



INDIANA ENVIRONMENTAL STEWARDSHIP PROGRAM ANNUAL PERFORMANCE REPORT

State Form 53476 (11-07)

INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
ENVIRONMENTAL STEWARDSHIP PROGRAM

Indiana Department of Environmental Management
Office of Pollution Prevention and Technical Assistance
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Indianapolis, IN 46204-2251
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www.in.gov/idem/prevention/esp

When to use this annual report form...

STOP! Is your facility a member of the U.S. Environmental Protection Agency's National Environmental Performance Track and Indiana Environmental Stewardship Program? If so, please use the U.S. EPA National Environmental Performance Track Annual Performance Report form available at <http://www.epa.gov/performance/track/program/report.htm>. The U.S. EPA will notify IDEM after receiving your annual performance report.

GO! Please use this annual report form if you are only a member of the Indiana Environmental Stewardship Program and not a member of the National Environmental Performance Track. Your Annual Performance Report should be reviewed and signed by a senior manager at your facility prior to submittal. Once signed, fax, mail, or e-mail the report to IDEM. If you have any questions, please contact the ESP Program Manager at 800-988-7901.

The Indiana Environmental Stewardship Program (ESP) Annual Performance Report should demonstrate progress toward objectives and targets AND certify ESP requirements continue to be achieved. The Annual Performance Report should cover the twelve (12) month calendar year and include the status of projects committed to in your facility's original ESP application, results of completed projects, and assurance that an annual internal environmental management system audit was conducted by your facility. Indiana ESP facilities must submit an Annual Performance Report by April 1st of every year, for each calendar year in which the entity has been a member for at least three (3) full months.

Please do not include any confidential business information in your Annual Performance Report. Public access laws require IDEM to make the Annual Performance Report publicly available, which may include posting all portions of your report on the Indiana ESP Web site.

SECTION A	
FACILITY INFORMATION	
Name of Facility	Caterpillar Reman Powertrain Indiana
Name of Parent Company (If applicable)	Caterpillar Inc.
Street Address (number and street)	751 International Drive
City/State/ZIP Code	Franklin, IN 46131
Facility/Company Web site	Cat.com
CONTACT INFORMATION	
Contact Name (Mr./Mrs./Ms./Dr.)	Mr. Kevin Poad
Title	EH&S Manager
Telephone number	317-346-3224
FAX number	317-346-2424
E-mail address	Poad Kevin A@cat.com
Mailing Address (if different from facility address)	
City/State/ZIP Code	
Reporting Period Dates	
If this is your third Annual Performance Report, do you wish to renew your Indiana Environmental Stewardship Program membership?	
<input checked="" type="checkbox"/> Yes--If yes, please complete all sections of this annual report.	
<input type="checkbox"/> No--If no, you can skip Section D of this annual report.	
CHANGE IN INFORMATION	
In your ESP application and, perhaps, in previous annual performance reports, you described what your facility does or makes. Have there been any changes or additions to your facility's list of products or activities? If so, please list them in the space below.	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

