



## The city of the future needs smart and sustainable infrastructure solutions

## Goal: Competitiveness (economy, quality of life, environment)

## The city of the future needs



Efficient transportation of people and goods



- Efficient use of resources
- Low emissions



- Social support system
- Urban security



- Reliable and efficient supply of energy
- Clean technology

## Fundamental change

From isolated solutions ...



... to interconnected and smart infrastructure solutions



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## The Infrastructure & Cities Sector has an increased focus on city needs

#### **Structure**

Rail Systems

Mobility and Logistics

Systems

Solutions

**Products** 

Services

Low and Medium Voltage

**Smart Grid** 

Building Technologies

## Key facts 2012

• **Revenue** € 17.6 B

• **Profit** € 1.1 B

• **Employees** 89,000

- City Account Managers all over the world
- 5 cities in the top 20 of our customers
- Comprehensive portfolio

### **Thought Leadership**



- Knowledge center "The Crystal"
- 3 City Centers of Competence on 3 continents
- Urban Research
- Partnerships, e.g. with

C40 Climate Leadership Group







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## Thailand, Bangkok 2011



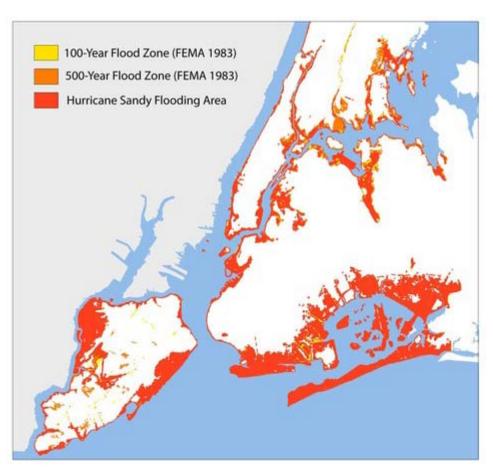
Photo source: Bazuki Mohammed – Reuters
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- 6 months flooding in Thailand affected more than 13 million people.
- 14,000 factories under water
- Manufacturing stoppages led to rise in prices of essential components; i.e. Hard Disk prices rose 40%
- Enterprises expressed doubts about investing in Thailand

Estimated damages: US\$45 B

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## **USA, New York City 2012**



\*Federal Emergency Management Administration: 2/3 of storm surge damage exceeded 500 year FEMA demarcation in New York City

- Hurricane Sandy was second costliest in US history
- More than 8 million people without power
- NYSE down for two days prior 2 day stretch was in 1888
- 2/3 of storm surge damage exceeded 500 year FEMA\* demarcation

## Estimated damages: US\$50 B

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## Weather patterns are becoming more extreme, mostly due to climate change.

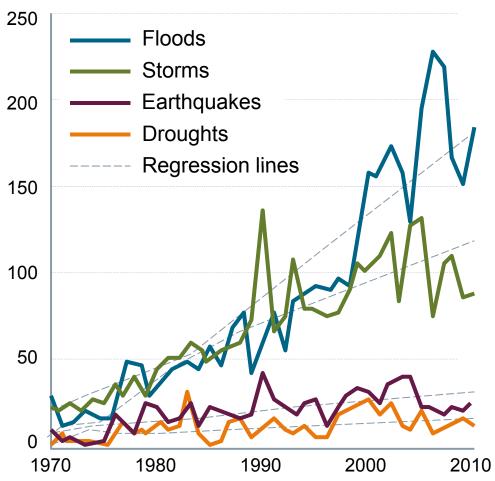


Figure 1: Number of recorded disasters Source: EMDAT-CRED, Brussels

- Climate change leads to higher temperatures, rising sea levels and more rainfall
- Increasing number of extreme weather events
- Increasing urbanization and settlement patterns lead to higher damages

