

15 Year Pursuit of Sustainable Manufacturing
The Eco-Economic Opportunities and Advantages

Energy Summit 2014

Niagara Falls, On.

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HARBEC, Inc.

HARBEC Energy Management Strategy

- * **Combined Heat and Power (CHP)**= reduced energy cost through efficiency (by using the other 65% to 75%)
- * **Renewable on sight generation** = fixed energy cost for 25 years (no constantly escalating fuel cost)
- * **Green power from utility** = free energy storage, low cost energy insurance, cost effective renewable energy credits

Why Bother?

Energy in our type of manufacturing = 4 to 6% cost of doing business

Eco-Economic Opportunities Moving in a Sustainable Direction

- * – **“Being Green is nice but we can’t afford it”**
...Disproving a common misconception through
eco-economic examples
- * – **Is Carbon Responsibility in the U.S.
Manufacturer’s future...with or without the
Government... ISO 50001/SEP**
- * – The most important part of Corporate Social
Responsibility (CSR) is the “Corporation”



By 2013

Why ISO 50001/SEP ?

Requires third party audit/validation



By 2013

- * “European Commodities market predicts that carbon will be the largest traded commodity by 2020”
- * “Asia claims they will beat Europe to carbon economy”
- * **Walmart Sustainability Index...** by 2015

HARBEC marketing strategy is to provide **carbon neutral** precision, metal and plastic components parts at no additional cost

\$10k vs. \$60k to purchase carbon offsets

What a Difference Fifteen Years Makes

Problems initially...

- * 1998–2000 Problem solving, concept developing, engineering search,....**Bank Rejections (wrong reasons... no models)**

Opportunities eventually...

- * 2000–2001 Banked and Built CHP/Wind hybrid... but alas, no wind
- * 2002/3 250 kW wind turbine installed
- * 2007 Lighting upgrade
- * 2008 CHP project – paid off
- * 2009 Barrel insulation installed
- * 2010 Wind turbine project – paid off
- * 2012/13 850 kW Wind Turbine installed
- * 2013/14 CHP Upgrade Project
- * 2014 LED Lighting Upgrade Project

Future Opportunities...2015...2016...Biofuels to Blueflame...500kW
Solar...Rankine Cycle...WISP...

also...Energy Saving Manufacturing Alternatives, Processes and Sustainable Bio-origin Materials

Energy – CHP = Electricity and HVAC

Combined Heat and Power (CHP)

- * 25 CNG fueled 30kW Microturbine Generators
- * 750 kW max potential provides:
 - * 500 kW for HARBEC's max electric load requirement
 - * 250 kW redundancy for back-up and maintenance

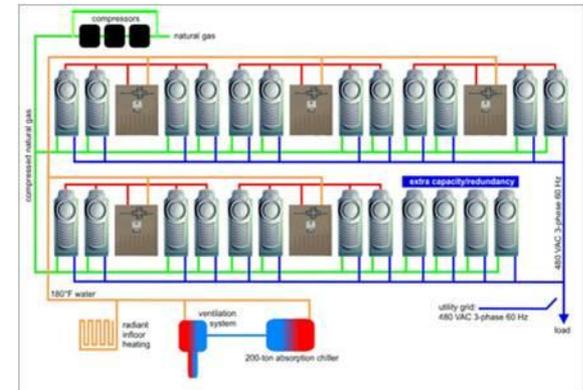


Thermal Advantages

Heating and A/C almost energy (fuel) free

No Magic

We just use the 65 - 75% that Utilities throw away



By using the thermal energy from exhaust, we heat and air condition 9000 sq.ft. molding area with 25 injection molding machines and a 17,000 sq.ft. manufacturing/warehouse space

