

# Manufacturers Focus on Energy Savings at Capitol

By BETH GORCZYCA RYAN

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When Hurricane Katrina hit the Gulf Coast in 2005, the headlines mostly talked about the damage the storm inflicted on Louisiana, Mississippi and other southern states.

But many West Virginia manufacturers said the damaging effects of the storm's wind, waves and rain were felt this far north — not in the form of storm damage but in the form of higher natural gas and fuel prices.

Now they are asking lawmakers for help in preventing that type of pain again.

Manufacturers of all sizes converged on the state Capitol Jan. 23 as part of **Industries of the Future—West Virginia Day**. During the day, manufacturers talked with lawmakers about the challenges they face while doing business in West Virginia, as well as efforts each one is taking to run their businesses more efficiently.

And some of them reached out to lawmakers for help.

**Beri Fox**, president and CEO of the Paden City-based marble manufacturer **Marble King**, asked lawmakers to establish a reserve fund to help manufacturers, especially small ones, cope with rapidly fluctuating energy prices. She said the need for a reserve fund became especially evident in the months after Hurricane Katrina, when her company's energy costs more than quadrupled.

"I don't think people realize the effect Hurricane Katrina can have this far north, but for us it definitely had an effect," she said.

Prior to the storm, Marble King had a fixed rate for natural gas of \$6 per decatherm units, or Dth. After the storm, that rate shot up to \$28.70 per Dth. One decatherm equals 1 million British Thermal Units.

And considering Marble King uses about 3,000 Dth per month to make marbles and other glass products, a surge in energy costs makes a huge impact, Fox said.

She said she would like to see the state create an emergency rebate fund to help smaller manufacturers cope with skyrocketing prices. She said the fund could be created from excess severance tax revenues the state receives from natural gas companies when prices go up.

"This fund could prevent temporary or permanent layoffs," she said.

But that fund isn't the only step manufacturers would like to see the state take. Several manufacturers told lawmakers about efforts they either have undertaken or are considering to capture and recycle energy wasted in the manufacturing process.

**Arden Sims**, president and CEO of **Globe Metallurgical**, said his company's plant in Alloy has 215 full-time employees who produce silica metals that are used in all sorts of products from hairspray to soda. But making the metal is an energy-intensive process that requires an electric arc furnace.

"We use 132 megawatts of power. That's enough power to fuel 66,000 houses," he told lawmakers.

Sims said a majority of the plant's power comes from a hydro plant at Hawk's Nest. But he said during the dry season the hydro plant can't produce enough power to run the furnaces. That means the company has to buy its electricity from somewhere else.

But Sims said he is looking for another solution to find energy — and he's looking at his own plant. He said a lot of the fuel used at the plant ends up as hot

gas and steam that is released into the atmosphere. It's lost and wasted.

He said his goal is to have an energy recycling plant located on the Alloy plant's property or near it to take that wasted gas and steam and convert it back into energy. He said he's talking to a company that already has installed similar equipment at steel mills in Indiana.

The facility would cost \$45 million, but it could provide the plant with one-fourth of its energy needs, reduce the need for the plant to consume coal during the dry season and reduce pollution, he said.

But for the project to really work, Sims said the state **Public Service Commission** should step in and somehow either help fund the project or figure out a way to help pay off

some of the debt through energy savings.

"The Public Service Commission allows power companies to include the cost of their facilities into their rate base," he said, explaining that is a possible model for the energy-recycling facilities.

"If the state can share the risk of plants like ours, I believe many companies will do this," Sims said. "It will lower costs, preserve jobs and lessen the demand for coal."

**Carl Irwin**, IOF-WV coordinator, said he thinks energy recycling has a lot of potential for West Virginia manufacturers.


"I know we can think up (a solution)," he said. "The glass industry,

metal casting, steel-making and chemical industries all pay a ton for heat, and three-fourths of it ends up in the atmosphere. We have to come up with a strategy to reuse it."



## Thank You!

Bowles Rice salutes our partner, Bob Kiss, for distinguished leadership and service during his tenure as Speaker of the West Virginia House of Delegates. We welcome him back to the full-time practice of law, and express our deep appreciation for his public service over the past 18 years.

  
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