

Rock-Tenn project in St. Paul breeds idea to save jobs, energy: Rock-Tenn retrofit touted as a model

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Rock-Tenn's paper-recycling facility in St. Paul's Midway area was thought to be endangered. It is now a role model. The St. Paul Port Authority is hoping to set up a \$24 million fund to do for other businesses what the agency helped Rock-Tenn do — perform an energy-related retrofit of its building, resulting in significant energy savings that have made the future of the plant more solid.

The port authority is shopping its idea — which it calls the "Trillion BTU Program" — to large customers such as 3M and Brown & Bigelow, which employs nearly 200 making calendars at its West Side plant. And it's hoping a bill to create the fund finds traction at the Capitol. "These are projects that just are not going to get off the ground without some new money coming in," said Peter Klein, Rock-Tenn's vice president of finance. With the economy at a standstill, Klein said, it's hard to get businesses to plow capital into cost-saving measures such as new insulation or energy-efficient lighting or new boilers. But that doesn't mean they don't want to. "They just don't have the funds to do it," Klein said. "They have higher priorities than energy savings right now."

The program would lend the money to about 40 large customers, with more dollars rotating out as the loans are repaid. The money would be repaid by splitting the savings with the company — if a company cuts its energy bills by 30 percent, for example, half those savings would go back to the fund. The loans would pay for capital investments in industrial factories and commercial buildings, theoretically making them less likely to be targeted for closure by national corporations looking to save money. The port authority is pitching the fund as both a job-retention program and a way to reduce energy demand. "The reduction in energy use will help them become more competitive," said port authority President Louis Jambois. "If we can pull this paradigm together and deliver it, we think it can become a national model of both protecting our environment and reducing our carbon footprint in terms of carbon emissions."

First, the port authority needs the Legislature to pass the bill. Ellen Anderson, DFL-St. Paul, said she is confident of the bill's chances. But the port authority would pay for at least part of the fund through the state's energy program, which got a \$54 million infusion from President Barack Obama's stimulus bill. And there's a lot of competition for those dollars. Anderson said the bill meets two of the goals set for the stimulus bill — protecting the environment and creating jobs. "Those energy savings can translate into salaries for jobs," Anderson said.

The port authority is partnering with Xcel Energy, which is willing to provide another \$8 million in credits to make the program work. Gregory Palmer, Xcel's director of account management, said the idea has drawn interest from everyone from semiconductor manufacturers to printing shops. "Our goal is to make the plants in Minnesota more cost-effective," Palmer said.

The program would be available to businesses outside St. Paul — in fact, anyone in Xcel's service area, which covers about half the state, would be eligible. Klein said it could eventually be expanded into a statewide program.