\$\$\$ 7 Year ROI paid for with energy dollars not spent \$\$\$



Energy – CHP – Upgrade in progress

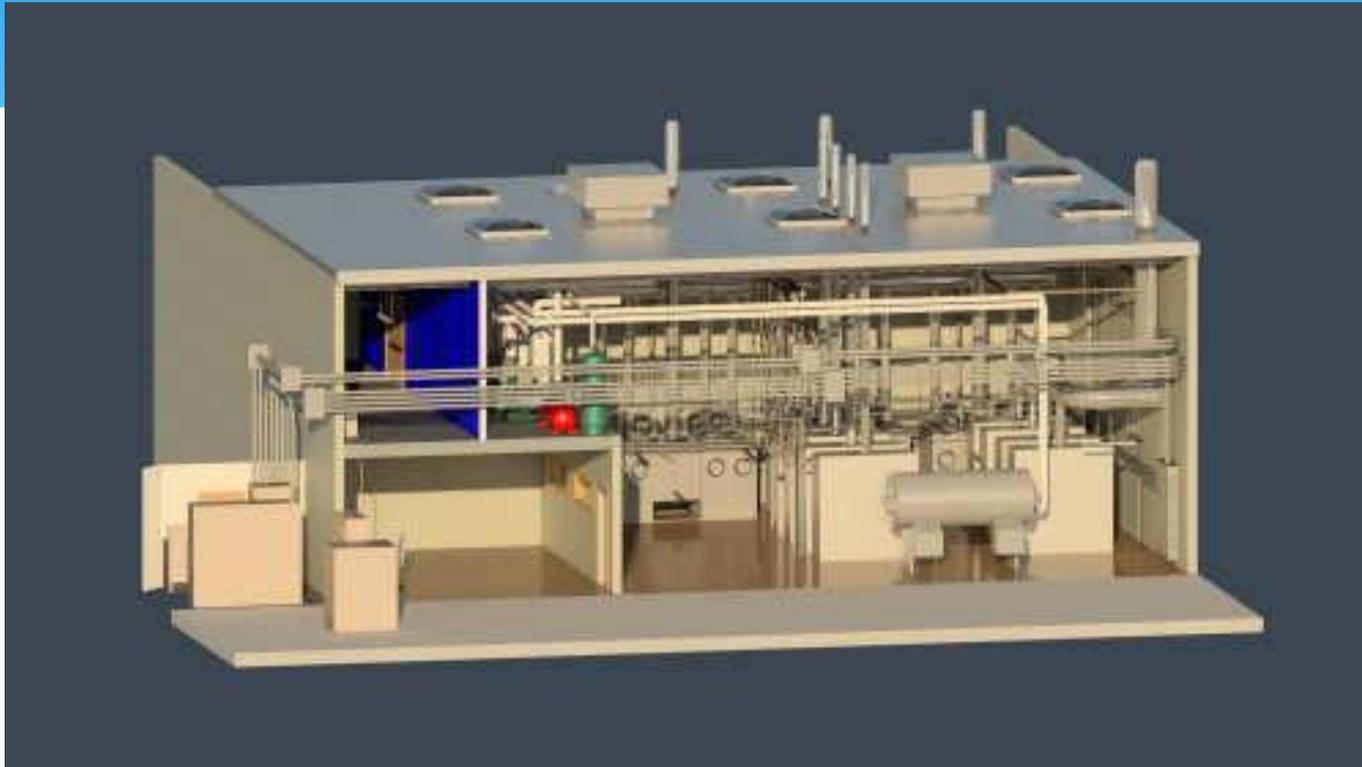
Combined Heat and Power (CHP)

- * 10- CNG fueled 30kW Microturbine Generators –Refurb
- * 8- 65kW Microturbine Generators = 520 kW
- * Increase to 820 kW max potential provides:
 - * 500 kW for HARBEC's max electric load requirement
 - * 320 kW redundancy for WISP and maintenance

By using the thermal energy from exhaust, we heat and air condition 9000 sq.ft. molding area with 25 injection molding machines and a 17,000 sq.ft. manufacturing/warehouse space and soon 14,000 sq.ft. of shop and office.



CHP Upgrade - 2014



Capstone C30 times x10
Refurbished

Plus...

