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Energy Efficiency Economics

Obstacles and Opportunities



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Nov. 13th, 2016



Operated by Los Alamos National Security, LLC for the U.S. Department of Energy's NNSA

Talk objective: Teach a man to fish

Nov. 13th, 2016

Energy Efficiency Economics

SC16: EE HPC WG Workshop



- **Justifying energy efficiency**
 - Must show benefits
 - Constrained design optimization
- **Obstacles**
 - Schedule, budget, etc.
 - Accounting rules
 - Expanding operating envelope
- **Opportunities**
 - Costs of time and energy
 - More computing within constraints
 - New life for old facilities
- **Global IT limited by energy**
- **Summary**

Justifying Energy Efficiency

Energy efficiency argument must show benefits

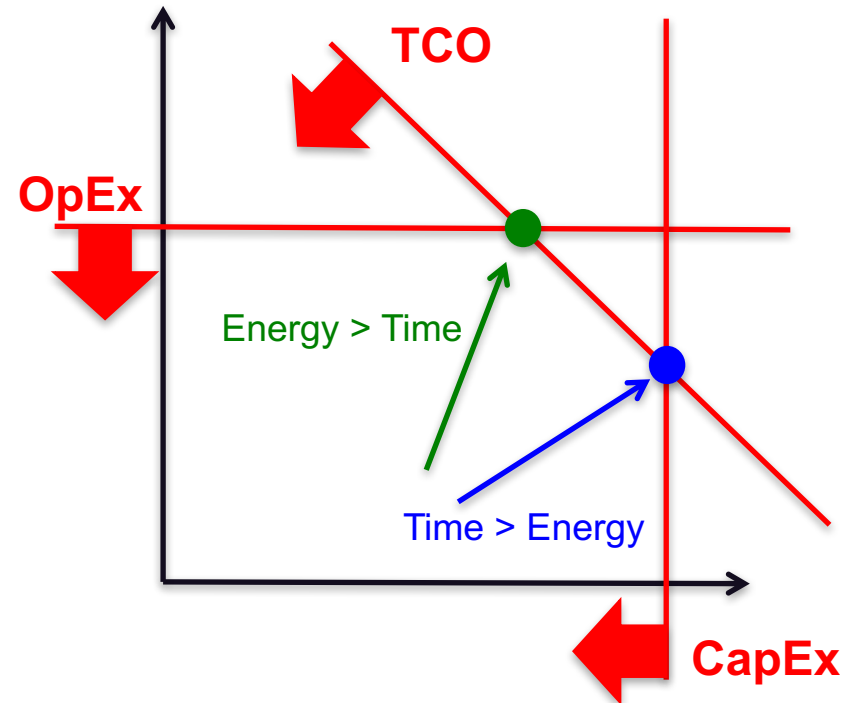
- **Saving energy isn't convincing by itself.**
- **Saving time and/or money may be. So can performance improvements.**
- **Example 1:**
 - Liquid cooling may reduce energy use by 25%
 - Great, but will it save money? Can it be ready in time?
- **Example 2:**
 - CPU race to idle reduces wasted energy
 - Great, but do rapid power transients cause problems elsewhere?
- **Example 3:**
 - Reducing energy use reduces operating costs
 - Great, but it's more valuable to maximize throughput
- **How does one argue for deploying energy efficient technologies?**
 - That's what the rest of this talk is about: Winning this argument



Constrained design optimization

- **Constraints are obstacles**
 - Operating expense constraint
 - Capital expense constraint
 - Total cost of ownership constraint
- **Objectives are opportunities**
 - Time more valuable than energy
 - Energy more valuable than time
- **Different designs may result**
- **Full economic view needed**
 - Facilities, platform, energy, time, ...

Know your constraints and objectives!



