

The Helen Delich Bentley Port of Baltimore

13,650
Direct Jobs
Created by
the Port



574,964
Auto Units
Handled in 2015,
the Most of
Any U.S. Port



523,848
Containers
Handled
by the Port, a more
than 8 Percent
Increase from 2014

\$300
Million
State and Local
Tax Revenues
Created
at Port



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MTC Logistics at Cutting Edge of Reducing Carbon Footprint

When it comes to innovative environmental practices, the Maryland Port Administration's (MPA) many initiatives aren't the only game in town. MTC Logistics, which provides frozen and refrigerated services at its distribution center adjacent to Seagirt Marine Terminal, has a long history of developing forward-thinking strategies to reduce its carbon footprint. "We've always been interested in protecting the environment. We express that in how we construct the building as well as how we buy energy for the building," said Harry Halpert, chairman of MTC Logistics.

The company is in the midst of adding a substantial number of solar panels to the roof of its distribution center — the second such installation the company has undertaken at this facility since 2009.

"Electricity is this company's second largest expense next to labor. Maryland deregulated electricity around 2002," Halpert explained, "and as a result I became very active in learning about and then managing our electricity procurement as well as the dispatch of the electricity to run

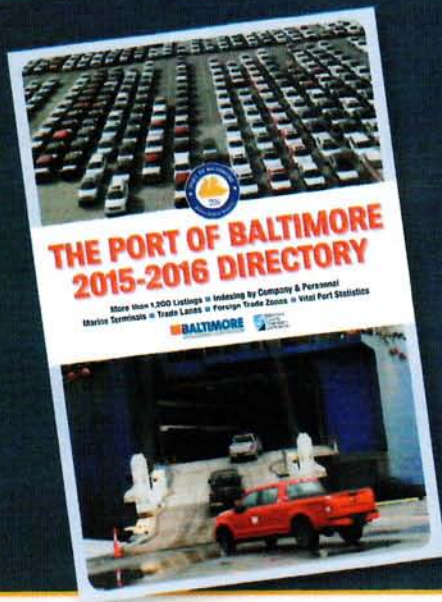
our freezers and buildings."

As MTC Logistics expanded its business during the 2000s, interest in renewable energy was growing nationwide, a trend Halpert noticed. "I studied what was happening in the power markets. As a result of the knowledge that I gained over time, I began to evaluate other electric generation sources our company could use such as on-site natural gas co-generation and solar," he said.

Toward the end of the decade, the government began to create policies to encourage companies to invest in renewable energy. "In 2009, I became aware of Maryland's solar legislation and the state's goals to encourage companies to use alternative energy sources," Halpert said.

One such policy, the establishment of the solar renewable energy credit (SREC) market in Maryland, spurred MTC Logistics to take action.

"This coincided with our then new facility construction at Baltimore by the Seagirt Marine Terminal headed up by our President, Brooks Royster," Halpert said. "Brooks and I decided at that time that we should prepare the building to receive solar panels. We increased the amount of steel that supported the roof as we thought one day we might install solar panels."



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As the company learned more about both the State and the federal governments' initiatives to make renewable energy affordable, the project became economically viable. "We contracted to install a 750,000 kilowatt system in September of 2010 and this system was activated in May 2011," Royster said.

The first solar panel installation cost the company \$3 million, for which the federal government granted a \$1 million rebate. This system eventually generated approximately 900,000 kilowatts per year, or 22% of MTC Logistics' annual energy consumption. "Based on net savings, we are in the black. It has paid for itself," Royster said.

MTC Logistics is in a unique position with respect to its solar power. "We own the system. As opposed to buying the power from a third party that would own the system," Halpert said.

Owning the system means that the company actually purchases power from itself, "at a lower price than we would have otherwise purchased that power from the electric utility," Halpert said. Controlling the company's second largest expense has allowed MTC Logistics to maintain its rates for its clients over the volatile

past few years — "which makes us more competitive," Royster said.