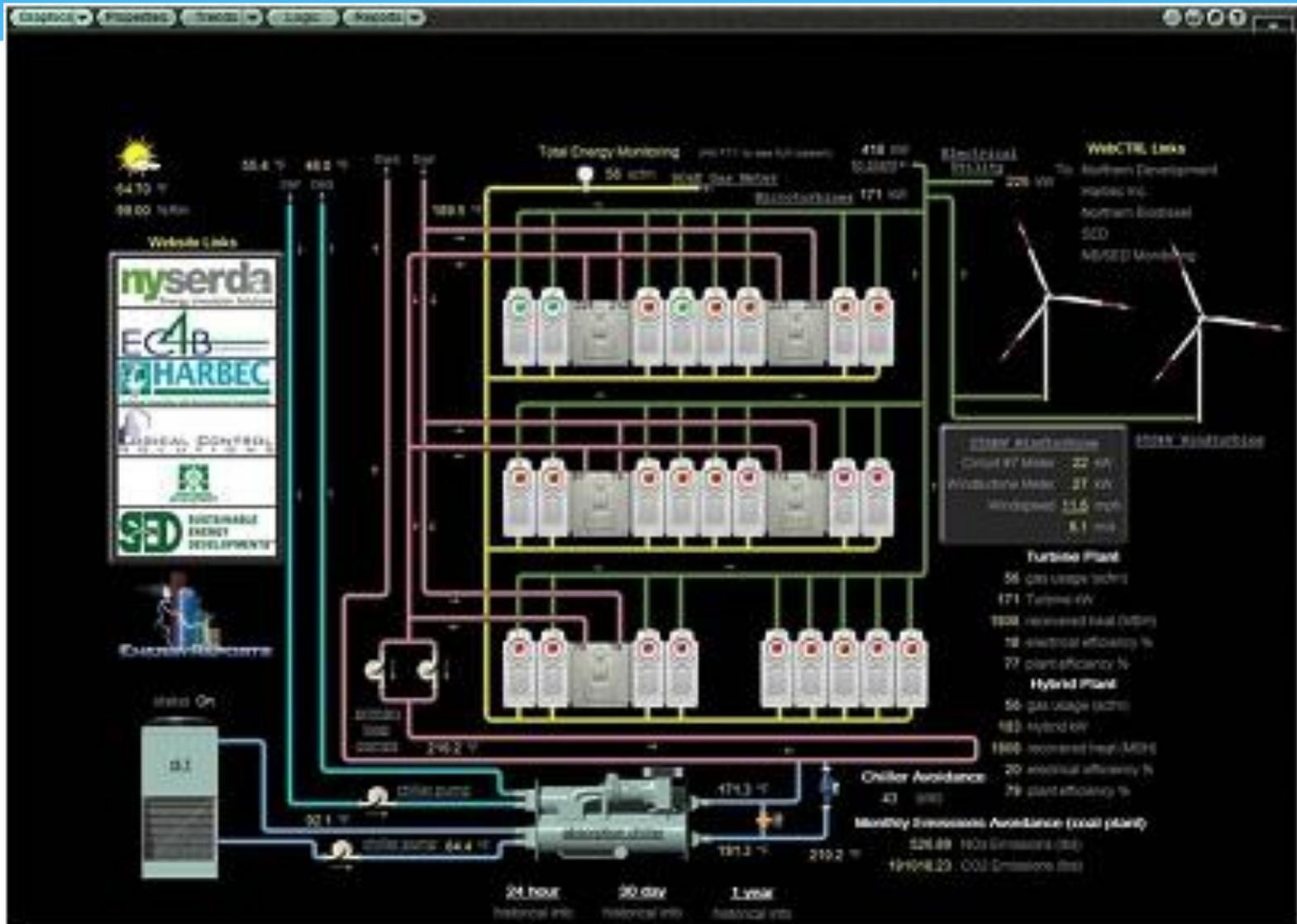
Capstone C65 times x8
New

- * Improved performance
- * Improved efficiency
- * Additional CHP plant capacity... 750 kW to 820 kW



