



INNIO Waukesha poised to major role in clean energy

"Customer quality and service are two things that drive and will continue to elevate our product strategy and brand into the future."

WILLIAM "BUD" HITTIE, President, INNIO Waukesha



Rich-burn engines, myPlant key aspects to company's success as natural gas landscape changes. By DJ Slater

William "Bud" Hittie didn't have a typical start at INNIO Waukesha. He became the company's president in October 2019, right as signs of a pending downturn began to surface. Then as the new year began, a global pandemic emerged.

COMPRESSORTECH² discussed the challenges INNIO Waukesha has faced since the start of his tenure, as well as how the company moves forward in an evolving landscape.

INNIO WAUKESHA ENDURED A MAJOR TRANSITION (THE CUTBACKS IN LATE 2019). WHAT CAN YOU TELL US ABOUT THAT TRANSITION AND HOW DOES IT SET UP INNIO WAUKESHA FOR THE FUTURE?

Much like many other companies in the oil and gas market, we have faced many tough decisions, not the least of which have impacted our employment levels in our U.S. and Canada operations. Our new facility in Welland, Canada, was an enormous investment in our business and illustrates the commitment our shareholders have in the INNIO Waukesha Engines business

and team. All these actions that we've taken the last couple of years position the business on a very solid platform and will allow our team to support our customers' needs as the oil and gas market continues to recover.

CAN INNIO SUSTAIN THE WAUKESHA FACILITY? WHAT KIND OF FUTURE DO YOU SEE FOR IT?

With the reductions in new engine production demand this year, our focus has been on finalizing the transition activities to the Welland team. The Welland facility and team are very well positioned to support the increase in capacity as future market demands increase. Our Waukesha, Wisconsin, facility will continue to serve as a center of excellence for our engineering, sales and administration teams.

HOW DO YOU ASSESS THE MARKET AND WHAT DOES WAUKESHA NEED TO DO TO NAVIGATE ITS WAY FORWARD?

We are at the forefront of a renewable transition. Natural gas has been displacing coal from a consumption standpoint and I believe that trend will continue. If we look at recent history, natural gas a critical part of the energy consumption mix as it is displacing



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coal from an emissions perspective, and LNG is the mechanism to sustainably reduce global emissions. Natural gas will continue that growth to displace other fossil fuels. It is a bridge to other renewable energy resources and there is more demand worldwide. Typically, emerging markets have been coal-based. LNG is now more cost-effective as there is an abundance of LNG and infrastructures are being built to use this resource. Additionally, prices are now a third of what they used to be.

We are adjusting our products and technology in addressing where the LNG resources are available, regardless of the form. In many cases, the economics don't work to move the gas to conventional wellheads. In those cases, INNIO Waukesha has a unique capability with our products to use stranded gas in rough form. We have a

scalable and fuel flexible power generation solution with our 9394 Series Five engine. This unit uses rich-burn technology and can work with gas from the pipeline to high BTU stranded gas-like forms. With this engine, we are able to use combustion technology along with our control systems, which allow these units to operate

Waukesha is currently working closely with Crusoe Energy Systems on supplying Waukesha engines where flaring is a challenge for the industry. Their (Crusoe's) technology – Digital Flare Mitigation – eliminates the routine flaring of natural gas in oil fields and internationally by deploying modular data centers directly to the pad site. Gas is traditionally flared because that operator might not have access to the natural gas infrastructure or is strained.

With power generation becoming more decentralized, our Waukesha gas engines are at the heart of this global energy transformation. Waukesha's VHP9504GSI gensets, which feature the VHP Series 5 technology, are now being used to power remote production facilities flaring gas.

To date, Waukesha has deployed several 1.7 MW units, in partnership with Crusoe Energy Systems, Inc., (Denver, Colorado), to the Bakken Basin. These units have reduced natural gas flaring while powering portable IT equipment and, to date, have saved up to 8500 tons of CO₂ annually. Additionally, each of the units are connected with the INNIO Waukesha myPlant asset performance management system. Stranded gas is a resource that is out there, and in Waukesha has the products and technology to explore these opportunities.

MANY COMPANIES HAVE A LONG-TERM EMISSIONS GOAL. DOES INNIO HAVE A SIMILAR GOAL?

At INNIO Waukesha, we are here to help the industry be more sustainable while improving the viability of its business model. Our products and services are built to work in energy infrastructures that support multiple technologies.

INNIO HAS MADE MAJOR STRIDES WITH ITS ENGINE TECHNOLOGY IN RECENT YEARS. DO YOU EVER GET THE CHANCE TO ENJOY THAT SUCCESS OR ARE YOU ALWAYS LOOKING FOR THE NEXT IMPROVEMENT?

Our investment is focused on continually improving the performance of our product through all end markets we serve. This is demonstrated through the success of our Series Five engine and its reception in the marketplace. The Series Five engine is known to be the most powerful, fuel-efficient engine for gas compression applications and this product has propelled our growth in the industry and allowed us to adapt to power generation applications. We are continually improving the existing energy infrastructure through our reUP program, expansive upgrades and service capabilities. Customer quality and service are two things that drive and will continue to elevate our product strategy and brand into the future.

GIVEN YOUR POSITION, HOW HAS THE ROLE BEEN FOR YOU SINCE YOU ACCEPTED IT?

I knew when joining the team that there are dynamics within the oil and gas markets that certainly present a unique set of challenges. I certainly didn't recognize just how fast the business environment would change as a result of COVID-19 and the demand-side economics that resulted. Even with the distractions from recent market conditions, our core focus and strategy remains intact. We will continue to provide the market with very capable and reliable products and outstanding service. We are constantly focusing on continuous improvements that will allow us to support our customer base with even higher value. We have an incredible team here at INNIO Waukesha that is engaged, motivated and very resilient. **CT2**



INNIO Waukesha is working with Crusoe Energy Systems (Denver, Colorado) to supply Waukesha engines to sites where flaring natural gas has been challenging.