



Photo courtesy Cummins Inc.

The Power of Energy Efficiency Goals: A Discussion with Large U.S. Manufacturers

September 6, 2018

Agenda

- Welcome and introductions
- Key findings from recent Alliance for Industrial Efficiency report
- Roundtable discussion with three leading manufacturers and an investor
- Audience Q&A

Attendees can submit written questions through the GoToWebinar side panel.

A copy of these slides and a recording of the webinar will be circulated within the next day.



Speakers

➤ **Moderator:**

- Jennifer Kefer, Executive Director, Alliance for Industrial Efficiency

➤ **Panelists:**

- Alexandra Rekkas, Senior Research Associate, Alliance for Industrial Efficiency
- Steven Heim, Director of ESG Research, Boston Common Asset Management
- Peter Dahm, Director of Sustainability, Operations, and Natural Resources, Cargill
- Mark Dhennin, Director, Energy and Environment, Cummins
- Larry Fabina, Manager of Continuous Improvement, ArcelorMittal





ALLIANCE

FOR INDUSTRIAL EFFICIENCY

The Alliance for Industrial Efficiency is a growing coalition of business, labor, non-profit organizations, and educational institutions that educate the public and decision-makers and advocate for policies that increase U.S. manufacturing competitiveness through industrial energy efficiency, especially the use of Combined Heat and Power (CHP) and Waste Heat to Power (WHP).



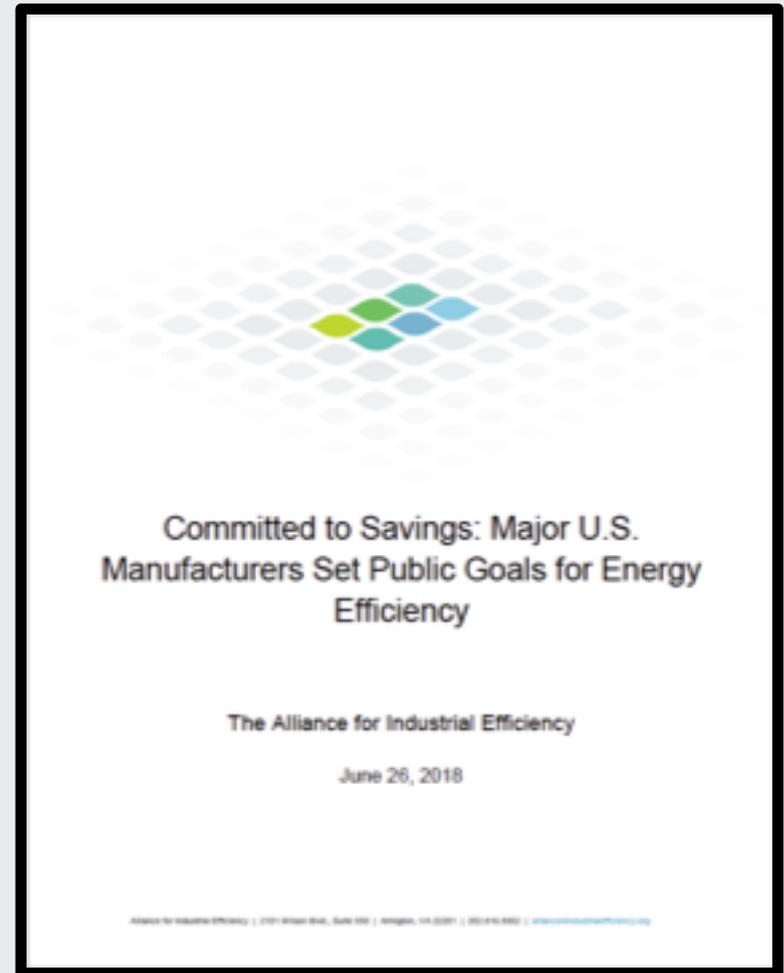
Ceres

Sustainability is the bottom line.

Ceres is a sustainability nonprofit organization working with the most influential investors and companies to build leadership and drive solutions throughout the economy. Through powerful networks and advocacy, Ceres tackles the world's biggest sustainability challenges, including climate change, water scarcity and pollution, and human rights abuses.

Key Findings

- Of the 160 large manufacturing companies reviewed:
 - 43% have set public targets to increase energy efficiency.
 - 79% have set public targets to reduce GHG emissions.
 - 96% of companies with energy efficiency targets also have GHG reduction targets.