The HARBEC CHP Project

www.northerndevelopment.com

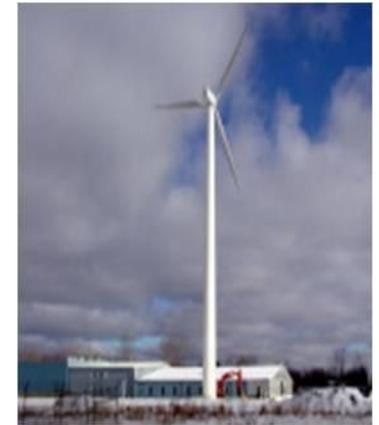


Energy – Renewable Wind Electricity – I

- * Installation of **250 kW** wind generator to accomplish wind/microturbine hybrid
- * Slightly better than **Class 3** wind site
- * Projected energy production is **300,000 kWh** +/- 10% per year, or about 10 to 15 % of the total HARBEC annual energy requirements.

- * Displaces retail value electricity, which is \$.15 per kWh
- * Electric savings provides >\$45,000/year revenue stream
- * **8-10 year ROI on \$400k project originally**
- * ROI is shortened as electric costs rise

- * **Allows us to predict 10% of our energy costs 20 to 25 years into the future \$\$\$\$\$**



Energy – Renewable Wind Electricity– II

- * Installation of **850 kW** wind generator to accomplish wind/microturbine hybrid
- * Slightly better than **Class 3** wind site
- * Projected energy production is **1,500,000 kWh** +/- 10% per year, or about 50% of the total HARBEC annual energy requirements.
- * 300k- kWh + 1.5MM kWh = 1,800,000 kWh

- * **6 - 7 year ROI on \$2.1M project originally**
- * ROI is shortened as electric costs rise

Allows us to predict ~ 50% of our energy costs 20 to 25 years into the future \$\$\$\$

Total energy from Renewable is ~ 60%



Transportation – Green Fleet

- * **100% of Company Vehicles are considered ‘Green’ due to alternative fuels or efficiency:**

- * 1 Chevy Volt electric plug-in hybrid
- * 2 Toyota Prius Hybrid Electric/Gas cars
- * 1 Biodiesel delivery Sprinter window van
- * 1 Bio-diesel fueled International diesel/electric hybrid delivery truck

\$\$\$ Improved efficiency reduces consumption, saves money on fuel

\$\$\$ Reduced maintenance costs due to cleaner more efficient operation



Building Design – LEED

Leadership in Energy and Environmental Design
U.S. Green Building Council

- * **Daylight Gathering:** using natural light resources to replace electric lighting during daylight hours
- * **In-floor Radiant Heating:** Using hot water for the most efficient space heating method
- * **Double Insulated walls and roof (R-value = 2X code reqs)** Silicone sealed, self supporting wall panels to minimize heat and cooling loss



\$\$\$\$ By designing facility for sustainability, the energy consumption is reduced. \$\$\$\$

Lighting Systems Upgrade – 2007

High efficiency: fixtures, ballasts, and sensors

Complete lighting upgrade was installed the end of 2007

- * Replaced every fixture and ballast plus high bay sodium with new T-8 type fluorescent bulbs and reflectors
 - * **Total cost \$65,000**
- * Quality of light was improved by using fuller spectrum bulbs
- * Lighting energy consumed was decreased by 48% on average company wide
- * Bulbs have longer life which reduces replacement cost
 - * Total **annual** electric savings \$38,000...+...+
 - * NYSERDA Grant \$16,000
 - * Direct Federal Tax credit \$8,000
 - * Contractor secured financing package



\$\$\$ ROI 1.5 years \$\$\$

Lighting Systems Upgrade – 2014

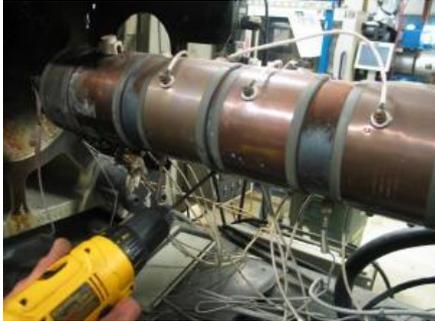
LED – Direct Replacement / Ballast Compatible Bulbs

