



# Distribution Center MANAGEMENT

Managing people, materials and costs in the warehouse or DC

## Facility Management

### Fuel cells, solar panels boost bottom line for natural foods distributor

United Natural Foods distributes organic foods, so it's no surprise that the company has embraced green energy in its DCs.

But United Natural Foods also is a publicly traded company, and its head of sustainability says United Natural Foods goes green only when such a move helps the bottom line.

Even a company that includes "the environment and the planet" in its mission statement must calculate return on investment before pulling the trigger on a sustainability project.

"If there's no ROI, to me it doesn't make sense," says Tom Dziki, United Natural Foods' vice president for sustainable development. "It needs to be sustainable both environmentally and from a P&L perspective."

Dziki offers one profit-driven example: The company opened a new DC that was three times the size of the facility it replaced, yet the total electricity bill was lower for the new facility.

In another case, United Natural Foods added a 1.19-megawatt solar array to the roof of its DC in Rocklin, CA. Dziki wouldn't say how much the solar plant cost, but he did say it'll take about four years for lower utility bills to offset the investment.

"At the end of four years, that system has completely paid for itself," Dziki says. "The warranty on

a solar panel is 20 years, so we're getting 16 years of free energy."

"You shouldn't be doing projects that are just touchy-feely," Dziki says.

It's a philosophy that can apply to DCs in any industry, not just the natural-foods business.

In its latest effort, United Natural Foods says it will convert the forklifts at its 352,000-square-foot DC in Sarasota, FL, to hydrogen fuel cell technology.

The change aims to improve efficiency, productivity, and reliability. The company will add 29 new hydrogen fuel cell-powered lift trucks to its fleet, and 36 existing forklifts powered by lead-acid batteries will be retrofitted to hydrogen fuel cell technology.

Hydrogen fuel cells produce energy by combining hydrogen and oxygen to create electricity, heat, and water. Hydrogen is a favorite of environmentalists because it's nontoxic and plentiful.

United Natural Foods estimates that converting its forklifts to hydrogen fuel cells will cut carbon emissions by 132 metric tons a year. That equals the annual emissions of 35 cars.

Dziki declined to say how much the company is investing in the effort. The change will require

#### ROI is true test for green efforts.

Consider:

- Lighting
- HVAC
- Lift trucks
- Tax breaks

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an investment in new technology and training for forklift drivers, he says.

United Natural Foods is not the only DC to use hydrogen fuel cells. Last year, supermarket chain Wegman's Food Markets received a \$1 million grant for, among other things, adding hydrogen fuel cell-powered material handling equipment at its Retail Service Center in Pottsville, PA.

In another sustainability initiative, United Natural Foods recently won the Environmental Protection Agency's EnergyStar designation for its 319,000-square-foot DC in Chesterfield, NH. Among the green features at that facility:

- Motion-activated T-8 fluorescent lighting in the full-case warehouse.
- Motion-activated T-5 fluorescent lights for the repack mezzanine.
- A new air-conditioning unit and upgraded ducts to make heating and cooling more efficient, as well as improving indoor air quality.
- Ammonia-based refrigeration.
- Programmable thermostats.
- Electrical submeters that allow closer scrutiny of energy use in each part of the DC.

While United Natural Foods prominently touts such efforts on its website, it's quick to point out that the bottom line trumps environmental credibility.

"Everything we do has an ROI to it," Dziki says.

Contact: Tom Dziki, United Natural Foods, 401-528-8634. **DCM**

### Tips for going green

You don't have to be a tree-hugger to appreciate the benefits of going green. Tom Dziki of United Natural Foods offers the following advice:

- **Look at lighting.** Energy-efficient bulbs and motion detectors are an easy way to cut costs.
- **Tune up your HVAC.** Simple maintenance can make your systems more efficient.
- **Look for tax breaks.** Federal and state governments are encouraging investment in green technology.
- **Talk to your utility.** Most utilities offer incentives to customers who install energy-saving systems.
- **Do your homework.** Understand the costs and benefits of any sustainability effort. This will let you know whether the project makes sense.

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