Cummins: From Goals to Greatness

- ◆ Set first GHG and EE goals in 2006.
- ◆ Set EE goals in 2009 and 2015 (25% and 32% energy intensity reductions respectively)
- ◆ Resulted in formation of EE teams, EE training program for staff, dedicated internal funding program for new projects.
- ◆ >500 employees have been trained as energy management specialists.
- ◆ Since 2006, saved \$40-50 million per year on energy through EE.



“Our energy saving effort is one of the reasons we’ve done so well as a company.”

– **MARK DHENNIN**
DIRECTOR, ENERGY AND ENVIRONMENT



ArcelorMittal USA: Serious about Saving Energy

- ◆ Energy projects and conservation initiatives implemented since 2006 will reduce energy costs by approximately \$257 million/ year.
- ◆ Projects include variable speed drives, reduced blast furnace fuel rates, energy monitoring systems, LED lighting upgrades, and CHP.
- ◆ CHP installation at the East Chicago, IN facility.
- ◆ Relied on federal and state grants along with utility efficiency programs to help make energy projects become reality.
- ◆ An ENERGY STAR and Better Plants Program partner



“If you are going to survive in a very competitive industry, you need to control your costs, and energy is one of those costs you can control.”
– **LARRY FABINA**
MANAGER OF
CONTINUOUS
IMPROVEMENT



Cargill: 20+ Years of Setting & Achieving Energy Savings Goals

- Established first efficiency target in 1999.
- Since achieved a 16% reduction in energy use, saving \$100 million per year.
- Began bringing CHP projects online.
- In February 2018, set a science-based target of reducing absolute GHG emissions by 10% by 2025 (2017 baseline) – equivalent to taking 270,000 cars off the road.



“The benefits of setting public targets are numerous. They help align and motivate the entire organization, provide focus and drive innovation.”

– **PETER DAHM**
SUSTAINABILITY DIRECTOR,
OPERATIONS AND NATURAL
RESOURCES



Boston Common Asset Management: Investing in Energy Efficiency and Active Global Investor

- Long-term focus, integrated ESG global asset management firm with A+ rating by Principles for Responsible Investment*, invests in US, International, and Global equities
- Energy efficiency is a key investment theme and basis for its Eco Efficiency initiative, pushing companies to smartly cut energy and water use and eliminate wastes
- Active in Ceres Investor Network, encourages companies to adopt public targets and goals for energy efficiency and renewable energy



“Improved resource productivity boosts profits, can reduce investment risks and is the most cost effective climate solution.”

– **STEVEN HEIM**
MANAGING DIRECTOR, AND
DIRECTOR OF
ENVIRONMENTAL, SOCIAL, &
GOVERNANCE (ESG)
RESEARCH

The information in this document should not be considered a recommendation to buy or sell any security.

Past performance does not guarantee future results. *https://annualreport.unpri.org/docs/PRI_AR-2017.pdf



Roundtable Discussion



Jennifer Kefer



Alexandra Rekkas



Larry Fabina



Mark Dhennin



Peter Dahm



Steven Heim





Combined heat and power system at ArcelorMittal's Indiana Harbor steelmaking facility in east Chicago





Photo courtesy Cargill, Inc.

Cargill operates the most energy independent meat processing plant in North America—the High River beef plant in Alberta, Canada—which uses a fluidized CHP system to turn waste fuel into steam and electricity.



ArcelorMittal

The Power of 1!

Be an ArcelorMittal Energy Champion

Bill Kilpatrick is part of a team at ArcelorMittal Burns Harbor that has worked to expand the use of variable frequency drives (VFDs), saving more than \$1.5 million per year in the process. Where applicable, VFDs decrease the speed of a motor, which saves energy and maintenance costs. Improved VFD utilization is one of our best practices and is saving ArcelorMittal millions of dollars in energy costs each year. One person or one team can make a difference. That's the power of 1!