- * New LED tubes that are magnetic or electronic ballast compatible means:
 - * No rewiring of fixtures
 - * No fixture replacement cost
 - * 50k hour bulb life
 - * 45% Lighting energy reduction (from 32w to 18w)
- * Complete Facility 880 bulb replacement project:
 - * \$24,000 total cost
 - * 50% NYSERDA - IEP grant = \$12k
 - * Lease option for no upfront cost
 - * < One year payback w/grant... < Two year payback no grant
 - * **\$22k annual savings**

HARBEC Manufacturing Equipment Modifications

Molding Machine Barrel Heater Insulation Project:

- Replace heater bands and install insulation covers
- Install metal cover to contain and protect insulation



- * Reduced electrical consumption of molding machines by 40% per year (324,000kWH) due to increased efficiency of barrel heaters so reduces energy costs by \$44,000.
- * Containing heat reduces amount of excess heat in room which lowers the load on the A/C system by 12 Tons per hour. (or ~12 kWh per hour of operation)
- * Exploring screw designs for additional energy efficiency potentials
- * Reduction of electricity consumption reduces amount of Green House Gases by 243 tons of CO₂. (324k kWh x 1.5)
- * Significant GHG reduction including NO_x and Sox
- * Reduction of demand on A/C system energy saving
- * Amount of non-renewable limited resources being consumed is reduced significantly.

Industrial Efficiencies

Eco-Economic equipment and systems purchase decisions

- * Over seven year time span, replaced all standard hydraulic type equipment with **all-electric** injection molding machines

- * Electric machines do not use power when they are in static state, which is a significant portion of the time.

- * Capable of doing the same or better job than the hydraulic machine, using as much as **50% less energy**

- * Use of exhaust heat for absorption A/C means reduction of moisture in plant air which reduces the need for use of electric material dryers by as much as **75%**

- * Use of inverter drives and soft starts on all motors 10 hp. and greater saves energy due to more efficient motor starting



More Industrial Efficiencies

Eco-Economic Equipment and Systems Purchasing Decisions

- * Replacing standard screw-type air compressor with variable speed unit greatly increases efficiency and reliability.
- * **\$\$\$\$ Reduced electrical consumption** due to increased efficiency, lowers energy costs. (<3 yr. payback)
- * Maintenance requirements and costs are reduced due to lower operating stress and temperatures. **\$\$\$\$**



Eco-economic conclusions about \$ustainable Manufacturing Opportunities

- * **Control operating costs**
 - * **Improve competitive pricing**
 - * **Insure power reliability ~ No Blackouts**
 - * **Provide fixed energy costs decades into the future**
- * **Improved operating efficiency through thermal utilization**

Eco-Economic Results of Cumulative Energy Efficiency Measures

- * From 2005 to 2008, each year **HARBEC** increased sales and profits

...YET...

- * EPA Green Power Partnership Yearly Report:
 - * 2005 total electric consumed= 3,627,000 kWh
 - * 2008 total electric consumed= 2,402,000 kWh
 - * Reduction of total electricity = 1,225,000 kWh
 - * Electric consumption reduced by 35%
 - * @ .145/ kWh = \$177,625
 - * 1.5 lb/kWh = 1,837,500 lb. = 919 tons GHG



Lesson Learned: If you want to make an environmental impact, and save money, use energy efficiency!

Another Way to Look at the opportunity for positive impact to bottom line...

- * Energy = 5% cost of doing business for manufacturing
- * **Example Company** is \$10MM sales ~ \$500K annual energy cost
- * 35% energy cost reduction = \$175k/year to bottom line
-
- * If (5% to 10% is average profit) = \$700k
- * \$175k is 30% of \$700k
- * Would require (30%) ~\$2MM to \$3MM additional sales for equal impact on overall annual profitability
-
- * **Would a normal manufacturing company pursue an opportunity to increase sales by 30% ??**

ROI

Good business practice demands ROI be limited to...