Obstacles

Basics of facilities and platforms

- **Facilities**

- Long lead time for approvals, design and build
- Once built, define operating envelope (MW)
- Must evolve with the computing demand
- Design and build process to expand capabilities requires years
- Upgrading power feed could take even more time and money

- **Commodity technology systems**

- Price/performance optimized, rapid deployment (weeks)
- Usually fit existing facilities

- **Advanced technology systems**

- Optimized for capability, push frontiers of computing, complex
- Long lead time allows for needed facility upgrades



Schedule as an obstacle

- **Insufficient lead time is a constraint on what can be done**
- **Example:**
 - Commodity technology system with energy efficient liquid cooling option
 - Contract to deployment: a couple of months
 - However, the facility preparation for liquid cooling requires plumbing
 - Procurement, design & build to modify the facility: many months
 - Outcome: energy efficient technology doesn't fit schedule, not deployed
- **Suggestion:**
 - Simplify and shorten site preparation for energy efficient platforms
 - Pre-fabricated site preparation kits may help rapid deployments
- **Beware of local regulatory requirements**
 - Longer path may be required by your organization
 - Work to make shorter path acceptable



Budget as an obstacle

- **Site preparation requires money**
- **Example:**
 - Site has air cooling, but preparing for liquid cooling requires too much money
 - Outcome: energy efficient technology doesn't fit budget, not deployed
- **Suggestion:**
 - Seek cost effective site preparation for energy efficient platforms
 - Justify facility upgrades on the basis of capability amortized over time
 - Pre-fabricated site preparation kits may help reduce costs
- **Beware of local regulatory requirements**
 - Costlier path may be required by your organization
 - Work to make reduced cost path acceptable



Accounting as an obstacle

- **Accounting rules force sub-optimal solutions**
 - “Color of money” constraints
- **Example:**
 - Overall budget split into CapEx and OpEx
 - Separate funding streams force separate optimizations
 - Energy efficient option adds to CapEx, reduces OpEx
 - CapEx optimization can’t recover OpEx savings (different color of money)
 - Outcome: energy efficient option not chosen
- **Suggestion:**
 - Request specific top-level guidance that *best value in the TCO sense* is the goal
 - Find accounting mechanism to recover OpEx savings



Economics of energy efficiency as an obstacle

- **Energy efficiency may increase net costs**
- **Example:**
 - Energy efficient option increases platform cost 5% of CapEx
 - Site preparation for energy efficient platform adds another 5% of CapEx
 - Overall extra cost is 10% of CapEx
 - Lifetime OpEx savings are 25% of OpEx
 - However, lifetime OpEx is only 24% of CapEx, so savings are only 6% of CapEx
 - Overall: Energy efficiency increases TCO by 4% of CapEx
 - Outcome: Energy efficient option not chosen
- **Suggestion:**
 - Carefully consider bottom line impacts
 - Analysis should not miss other costs and benefits, such as performance or reliability
 - Be aware of trends, such as OpEx growing in relative importance



Opportunities

Costs of time and energy

- **Combined cost of time and energy as objective**
- **Example:**
 - Time is money: time on the computer, time in the facility, people's time, lost time
 - Energy is money, defined by complex legal language of the energy contract
 - Total cost is the sum of the two
 - Objective: Minimize total cost within schedule, budget, and physical constraints
- **Note:**
 - Time to solution may be strongly constrained by deadlines
- **Suggestion:**
 - Saving energy costs without increasing time to solution is preferable
 - Carefully analyze how your institution values time vs. energy costs

Performance maximization objective

- HPC is bought for High Performance Computing
- **Example:**
 - In many cases, time is much more valuable than energy
 - Saving energy isn't seen as a worthy objective
 - Maximizing performance is valued
- **However:**
 - Maximizing performance without energy efficiency requires more power & cooling
 - Existing facilities limit power & cooling
 - Provisioning more is expensive: new power feeds, new cooling, new facility, time
- **Suggestion:**
 - Energy efficiency maximizes performance within the existing operating envelope
 - This argument aligns with institutional objectives even if energy is free
 - Motivate energy efficiency by performance improvements within physical constraints
 - This argument can also justify system replacements with new, more efficient ones

Expanding operational envelope

- **Advancing frontiers of computing requires investments**

- **Example:**

- Advanced technology system requires more power & cooling
- Liquid cooling is also driven by high power densities
- Power & cooling facility upgrades may cost >20% of platform
- Forced by advanced technology requirements
 - Liquid cooling is a *must*
- Facility investments are amortized over several platforms

