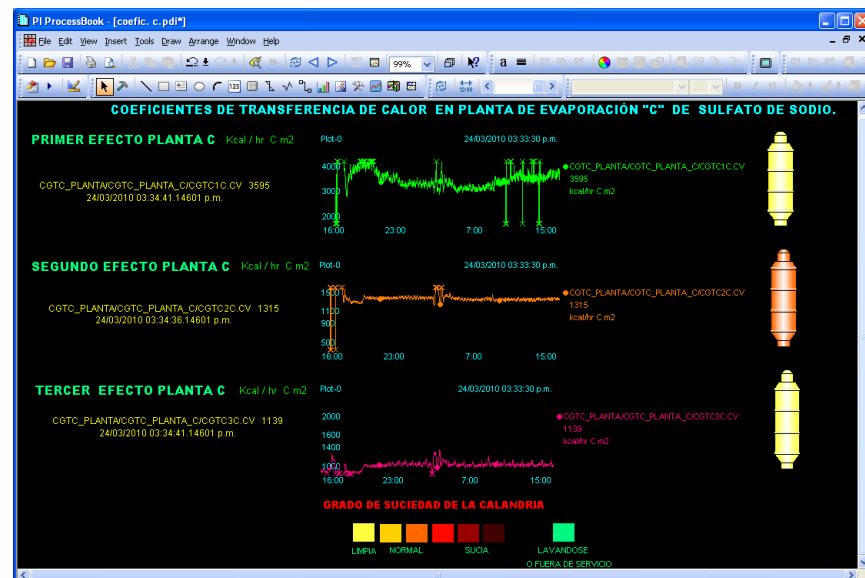
V2C = 0.0645154 * AMP2C / DEN2C
GPM2C = 143.75 * AMP2C / DEN2C
MsgBox ("VELOCIDAD 2C") & V2C
```



PI as an Everyday Tool: Maintenance Planning

Tangible Benefits:

- Equipment uptime extended
- Operational certainty increased
- Total equipment wash cycle time decreased





PI as an Everyday Tool: Efficiency Monitoring

Shutdown

- Equipment failure
- Equipment adjustments
- Equipment starts

Velocity

- Empty equipment
- Mechanical issues