ENERGY PROJECT ROI

If the dollars you use to pay for an energy project come from the **Energy Bill (tax bill) Pocket** you had to spend them anyway...

If you choose to buy an **asset** that generates an electron with the same dollars, at the end of the payments you have a continuing Revenue potential instead of **spent electrons**.

What's next... 2014... 2015... 2020..?

500 kW Solar Farm

3 Acre area prepared under
wind turbine II



RENEWABLE ENERGY FOR GAS TURBINES

Cleanest use of Renewable Fuels

- Fuel Flexibility with Lowest Emissions Possible
- Carbon Neutral (“net” zero)
- Generate Carbon Credits
- Generate Renewable Energy Credits
- Over 1000 hours and 14 fuels
- 2012/13



LPP working pre-production prototype = 1k hours ++



The Dream of Rankine Cycle... becomes a reality at *HARBEC*



Thanks to the invention of:

Ener-G-Rotors, Inc.

Converting Low Temperature Heat to Electricity

112 Erie Blvd.

Schenectady, NY 12305

518-372-2608



- * 2 Turbine @ 24 kW each
- * Water set point @ 225 F
- * Hot water flow=62 GPM @ 218 to 227 F
- * Cold water flow= 25 GPM @ 67 to 88 F
- * Exhaust gas temp to stack = 223 F (vs. 350)
- * Ran successfully for 6 months demo period