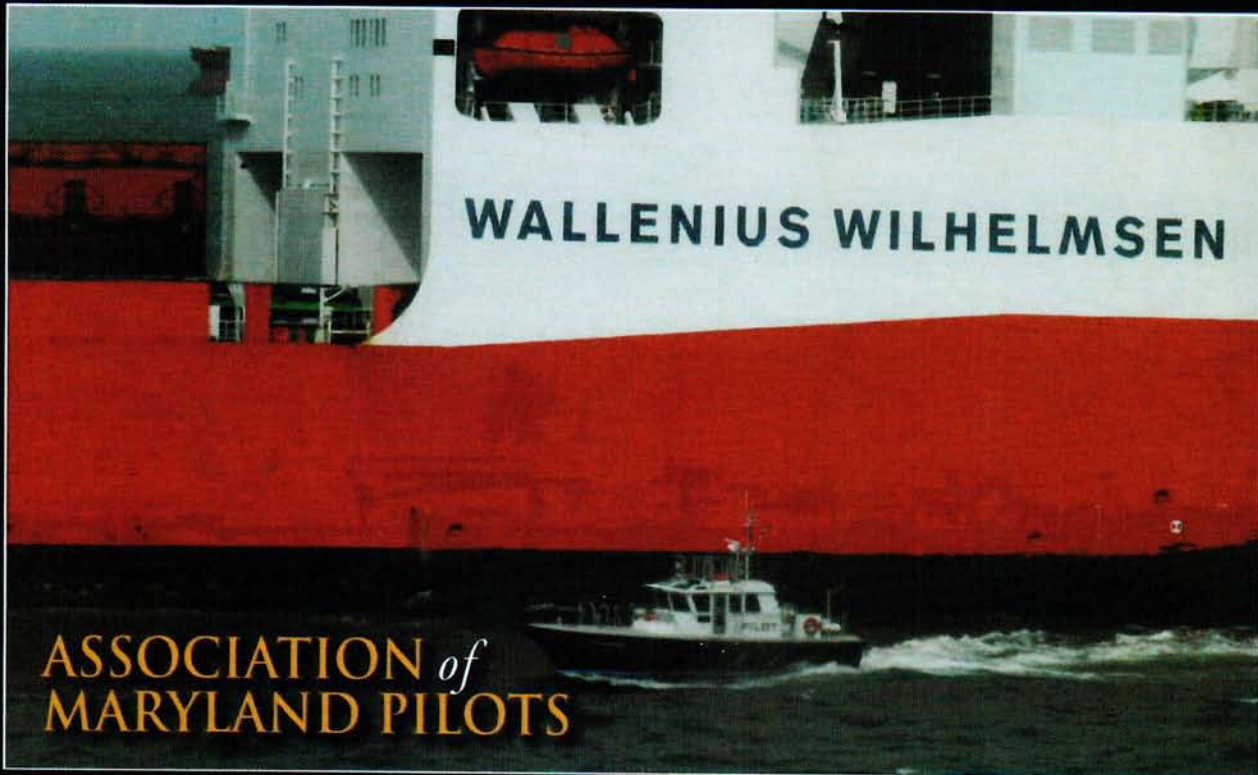
The company has built an addition to its distribution center adjacent to Seagirt, on which it is now installing a second solar power system. The new system, which will generate 1.1 million kilowatts annually, was to be completed in January, but has been delayed slightly because of the blizzard in Baltimore. The second system, which is larger, cost \$1.7 million, nearly half as much as the first system. However, the federal government no longer offers a rebate for solar panel installation; rather it grants an income tax credit. "We estimate that 26% of our annual energy consumption will [now] be generated from solar," Halpert said.

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— *Harry Halpert*, chairman of MTC Logistics.



MTC Logistics values using solar power not only because it reduces the company's costs, but also because, "It's less harmful to the environment. As a company we have become more aware of what can be done," Halpert said. "It was a winner when we could economically justify investments that simultaneously reduce our footprint," said Halpert. "It's the right thing to do." 🌍



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