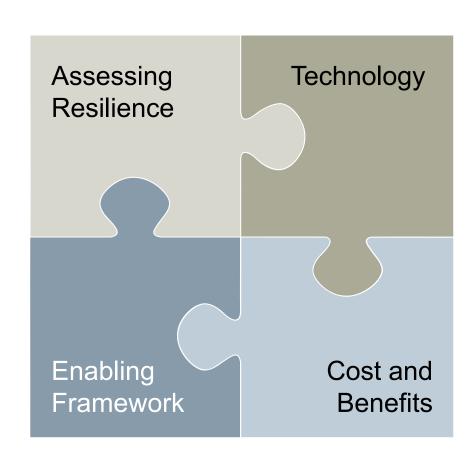
Estimated damages 2012: US\$160 B worldwide (67% in USA)

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## A report to help operationalize resilience



### Research approach

- Collaboration between Arup, RPA and Siemens
- Focus on energy, transportation, water technologies and trends
- How to minimize disruption, and quickly restore basic functionalities
- How to get there and where to start
- Role of policies & regulations
- Cost and financial benefits
- NYC case study

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## Increasing resilience reduces risk

Hazard

×

Exposure



Resilience

Robustness

of infrastruc-

ture, institu-

tions etc.



Risk (Impact)

Damage, loss of GDP, fata-lities, etc.

Probability & Magnitude

People and assets in hazard-prone locations

Some influence

Direct control and influence

Low direct influence

Influence of cities

## How to get to a resilience action plan

Hazard Resilience Risk **Exposure** (Impact) Risk Likelihood and frequency of hazards Exposure of areas and critical systems **Assessment** Magnitude of potential damage **Options** Avoid exposed areas (e.g. spatial planning), Building codes, ... Technological options to improving resilience (e.g. Redundancy, Diversity, Robustness, Flexibility, Effective Response) Disaster response plans Cost benefit Increased resilience ... is not the only driver: Efficiency gains analysis Cost reductions in CAPEX and OPEX CO<sub>2</sub> reduction and better usage of resources

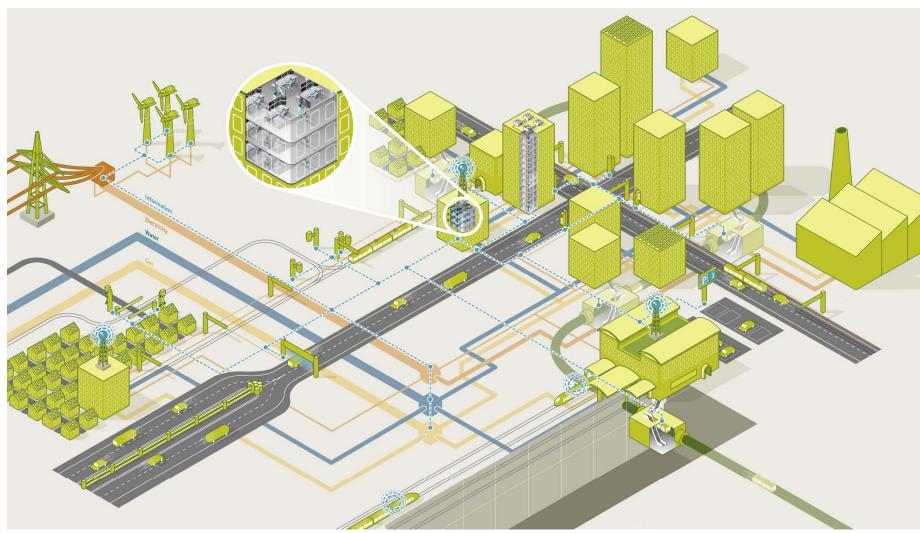
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**Budget constraints** 

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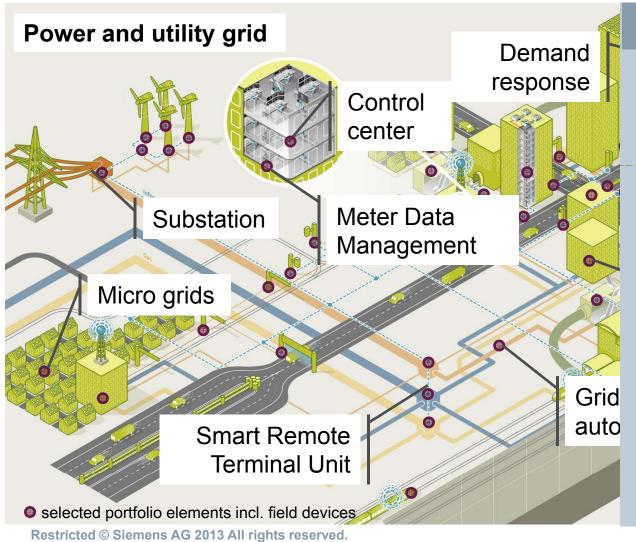