SECTION B Why do we need this information? DEM needs information on the performance and assessment activities of your Environmental Management System (EMS)		ENVIRONMENTAL MANAGEMENT SYSTEM ASSESSMENT		What do you need to do? Please summarize your facility's EMS assessments. Attach additional sheets as necessary.
1. Is your facility currently registered to a recognized third-party EMS standard? <input checked="" type="checkbox"/> Yes a. If yes, when was an EMS audit or other assessment last conducted by an independent third party at your facility? Please provide the type (e.g., ISO 14001 certification), scope, and month of the last assessment. <input type="checkbox"/> No b. If no, when was an internal or corporate EMS audit last conducted at your facility? Please provide the scope and month of the last assessment.		Year: 2008 Type: ISO 14001 Certification Scope: Facility Month: March		Our ISO 14001 requires us to have a third audit verification every year. This third party audit verification is usually March of every year. Most of the audit findings were based around procedural issues. These procedures were modified and sent back into the third party with evidence to close the findings. All the audit findings were closed.
2. When did your facility last conduct an internal or corporate compliance audit? Please provide the scope and month(s) of each audit, and indicate who conducted the audit(s) (e.g., facility staff, corporate groups, third party). Do not include audits, inspections, or site visits by regulatory organizations.		Year: 2008 Scope: Facility Month(s): September Who: Corporate		
3. (Optional) Please describe any other audits that were conducted at your facility.				
4. Has your facility corrected all instances of potential non-compliance and EMS non-conformance identified during your audits and other assessments? <input checked="" type="checkbox"/> Yes a. If yes, briefly summarize corrective actions taken and other improvements made as a result of your EMS assessment(s) or compliance audit(s). <input type="checkbox"/> No b. If no, please explain your plans to correct these instances. <input type="checkbox"/> No such instances identified.				
5. Explain the emergencies experienced within the facility during the past year. Were the applicable emergency and contingency plans detailed in the EMS effective? What changes, if any, have been made to your facility's emergency or contingency plans?		The emergencies that took place at the facility within the past year was the flood in June of 2008. We had water all around the building but the water never affected any of the production area and we did not have any release of production material.		
6. When was the last Senior Management review of your EMS completed?		Month/Year: 03/09 Who headed the review? Name and Title: Bob Paternoga Facility Manager		
7. When did your facility last conduct a systematic identification or review of your environmental aspects?		Month/Year: January/2009		
10. (Optional) Please provide a narrative summary of progress made toward EMS objectives and targets other than those reported as an Environmental Performance Initiative in the following section. You may limit the summary to environmental aspects that are significant and towards which progress has been made during the last calendar year. Attach additional sheets as necessary.		Environmental Aspect		Progress Made This Year (e.g., quantitative or qualitative improvements, activities conducted)
		Mop Water and floor soap		We started a 6 sigma Black Belt project to reduce mop water and floor soap. Since the start of this project we are now controlling the water soap mixture and evaluating new types of super concentrated soap. Currently we have reduced the floor soap and water usage by utilizing the proper mixture. The next part of the process is to evaluate cost savings and reduction of product. Our goal is purchase 5% less floor soap.
		Dyna Emissions		There is a current 6 Sigma project to review options to lower the amount of NOX that is emitted out of our dyno stacks. Since the project started we have researched two different options and are now networking with other Caterpillar facilities to view best practices. We hope to see a 2% reduction in NOX.
		Propane		We are converting 10% of our forklifts from propane to electric. This will increase our purchased electricity but should decrease our propane usage by 10%.

SECTION C ENVIRONMENTAL IMPROVEMENT INITIATIVE RESULTS

Why do we need this information?
Facilities need to share the results of the environmental improvement initiative that was pursued during the reporting period.

What do you need to do?
Use the following table to summarize your facility's environmental performance as compared to your ESP environmental improvement initiative.

Category: Waste Oil

Aspect: Oil Reclamation

Specific Information on Aspect (optional): Lower the amount of new oil purchased.

	Baseline <u>2007</u>	Progress during year <u>2008</u>	Environmental Improvement Initiative Goal	Cost Savings (if applicable)
Actual Quantity (per year)	<u>70,849</u> 47,204	<u>2008: 47,924</u> 2008: 47,924	<u>2009: 35,424</u> 2009: 35,424	<u>\$20,741</u>
Measurement Unit	<u>Purchased gallons of Oil</u>	<u>Gallons of oil reused</u>	<u>Less gallons of new purchased oil</u>	<u>gallons of oil purchased</u>
Normalized Quantity (per year)	<u>48317.4</u>	<u>11210.9</u>	<u>37106.5</u>	
Basis for your Normalizing Factor (e.g., gallons of paint produced)	<u>Gallons of oil</u>	<u>Gallons would have purchased</u>	<u>Less new oil we would have purchased</u>	

Briefly describe how you achieved improvements for this aspect or, if relevant, any circumstances that delayed progress.
In the past we would dyno/test all of our engines with new fresh oil. Once the engine was tested we would drain the oil and send it out to be used as a fuel source. (The engine would run or test no more than 15 minutes.) Our 6 Sigma team investigated and validated a process where we have a third party company comes in and filter our used oil so we can reuse the same oil. We have found with this new practice that if we filter the oil and put some small additives into the oil that we can reuse the oil at six to seven times. This project has lowered the amount of new oil we are purchasing.

Please list any state, EPA, or other partnership programs to which you are reporting this data (e.g., Energy Star, Project XL).
N/A

(Optional) If your facility has experienced continued results for environmental improvement initiatives pursued in past years of ESP membership, please share those results here.

SECTION D ENVIRONMENTAL IMPROVEMENT INITIATIVES

Why do we need this information?
Facilities need to demonstrate their commitment to improving environmental performance.

What do you need to do?
Refer to the Environmental Performance Table.

