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Companies commit to major energy savings

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Vermont's largest energy consumers have accepted a challenge from the state's energy efficiency utility, making a voluntary commitment to cut their energy use by 7.5 percent over the next two years.

Sixty of the top 300 energy consumers in the state, including hospitals and colleges, are participating in Efficiency Vermont's Energy Leadership Challenge to voluntarily reduce energy usage.

Jim Merriam, the head of Efficiency Vermont, said the goal is not only reducing energy consumption but also to adopt long-term planning that will lead to additional reductions.

Efficiency Vermont, a regulated utility, is providing both technical and financial assistance to help companies and institutions achieve their energy-reduction goals by June 2013.

Merriam said the program has the potential to save more than 28 million kilowatt hours of energy.

"This would be running at about twice the rate of savings that they normally would," Merriam said, "so it's a significant step up on both sides in terms of the service we need to provide and in terms of their commitment to reach a certain level of savings."

He said a 7.5 percent reduction requires participants to go beyond the "low-hanging fruit" of energy savings and take major steps to increase efficiencies.

Efficiency Vermont cites a Department of Public Service report that shows that each dollar spent on energy efficiency translates into nearly \$5 in savings.

Green Mountain College joined the Efficiency Vermont challenge as a way to further capitalize on its existing program – one that includes a \$4.8 million biomass co-generation plant that went online last year.

The Poultney college is continuously interested in reducing its energy usage and costs, especially on a campus with older buildings, said Green Mountain College spokesman Kevin Coburn.

"We're an environmental liberal arts college and we feel as though we need to walk the walk in our campus operations as well as in our curriculum," Coburn said.

With the biomass plant, which also produces electricity, the college hopes to drastically cut its reliance on heating oil from 230,000 gallons a year to 40,000 gallons, Coburn said.

As Green Mountain Power's 10th largest customer, and as a major user of propane, Green Mountain Coffee Roasters has plenty of incentive to not only reduce its electric bill but also its overall energy consumption.

But Paul Comey, the Waterbury company's vice president of environmental innovation, said participating in the challenge goes beyond installing more energy-efficient lighting, machines and making other improvements.

"What we're really hoping to do is work with the employees to really understand their energy footprint at home as well," Comey said.

Mack Molding is forecasting an uptick in business at its three injection molding plants in Vermont and that will translate into higher energy use and cost.

Marc Colety, Mack's director of procurement, said the Arlington company's plan is to hire a consultant from the United Kingdom to perform a full-scale energy audit at the three facilities.

"From that our intent is to build a business plan to reach that reduction over the period of the challenge," Colety said. "So at this point we don't necessarily know what that's going to be."

Over the years, Mack has installed energy-efficient lighting, upgraded older injection molding presses, and replaced hydraulic technology with electric machines.

Colety said electric machines, while more expensive "uses 50 to 75 percent less electricity" than hydraulic machines.

In the cleanup following Tropical Storm Irene, Mack took the opportunity to "button up" its Cavendish plant, installing double pane windows, insulated doors and additional insulation in parts of the facility.

With an electric bill alone that averages \$140,000 a month, Colety said reducing energy usage is a critical factor to remain competitive. "Most of the states ... have far less energy costs per kilowatt hour than we do in the Northeast," he said.

Merriam said Efficiency Vermont will provide both technical and financial assistance to energy users to reduce consumption, including more energy-efficient equipment, heating and ventilation systems, lighting and investing in making buildings more energy efficient.

In terms of financial assistance, Efficiency Vermont helps pay for improvements based on a formula.

"So, basically we buy electrical savings is what we do and by buying it in that respect

taking demand off the grid is similar to putting generation on the grid so to speak," Merriam said.

For Efficiency Vermont, the cost to pay for those energy improvements is 4.4 cents a kilowatt hour, which represents a significant savings over the blended power rate in Vermont of 14 cents per kilowatt hour.

Efficiency Vermont will also pay up to 75 percent for energy audits.

With energy a significant cost of doing business, Merriam said reducing those costs can help Vermont companies remain competitive in the global marketplace.

Efficiency Vermont is funded through a surcharge on residential, commercial and industrial power customers in the state. Three entities exempt from Efficiency Vermont's program are the Burlington Electric Department, IBM and Omya Inc., which operate their own energy-efficiency programs.

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