## Siemens Infrastructure & Cities Sector – The power house for infrastructure automation



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## An automated power grid allows for greater optimization and security of supply



### Resilience benefits

- Reduces critical peak loads
- Maintains power supply for crucial infrastructures
- Enables quick restoration
- Flexible use of sources increases **Redundancy**
- Increases Robustness (e.g. isolates faulty sections to prevent outages)

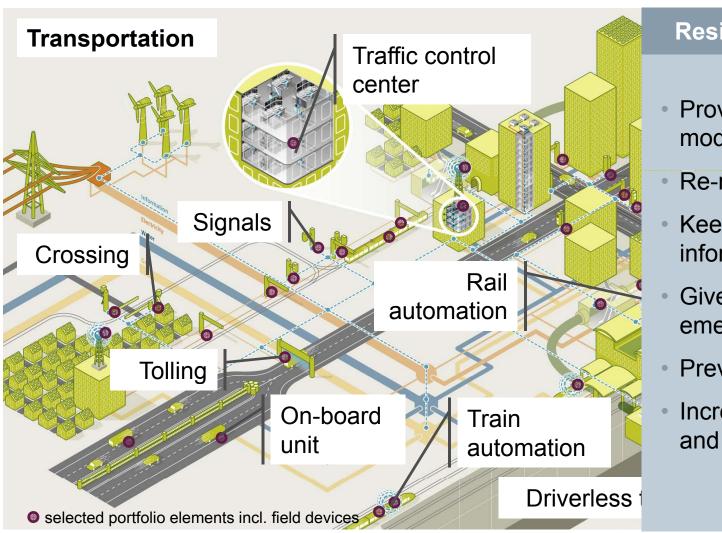
## **Example: Energy storage system Siestorage**



- Protects critical infrastructure
- Compensates outages
- Provides peak power
- Stabilizes the grid
- Immediate start capability
- Allows for integration of renewables

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## Automation allows for greater utilization of the existing transportation network



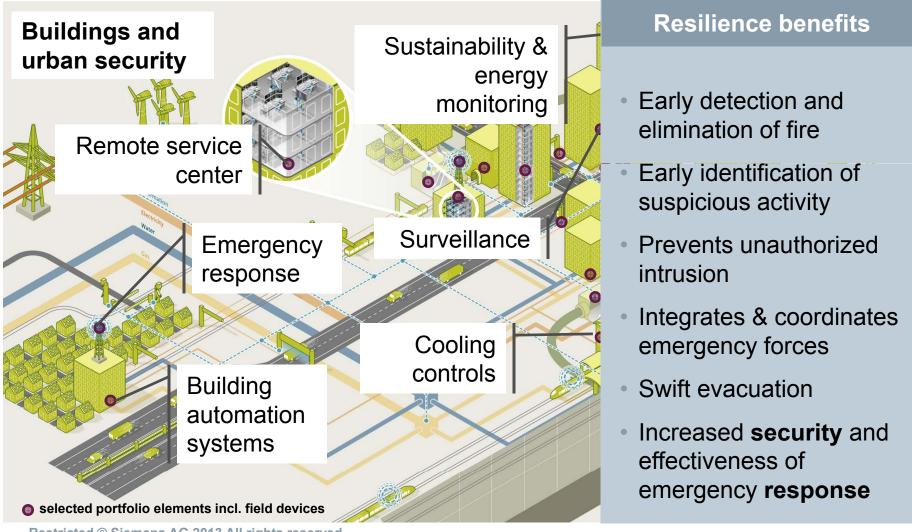
### Resilience benefits

- Provides alternative modes of transport
- Re-routes traffic
- Keeps passengers informed
- Gives priority to emergency vehicles
- Prevents accidents
- Increases Diversity and Redundancy

