

PROFILE: RIVERSIDE MACHINE AND ENGINEERING METAL CRAFT MACHINE AND ENGINEERING

ENERGY INSIGHT PINPOINTS SALES TAX EXEMPTIONS
FOR PRECISION MANUFACTURERS



Riverside Machine and Engineering

Riverside Machine and Engineering has been a Wisconsin manufacturer for more than 25 years. In 2014, the family owned business relocated from Chippewa Falls to Eau Claire, where it renovated a 159,000-square-foot building in the Gateway Industrial Park. The plant became fully operational in August 2014.

Riverside provides highly technical precision machining and aluminum vacuum furnace brazing to military, defense, aerospace, and medical device industries. Customer product requirements include adherence to ISO 7025 standards, which demand strict humidity and temperature control of all components during every phase of production. Riverside's electric load is more than 900 kW, and its annual usage is around 4,500,000 kWh.

The company's complex, energy-intensive manufacturing process made it a perfect candidate for a predominant use study (also called a sales tax exemption, end-use, or utility study). A predominant use study is a thorough evaluation of how a company uses energy, specifically looking for applications that are exempt from state or

local sales taxes. Energy Insight, Inc., has performed hundreds of these studies for clients, with great success.

"Companies often can receive sales tax exemptions on energy and water that is used directly for manufacturing and other specific purposes, and they can get refunds going back years," said Tanuj Gulati, senior energy engineer for Energy Insight, Inc. He conducted a predominant use study of both energy and water at Riverside's sister plant, Metal Craft Machine and Engineering, in Elk River, Minn., early in 2015, which led to the project in Wisconsin. "During these studies, we go through each and every piece of equipment and separate use by process and non-process load."

In spring of 2015, a team of energy professionals from Energy Insight, Inc., spent a day at the Riverside plant, gathering information and cataloging equipment.

"We worked with staff and got acquainted with operations and all of the equipment in the complex," said Scott Schoolmeesters, project manager, Energy Insight, Inc.

"Energy Insight was the only company that quoted the job with a fixed price and not a percentage of the refund. That made the difference for me. They were polite with employees, very flexible, and thorough."

Greg Erlandson
Facilities Maintenance
Manager, Metal Craft
Machine and Engineering/
Riverside Machine and
Engineering

The manufacturer provided invoice copies and helped verify that all of the electrical sources were being tallied. "After this intensive data-gathering effort, we input all of the data and information to produce an analysis of energy use patterns of the plant."

Greg Erlandson, facilities maintenance manager for both the Metal Craft and Riverside plants, noted that Energy Insight's process was so thorough, he was not surprised by results. The company secured \$42,000 in refunds between the two plants, plus significant ongoing tax savings. The \$6,000 cost to have the survey done at both plants will be recovered in three months of reduced taxes.

Metal Craft officials found Energy Insight, Inc., through its website (www.EnergyInsightInc.com) and were impressed by its approach and proposal.

"They were the only company that would quote the job without taking a high percentage of the refunds," Erlandson said. When asked if he would recommend this Energy Insight service to other manufacturers or processors, Erlandson responded, "Yes."



Metal Craft Machine and Engineering

Many states require companies to conduct predominant use studies every three years to maintain their sales tax exemption status.

Types of businesses that could benefit:

Manufacturing facilities

Agricultural and horticultural operations

Mining companies

Food and beverage processors

Residential health care facilities

Schools, churches, and nonprofits

Contact Energy Insight, Inc., to learn more.