



July 25, 2017

Judith C. Whitney  
Clerk of the Commission  
112 State Street  
Montpelier, Vermont 05620-2701  
(802) 828-2358

Dear Commissioners Roisman, Cheney, and Hofmann:

As a significant employer in Vermont, and one of the State's largest manufacturers, I would like to share my perspective regarding the relevance of Efficiency Vermont in today's marketplace, and more importantly, ask for the elimination of the Energy Efficiency charge currently levied on businesses like GW Plastics.

GW Plastics is a leading global contract manufacturer to the healthcare, automotive, and consumer industries. We have been in Vermont since 1955. Our customers consist of multinational market leaders such as Johnson and Johnson, Philips Healthcare and Robert Bosch to name a few. GW's World Headquarters is located in Bethel, Vermont and we operate from an additional and recently expanded, advanced manufacturing facility in Royalton, as well as, five other locations including Texas, Arizona, Asia, Latin America, and Europe. Despite having no customers in Vermont, we employ over 425 people in the State and 1,200 associates company-wide. We have grown our global workforce almost tenfold since our locally-based, leadership team purchased the company from Standard Oil of Ohio in 1983 and decided to keep the company in Vermont.

We are committed to sustainability and GW is a member of the Green Suppliers Network, a federally funded consortium whose objective is to facilitate the establishment and implementation of "Lean and Clean" manufacturing techniques for manufacturers, including energy efficiency. We also participate in EcoVadis which operates the first collaborative platform providing Supplier Sustainability Ratings for global supply chains. Since its founding in 2007, EcoVadis has become a trusted partner for procurement organizations in more than 150 leading multinationals worldwide including Verizon, Nestlé, Johnson & Johnson, Heineken, Coca-Cola Enterprises, Nokia, L'Oréal, Bayer, Alcatel-Lucent, ING Bank, Air France-KLM, Centrica/British Gas, BASF, and Merck.

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Over the last 30 years, GW Plastics has made significant investment in energy efficiency improvements, including a capital equipment policy to purchase energy-saving molding machines, an aggressive capital plan to upgrade high-energy-use equipment, the conversion of lighting systems, and new building temperature set points. We do this because it simply makes good business sense not because Efficiency Vermont has encouraged us to do so. As a result, like many other well-run Vermont businesses, we have exhausted the low hanging fruit for improved energy efficiency and there are fewer meaningful projects for us to undertake in collaboration with Efficiency Vermont that have an acceptable financial payback.

It is time for the Energy Efficiency charge to be eliminated. The annual charge of over \$135,000 that we pay on our electric bill would be better invested in capital to fund new job creating technology in Vermont and increased investment in our innovative workforce development program to attract and retain a skilled workforce. As a company that has sites around the country and the world, GW is in a unique position to evaluate the cost of power relative to Vermont. As such, it has become clear to us that Vermont's energy costs are not competitive with other locations, and the Vermont energy efficiency tax, which is over 7 percent of our total electric bill, is a key contributor. This significant charge, which has increased over the years, raises our manufacturing costs and makes it difficult to remain competitive in a global market place and grow jobs in Vermont.

In addition to paying hundreds of thousands of dollars in efficiency charges over the years, especially when significant energy saving opportunities no longer exist at our facilities, it is troubling to see how those rate-payer funded dollars are used in our state. It is difficult to understand how a mature organization such as Efficiency Vermont can continue to justify high operating and support costs, with only 54% of the funds going to incentives. This, implied inefficiency coupled with the EVT increases we see in our power bills speaks to an organization that is not subjected to the same market rigors its ratepayers are. It is therefore imperative that the cost performance of any contract appointment the state makes to an organization as consequential as EVT be rigorously reviewed. In our business, we are faced with competitive global pricing challenges every day and must drive continuous improvement to reduce overhead and other non-value add activities. If we don't, our customers will go elsewhere. The Efficiency Utility should immediately be held to the same standard.



The environment has changed since Efficiency Vermont was established. Businesses have stepped up and residents have completed and paid for many projects, and for the large part, are self-governing and motivated to this end. We do not need a state mandated program to encourage efficiency. Our electric utilities are significantly carbon free and New England Air emissions due to power production have seen a major reduction. There is no longer any electrical load growth for our utilities to avoid, so there are no longer capital savings due to efficiency savings.

Just like GW Plastics is vital to the sustainability of the communities in Central Vermont, the manufacturing sector is a critical part of the overall Vermont economy, providing jobs and a positive impact to communities across our state. For manufacturers to pay hundreds of thousands of dollars a year towards an Energy Efficiency tax, which no longer provides economic or environmental value is a significant problem and another reason many businesses have avoided expanding let alone staying in Vermont.

Times have changed and we should recognize the unacceptable burden that EVT is placing on job creators in Vermont. Eliminate the Efficiency charge and allow business and Vermonters to focus their resources on more value-added activity.

Thank you for your consideration.

Warm Regards,

*Brenan Riehl*

Brenan Riehl  
President and CEO  
GW Plastics, Inc.

Cc:

**Department of Public Service**  
June E. Tierney, Commissioner  
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