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## Intelligent technology makes buildings and public spaces more efficient and secure



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## **Proactive Resilience: Co-Op City, Bronx, New York**



- 14,000 apartment units
- 35 high rise buildings
- Decided to get off the main power grid to control price of power
- Installed 40MW CHP power plant
- When Sandy hit, lights stayed on for more than 60,000 residents

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## Resilience investments and enabling actions for NYC Metro area's power grid

## Technology and investment

### **Short term**

- Gas-insulated switchgear
- Flood defences
- Undergrounding
- Manual demand management

### **Medium term**

- Smart meters& ITinfrastructure
- Decentralized generation
- Smart grid ready appliances

## Longer term

- Automated demand management
- Relocating installations
- EV to grid

## **Enabling** actions

- Assessment of critical systems
- Building codes
- Integrated control centers
- Regulatory reform
- GIS asset monitoring

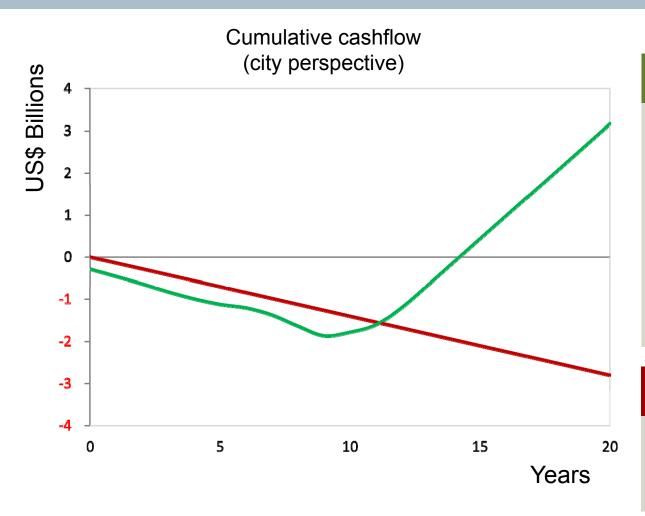
- Real-time pricing
- Integrated development and energy planning

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# Investment into New York Metro area's grid resilience pays back through damage reduction and efficiency gains





#### Two scenarios:

### "Proactive"

- Full implementation of suggested actions
- Investment: ~ US\$3 B
- Reduced damage cost:
  - ~ US\$2 B
- Efficiency gains:
  - ~ US\$4 B

### "Reactive"

 Anticipated damage to the power grid over 20 years: up to US\$3 B

## **Action points**

Resilience is a must to become and remain competitive



Resilience should be an integral part of planning and can be achieved through normal operational investment cycles



Resilience provides additional benefits, e.g. energy efficiency, safety & security etc.

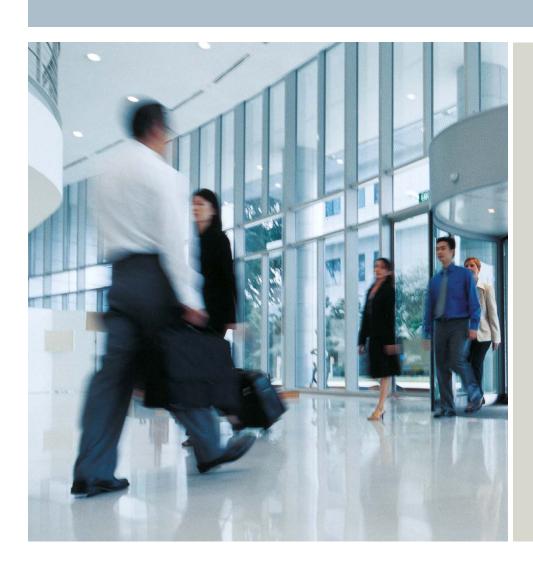


Intelligent, automated infrastructure is a major lever for resilience



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## For additional information



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