Produced 5 kW electric power

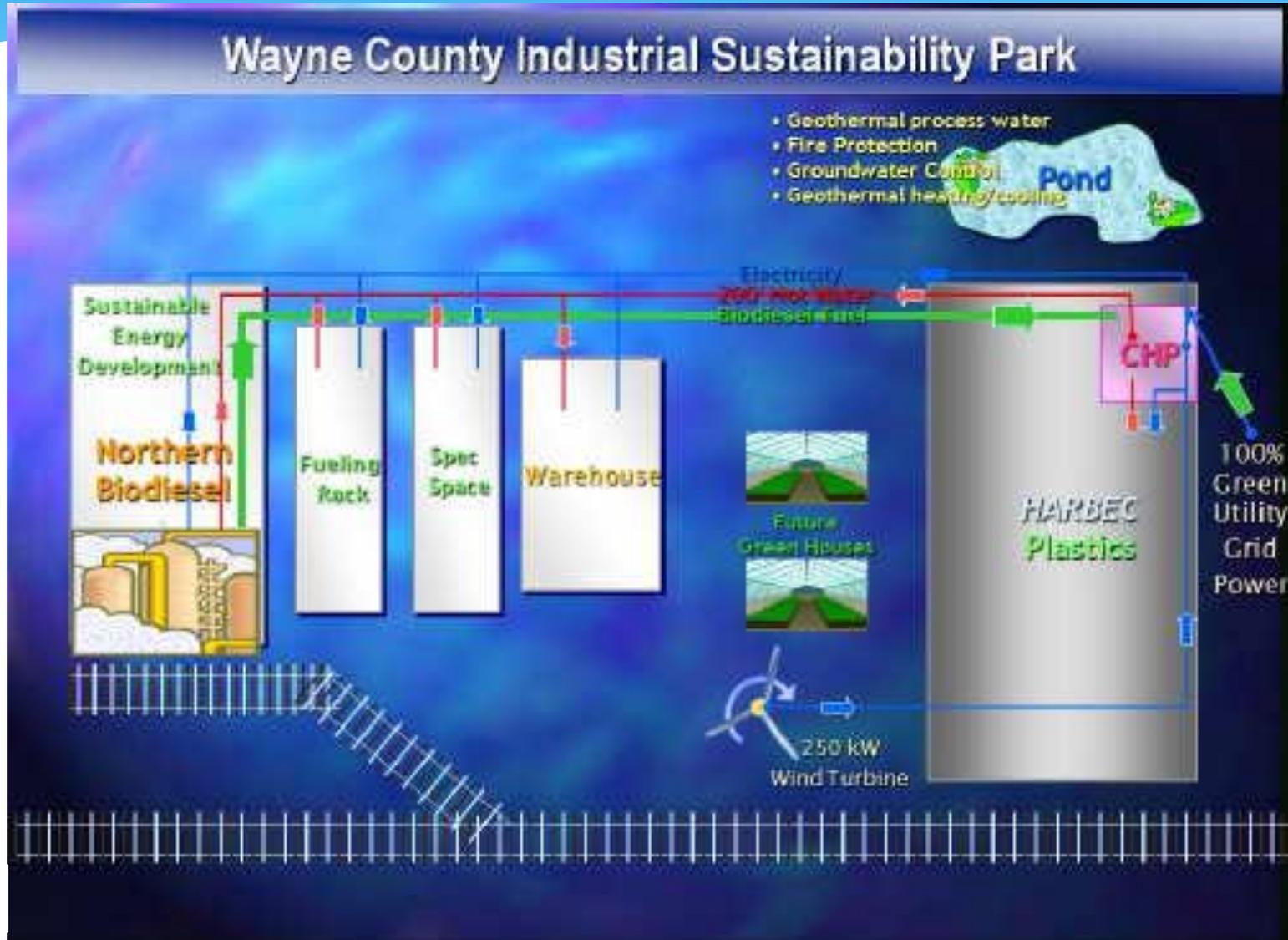
in **2013** tested new 30 kW unit

Ran for over 500 hours

Produced up to 19 kW (due to less available hot water)

Beyond HARBEC...

What will we do with all this energy?

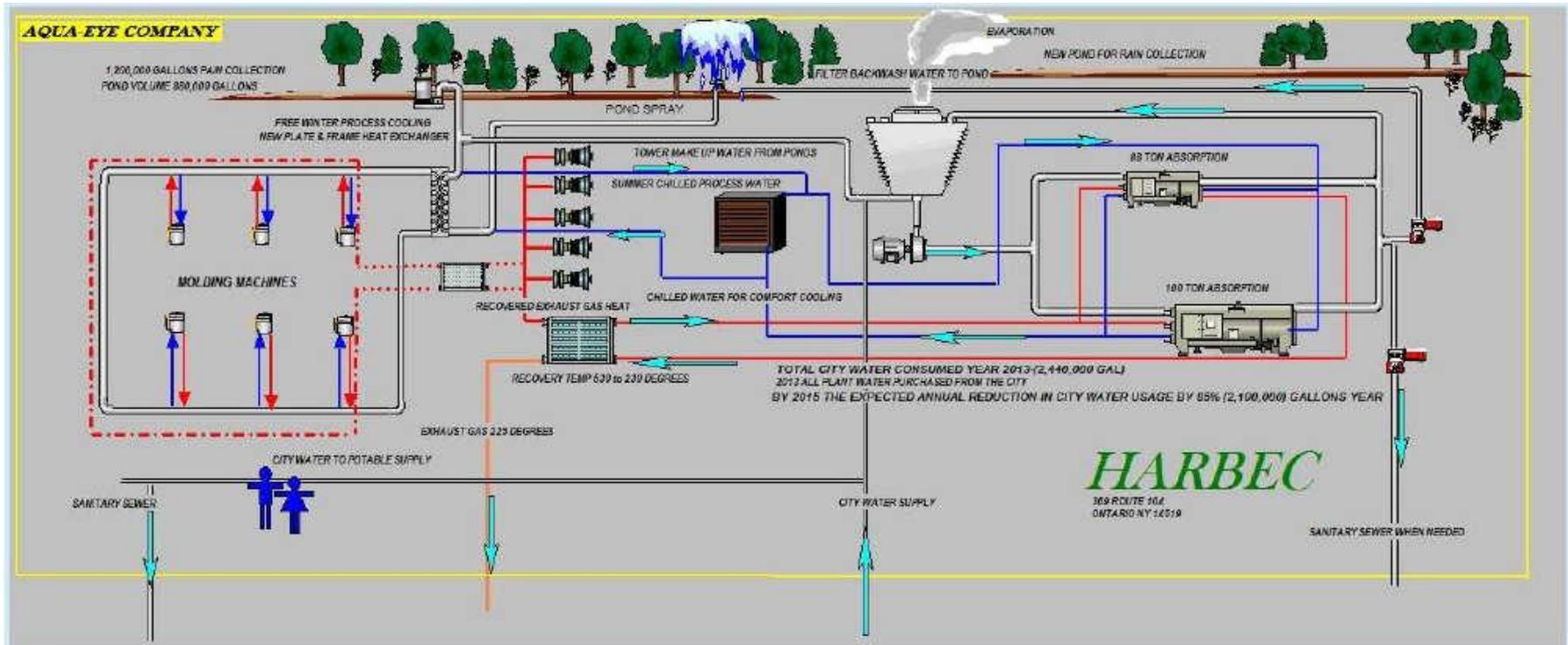
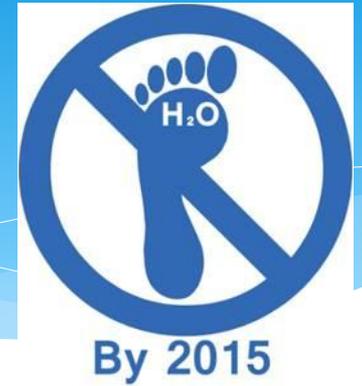