Defects

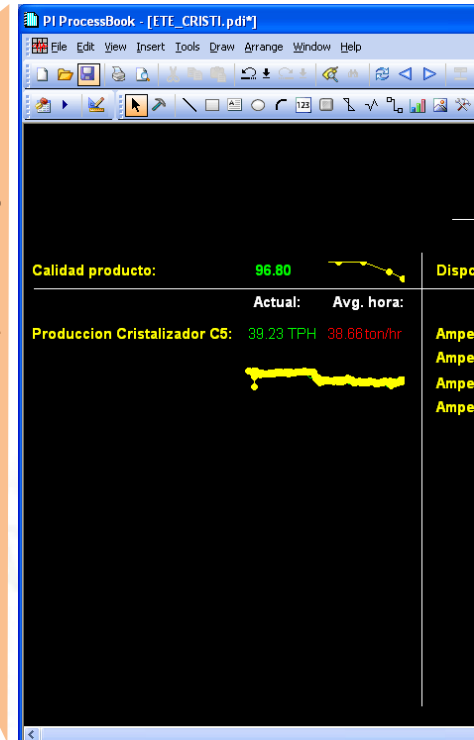
- Cause
- Effect

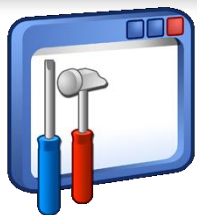
**Complex
Criteria**

Data

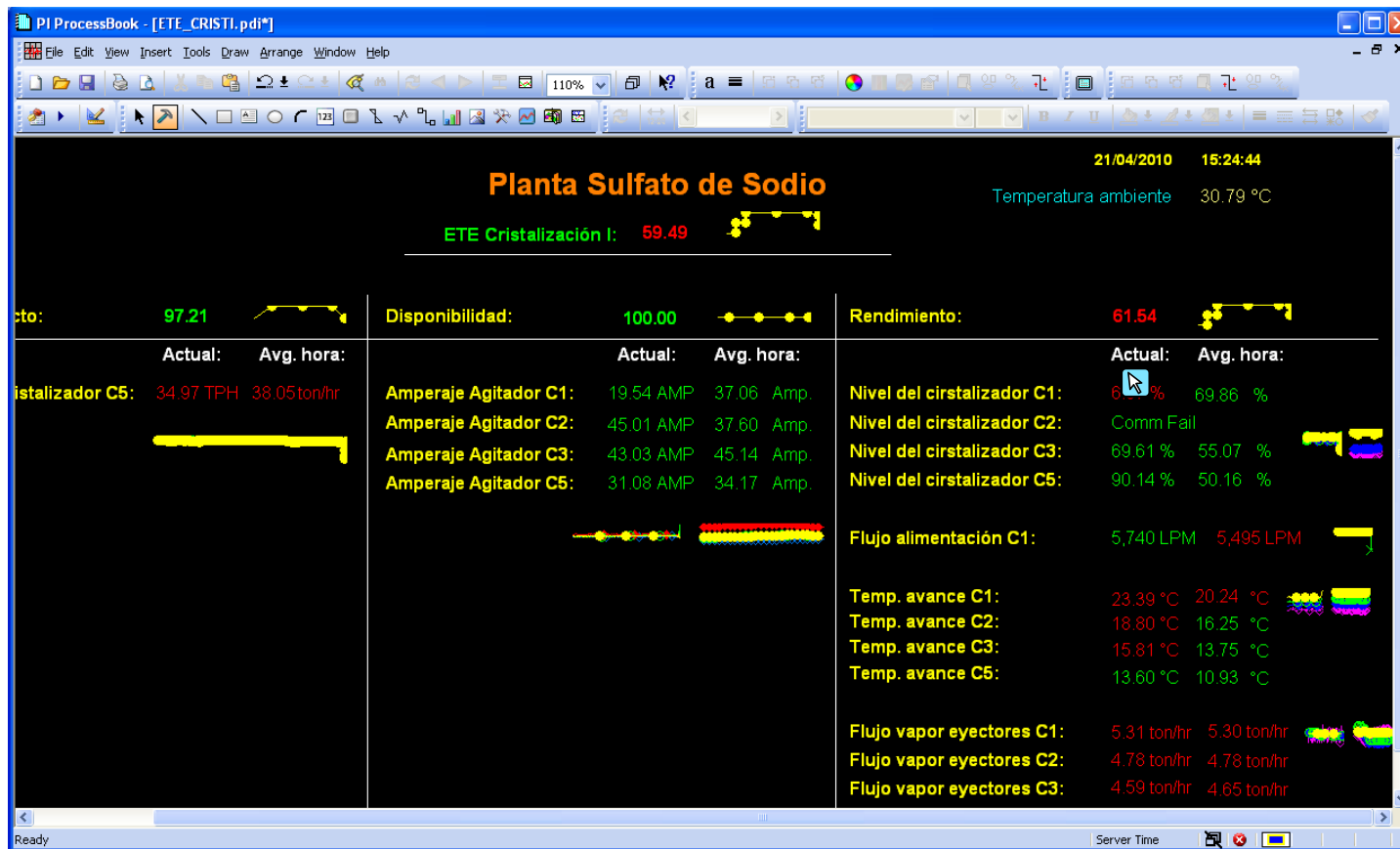
PI ACE

KPIs



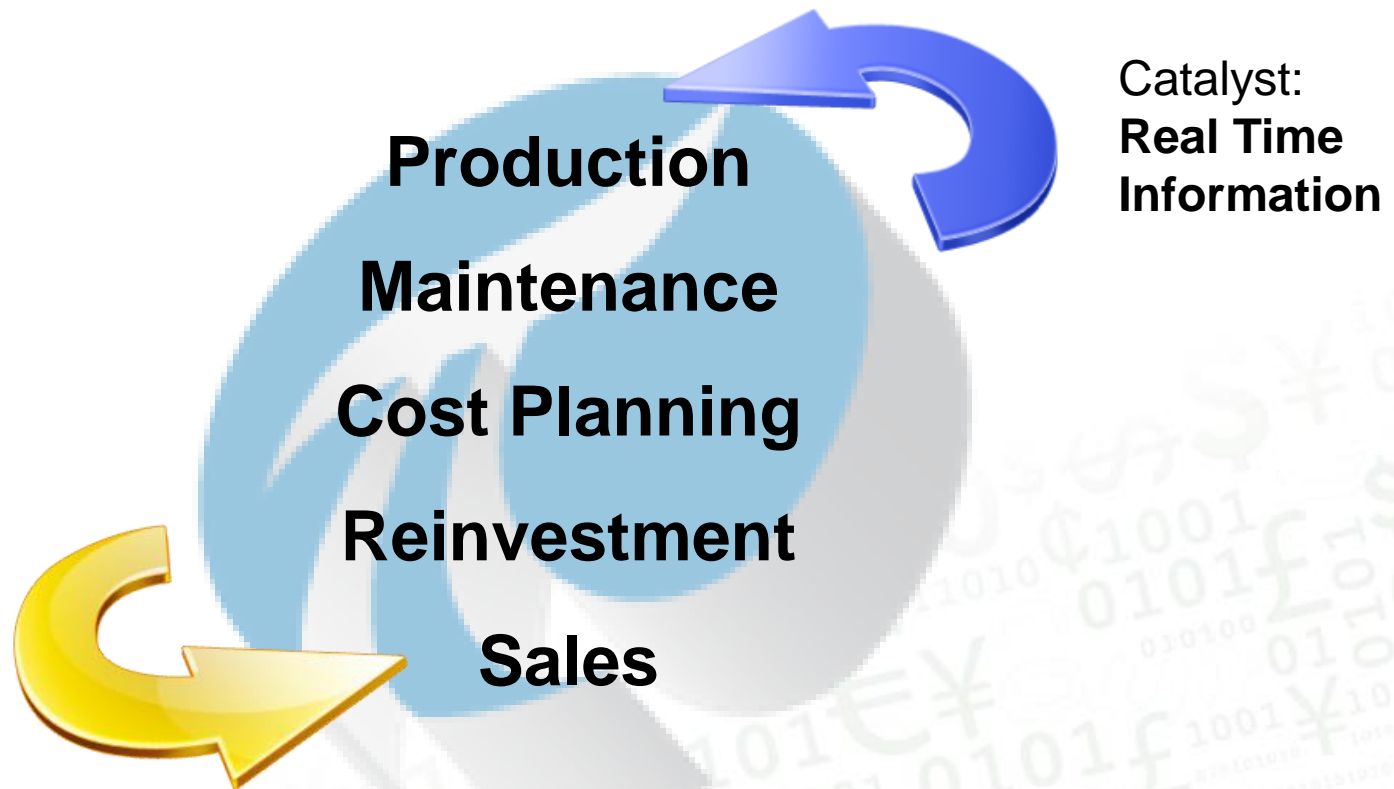


PI as an Everyday Tool: Efficiency Monitoring



Summary: Benefits of PI at Magnelec

A Cycle of Enterprise Information Integration





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Thank you

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