

# Olde Thompson saves \$100k a year with solar power

By using a solar PV system from Centrica Business Solutions, Olde Thompson gets within reach of carbon neutrality while also saving on its power costs.

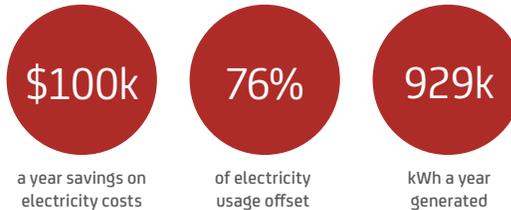


## Harnessing the sun to spice up sustainability

Established in 1944 and now based in Oxnard, California, Olde Thompson is a leading manufacturer of private label and branded spices and spice-related houseware for the retail market. The holder of a California Green company designation, they have a strong sustainability spirit and aim to be carbon neutral by the end of 2021.

The company's large manufacturing facility receives spices from all over the world and packages them for retail distribution. Its production line machinery and air purification systems are power-hungry, and it also runs a two-shift operation – meaning they operate constantly, resulting in significant power usage. This high electricity consumption was not only affecting the sustainability of the company – it was also costing \$186,000 a year in utility bills.

When Olde Thompson investigated how they could improve sustainability, they realized that they had two assets on their side – a large flat rooftop and copious hours of Californian sunshine each day. The obvious answer was to install solar photovoltaic (PV) panels that would not only be environmentally sound but would also offset electricity costs from the grid, offering a way for Olde Thompson to be less reliant on electricity supply from the California power grid.



“

Centrica Business Solutions' staff have been great from the start. Very knowledgeable about the industry and the specific equipment and business needs. They understood the full picture of what a company like us would need to fulfil our sustainability goals.”

Igor Estraykh, Vice President of Procurement, Olde Thompson



### All the benefits, none of the drawbacks

“I issued a request for proposal (RFP) and talked to six companies,” says Vice President of Procurement, Igor Estraykh. “Centrica Business Solutions was the best partner because they understood the full picture of what we needed and had a breadth of energy solutions to meet those needs. They could also do the installation without us having to shut down operations.”

After an in-depth assessment of the company’s power usage, Centrica Business Solutions installed a solar PV system of rooftop panels that Olde Thompson financed under a Centrica Business Solutions Power Purchase Agreement (PPA). This flexible financing means that Olde Thompson pays only for the electricity produced by the system and they required no capital outlay for the panels. They also have no operational or financial responsibility for ongoing maintenance, making for a very advantageous set-up that allows Olde Thompson to reach their goal of carbon neutrality and reduce power costs significantly.

The solar PV installation is a 615 kW Direct Current (DC) system that generates approximately 929,000 kWh of power a year. One thousand, five hundred and eighteen panels have been installed over a roof area of 80,000 sq ft and produce an annual CO<sub>2</sub> saving of 658 tons.

“

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Jeff Shumway, CEO, Olde Thompson

### Customer results

Olde Thompson’s solar PV installation has offset 76% of its electricity usage, equating to annual savings of \$100,000. The solution also allows the manufacturer to be less energy dependent on the grid.

“This is part of our whole Environmental, Social and Corporate Governance (ESG) sustainability program,” says CEO, Jeff Shumway. “Solar is a good fit because not only are we offsetting the majority of our electricity, we are also saving money so it makes good business sense.”

Choosing renewable sources works for Olde Thompson’s ambitious environmental goals, which means a lot not only to them but also to the large retail companies they do business with, as Estraykh explains:

“Our big-name retail customers care about sustainability. They have targets and they want their partner suppliers to do the same thing, so sustainability is a big part of our business model.”

PPA flexible financing takes the risk out of the project and delivers predictable budgeting. The project was completed without business disruption, and since the installation was tailor-made for Olde Thompson, it is scaled to meet the future power needs and environmental targets of this rapidly growing company.

According to Shumway, the financial relief that comes with a flexible agreement of this kind allows Olde Thompson to focus their resources on other improvements: “We selected the Power Purchase Agreement because it made good sense from a capital standpoint. We were able to install solar panels and offset the majority of our electricity use without major capital investment. We could then use that saving for other capital projects,” he concludes.