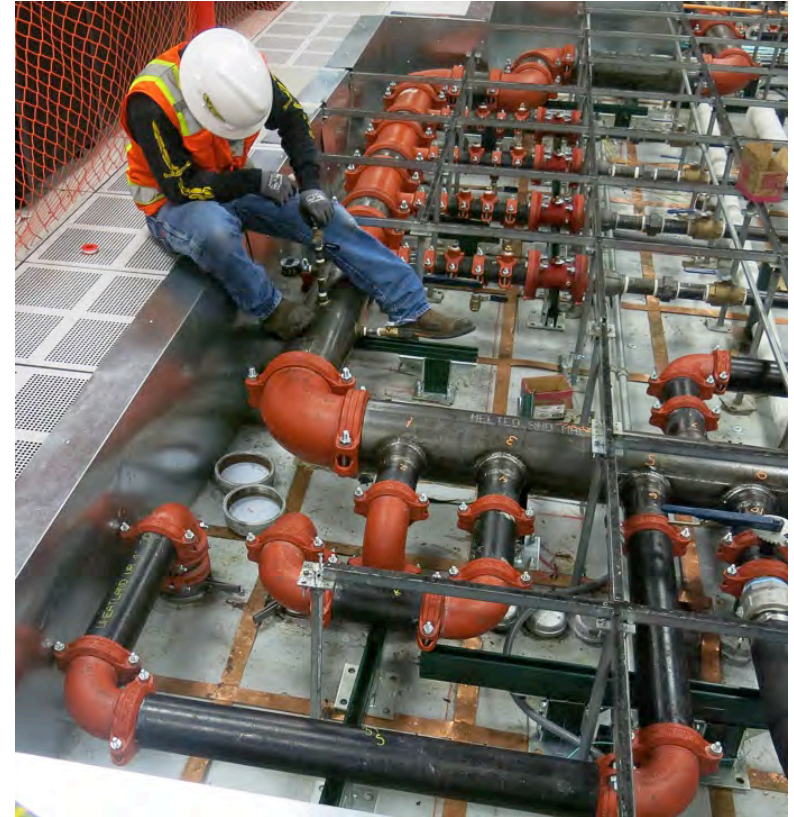


- **Beyond upgrades of a facility:**

- Even larger investments in power feed to the facility and electricity generation
- Expanding operational envelope further encounters increasing costs
- Costs eventually limit expansion
- Energy efficiency improvements deliver more performance without further expansion

New life for old facilities

- **27-year old facility**
- **Existing air cooling**
 - With structural airflow constraints
- **Liquid cooling option is costly**
 - Site preparation cost ~10 % of platform
 - Platform LC option cost ~5%
- **Rationale for choosing LC**
 - *Deliver 250% computing in old facility*
 - Path for future platforms
 - Expectation of more robust performance and improved reliability due to cooler CPUs
- **Bottom line: No choice**
 - Air cooling could not deliver capability



Global IT Limited by Energy

Global IT poised to consume global electricity supply

- **World's information processing demand grows exponentially**
 - HPC is just a small portion
 - Personal devices, networks, data centers, other communications need power
 - Exponential capability growth demands energy
- **Energy efficient technologies are the key**
 - The entire IT industry is strongly driven by this objective
 - Energy efficient packaging (e.g. power delivery, power conversion, etc)
 - Energy efficient controls, at all levels (circuit to data center)
 - Energy efficient cooling (liquid, air)
- **Energy efficiency requires economic justification at every turn**
 - Decisions are made on the basis of bottom line impacts
 - Make your case by identifying specific benefits to your institution

Rebooting the IT Revolution: A Call to Action, SIA and SRC report, Sep. 2015

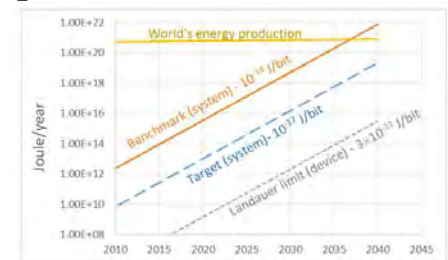


Fig. A8. Total energy of computing.

Energy efficiency is the key to more performance

- Energy efficiency isn't an end in itself
- Energy efficiency must be justified economically
- In HPC, saving time is usually more valuable than saving energy
- However, operating envelope constraints are critical
- Energy efficiency can be economically superior to expansion of the operating envelope
- This observation applies to individual institutions as well as globally

Maximizing performance under constraints requires energy efficiency