HARBEC Alternative Water Management



Water Neutral by 2015

HARBEC Sustainable Water Management



Sustainable Polymer Alternatives

Bio-origin vs. Bio-degradable

The screenshot shows the HARBEC website's "BIOPOLYMER INFORMATION CENTER". The header includes the HARBEC logo with the tagline "Technical Innovation with Environmental Responsibility" and a navigation menu with links for HOME, ABOUT US, INSIDE HARBEC, CAPABILITIES, YOUR FOCUS, and SUSTAINABILITY. A search bar is also present. The main content area features a paragraph about plastic recycling and biopolymers, followed by three links: "What is Bioplastic? Terms and Definitions", "Types of Bioplastic", and "Bioplastics In Our Repertoire", each with a "READ" button. On the right, there is a "DID YOU KNOW?" section with an image of blue bioplastic granules, a text box stating "You can contact us to request a specific resin.", and a "MORE >" link. A "CONTACT US" button is visible in the top right corner of the website header.

HARBEC
Technical Innovation with Environmental Responsibility

NEED HELP WITH ANYTHING?
CONTACT US →

Learn about >
our Sustainability

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Search HARBEC

BIOPOLYMER INFORMATION CENTER

Plastic, by its very nature, is recyclable. We regrind and reuse or resell our waste plastic so it doesn't ever see a landfill. There are new technologies that make plastic even more environmentally friendly called **biopolymers or bioplastics**. HARBEC is very interested in utilizing bioplastics for your next injection molding project. We are currently exploring various samples to understand the functionality and best applications for our customers needs.

We are always looking for new biomaterials to try, so if you have a material you would like to see injection molded, or if you are a manufacturer or supplier interested in how your material performs, please feel free to contact us. We would love to work with you!

What is Bioplastic? Terms and Definitions [READ](#)

Types of Bioplastic [READ](#)

Bioplastics In Our Repertoire [READ](#)

DID YOU KNOW?

You can contact us to request a specific resin.

[MORE >](#)

Xeriscaping / Sustainable Sweetness



HARBEC conviction to Eco-Economic Sustainable Manufacturing

At *HARBEC* we regard Eco-Economic Sustainability as absolutely critical to the future of our business, and we believe that our success in the pursuit of it, will improve our competitive advantage by insuring our efficiency.



A Carbon Neutral manufacturing company

Striving to be Water Neutral by 2015



ISO 50001/SEP Platinum, Nov. 2013

DOE Better Plants – Challenge, Jan. 2014



By 2013



By 2015

Thank You

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