

Central Penn Business Journal's

# currents



## Unplugging the rates

Pennsylvania businesses  
brace for electricity caps  
to expire in coming years

## Alternative routes

Midstate firms enter  
renewable-energy field

## Trash to power

A look at the region's  
waste-to-energy plants

# The business of energy

A supplement to the  
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into the alternative-energy market, especially if the company is small, independent and wants to do it alone, Kennedy said.

"There's an economic threshold that makes it difficult for just anybody to get into that industry," Kennedy said. "If you're a company trying to get into it, you have to team up with a major player, and you have to connect yourself in that supply chain."

Upon landing the contract with Gamesa, McClarin constructed a plant, hired workers, ordered materials and built a supply chain dedicated to creating products for Gamesa within a three-month time frame, Kennedy said.

"We had a lot to do in a short, short period of time, and we did it," Kennedy said.

"It was a large financial investment, but it's just part of what we are. We're not afraid to make those investments. You're



**McClarin Plastics Inc. employee David Frock moves a wind turbine nacelle into the shipping yard at the company's renewable-energy division in York County. The fiberglass components will be transported to wind-farm developer Gamesa's Bucks County facility for assembly.**

not hooked up with just an average company (Gamesa) here."

About 15 percent of McClarin's production in 2007 was dedicated to Gamesa-related products, Kennedy said. That share will grow to at least 20 percent in 2008, he said.

A lot of companies aren't will-

ing to dive into the alternative-energy field because they are uncertain if today's higher fuel prices are permanent, said Marcus Sheffer, president of Energy Opportunities Inc. Energy Opportunities, which is based in Warrington Township, York County, offers consultant work in

the renewable-energy and energy-efficiency arenas.

"A lot of companies are probably looking at it and aren't quite sure it's going to stay that way," Sheffer said. "The higher (gas) prices will be what drives consumers to biofuels. Companies aren't willing to take the lead."

Another midstate company that has delved into the alternative-energy field by way of Gamesa is Horst Construction. The company, which is a part of Manheim Township, Lancaster County-based The Horst Group, provides services for construction projects in the commercial, senior living, private education and other industries.

Horst Construction completed its first project for Gamesa at the end of 2006, said Terry Kile, vice president of sales and marketing for Horst Construction.

The project included the construction of a 200,000-square-foot production facility in

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**Terry Kile,  
Horst Construction**

Cambria County for Fiberblade, a subsidiary of Gamesa that manufactures the propeller blades for wind turbines, Kile said.

Horst also developed the infrastructure for Gamesa's first wind farm in Pennsylvania — the Allegheny Ridge Wind Farm, Kile said. The work wrapped up near the beginning of 2007 and included building about 20 miles of road and constructing foundations for about 40 wind-turbine locations, he said.

Gamesa also hired Horst to develop the infrastructure for the North Allegheny Ridge Wind Farm, a similar-size project a few miles north of the original wind farm, Kile said.

"That put us in the development of those kinds of alternative-energy projects," Kile said. "We have maybe three more projects we're working on with other entities. It isn't our core business, but it is a nice niche

to be a part of."

Less than 20 percent of the firm's revenue is dedicated to alternative-energy work, Kile said. The growth of that percentage depends on the availability of federal subsidies for those projects, he said.

"We know that the trend is towards alternative energy ... and that's part of who we're reinventing ourselves to be," Kile said. "While it's a great business opportunity for us, it's also an issue of 'does that kind of funding continue?'"

The Regional Economic Development District Initiatives of South Central Pennsylvania began looking into the renewable-energy industry in 2006 as a sector that could benefit southcentral Pennsylvania's declining manufacturing base, said Russ Montgomery, the Harrisburg-based organization's president.

"Somebody has to manufacture the equipment that goes in-

to the machines," Montgomery said. "We do have a solid manufacturing base here, both large and small, that could benefit from this."

The organization would like to create a supplier network in the midstate for the alternative-energy sector. The group is conducting studies and gathering information to decide the best way to market the manufacturers in this area to companies looking for supplies and vice versa.

Accomplishing the group's goal will require strategic alliances, which will require more companies to think about the concept and start getting involved, Montgomery said.

"It's early yet. This is the long term. We're looking at it systematically," he said. "The ultimate goal is really to establish southcentral Pennsylvania as a hub for the manufacturing of renewable-energy components. It's not going to happen overnight." ●