



Customer:
Royal Technologies

County:
Hidalgo

Industry:
Small Manufacturer,
Injection Molding

NAICS:
32619

TMAC Services
Predominant Energy
Study

Who to contact:
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Finding Energy Savings for Royal Technologies

In April 2012, Hi-Tech Plastics, a custom injection-molding in Mission TX, and Royal Technologies, an advanced engineering and manufacturing company in Hudsonville, MI, formed an alliance to better serve their customers in the South Texas region. The Mission facility, acquired in December 2012, allows Royal Technologies to better serve their continually expanding customer base in the South and Mexico.

Royal Technologies in Mission has over 20 injection molding presses; ranging from 500 to 1900-ton. They have assembly, welding and decorating capabilities.

The Situation

Producing such a large volume of molded products requires a significant amount of energy at Royal Technologies. Trung Nguyen, plant manager, had worked with TMAC in the past performing energy studies at Hi-Tech Plastics in order to obtain savings in taxes.

When the acquisition of Hi-Tech Plastics took place, Nguyen turned to TMAC to take advantage of the tax exemption for utilities directly used in manufacturing.

TMAC Specialist Oscar Barrenechea along with engineering students from UTPA performed an on-site Predominant Energy Study to determine the energy usage of each machine and operational parameters.

The Solution

The purpose of this study was to demonstrate that more than 50% of the electricity consumed by Royal Technologies is used for manufacturing purposes according to the State of Texas Comptroller of Public Accounts Rule 3.295.

Meter connections were distributed based on information obtained from Royal Technologies and from an amperage reading report provided by the company. A separate predominant use study was performed for each one of them.

Also, an analysis of the previous 12 months of electric bills was utilized to validate this study.

Every single item must be listed and categorized either as exempt or non-exempt for manufacturing purposes

“TMAC has helped us save a lot with lean techniques, energy studies and general coaching on different areas,”

*Trung Nguyen
Plant Manager
Royal Technologies*

The Results

- The results of the Predominant Utility Study show that the percentage of electricity utilized for manufacturing purposes is 94.5% and the percentage for non-manufacturing is 5.5%.
- Royal Technologies estimates to have annual savings of \$50,000.00 in state sales taxes.

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