ArcelorMittal's Global Chief Technology Office supports this initiative. Send your energy-saving ideas to USA1@arcelormittal.com

This is us

ArcelorMittal's Power of 1 campaign encourages employees to take pride in energy saving efforts

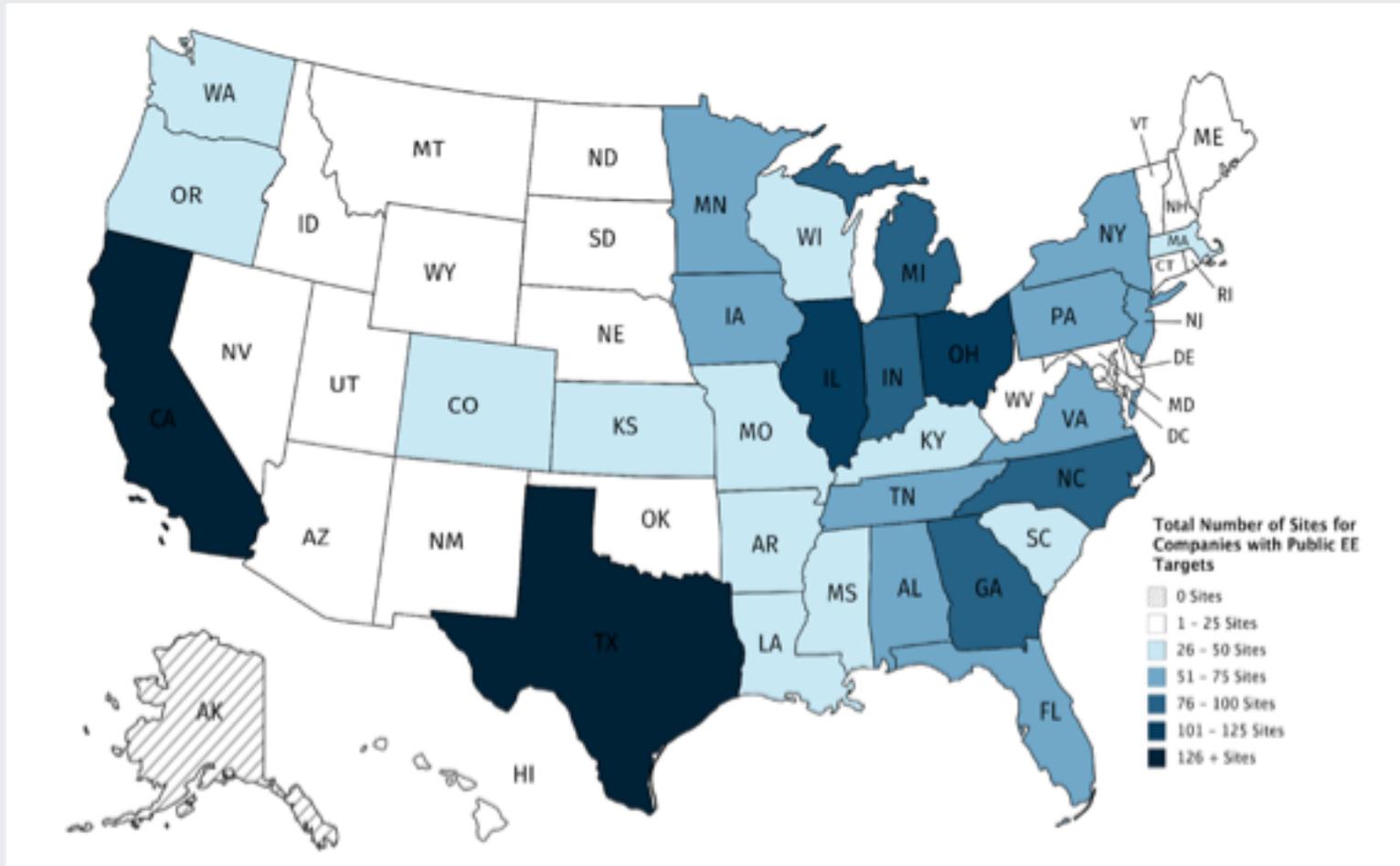




Visitors to the Cummins plant in Jamestown check out its new LED lighting.



Manufacturing Companies with Efficiency Targets



Upcoming Webinar

Get Ready for U.S. DOE's 50001 Ready Program
Thursday Sept. 13 – 1:00 PM EDT/ 10:00 PT

Moderator:

Dan Seligman, Ceres

Panelists:

Jay Wrobel, U.S. Department of Energy

Rishabh Bahel, ArcelorMittal

Patrick Doherty, New York State Comptroller's Office

Register

<http://bit.ly/registerAIE>





ALLIANCE

FOR INDUSTRIAL EFFICIENCY

Send any additional questions to alexandra@dgardiner.com

Thanks to our panelists:

Peter Dahm, Cargill

Mark Dhennin, Cummins

Larry Fabina, ArcelorMittal

Steven Heim, Boston Common Asset Management

Jennifer Kefer, Alliance for Industrial Efficiency

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