For ESP membership, you must identify three (3) environmental improvement initiatives for each 3-year membership term. One (1) initiative was identified in the application and the remaining will be identified each year in the annual report. Identify the new initiative that will begin this year by answering the following questions. Choose an indicator from the Environmental Performance Indicator Table to measure the identified environmental initiative. The Environmental Performance Indicator Table is provided with the ESP Application and is also available at <http://www.in.gov/idcm/prevention/esp/table.doc>. The indicator you select for your initiative should be related to the objectives and targets in your EMS. Where possible, indicators should also be identified as having a significant environmental impact in your EMS. No more than two of your indicators can be from the same environmental category during the 3-year term. If you are not sure how your objectives and targets fit into the indicators from the Environmental Performance Indicator Table or whether your indicators are significant, call IDEM at 800-988-7901.

Please complete the following questions according to the environmental indicator you selected from the Environmental Performance Indicator Table. Additional information is required for air, hazardous waste, solid waste, and energy indicators as requested in Appendix 1.

1a What category have you selected from the Environmental Performance Table? (If the category is Energy Use, Waste, or Air Emissions for Total GHGs, please turn to Appendix 1 to complete additional questions pertaining to the category you have selected.) Energy Use

1b What indicator have you selected from the Environmental Performance Table? Total (non-transportation) energy use by fuel type (MWH)

1c All measurements should represent the performance level for the indicator across the entire facility. For many indicators, you may choose to focus your initiative on a specific subset of the indicator (e.g., a specific material, process, VOC, group of toxic air emissions, or particular waste component). Does your initiative include everything covered by the indicator (e.g., all VOCs, all non-hazardous waste), or a specific process, substance, or component (e.g., ethane, cardboard)?
☒ All
☐ Specific

If your initiative is specific to a substance or component, please provide additional detail on your indicator (e.g., specific chemical to be reduced, specific waste component).

1d What activities or process changes do you plan to undertake at your facility to accomplish your initiative (e.g., technology changes in a particular process line, employee training)? Through the use of the 6 Sigma process and training we are lowering the amount of electricity purchased.

2a Does this initiative address a significant aspect in your EMS?
☒ Yes
☐ No

2b If no, please explain why you believe this indicator should be included as an environmental improvement initiative.

Stop! If the category listed in Question 1a is Energy Use, Waste, or Air Emissions for Total GHGs, please skip Questions 3a - 3b below and turn to Appendix 1

to complete the questions pertaining to the category you listed. After completing Appendix 1, return to question 4 and complete the remaining questions regarding your facility's environmental improvement initiative.

3a What units are you using to quantify this indicator? MWH

(Please refer to the Environmental Performance Indicator Table for the acceptable units for each indicator.)

3b List the baseline annual quantity of the indicator and the annual quantity you are committing to achieve by the future year.

Baseline quantity	11258.91	Year 2008
Future year quantity (not including production)	10695.95	Year 2009

4 Does the quantity presented in the future quantity column represent an absolute goal or a normalized goal?

- ☐ Normalized goal (i.e., indexed to level of business in baseline year)
☒ Absolute goal (i.e., demonstrates improvement even if production increases)

5 Whether your goal is absolute or normalized, you will need to provide normalizing factors and normalized quantities in your annual performance reports. Please briefly describe your basis for normalizing. Examples of potential normalizing basis include: gallons of paint produced, square feet of circuit boards sold, number of patients seen, dollars of sales adjusted for inflation, or number of employees (for R&D and administrative sites only).
Normalized by the amount of work hours

6a Are you subject to Federal, State, tribal, or local regulatory requirements for this indicator?

- ☐ Yes
☒ No

6b If yes, explain how your initiative exceeds regulatory requirements.

SECTION E

Why do we need this information?

IDEM needs to know how environmental information was shared with the public

PUBLIC OUTREACH AND PERFORMANCE REPORTING

What do you need to do?

Describe how the facility has shared and plans to share environmental information

Please briefly describe the activities that your facility conducted during this reporting period to interact with the community on environmental issues and to report publicly on its environmental performance. Feel free, but not obligated, to attach supporting materials (e.g., meeting agendas, public announcements). We had no public announcements but we did invite the fire department and police department to take tours of our facility. This included information about our location and different processes that would affect them if there were issues. In addition, we had a EH&S fair where we invited numerous different outside companies in to display information for our employees.

Please indicate which of the following methods your facility plans to use to make its ESP Annual Performance Report available to the public. Please check as many as appropriate.

- ☐ Website (<http://www.>)
☐ Open House
☒ Meetings
☐ Press Releases
☐ Community Advisory Panel
☐ Other

SECTION F

Why do we need this information?

This information will help IDEM to effectively manage the Environmental Stewardship Program

ADDITIONAL INFORMATION

What do you need to do?

Answer the questions as completely as possible

- In addition to ESP, please list environmental awards received or voluntary programs participated in during the past twelve months (include information about each particular program).
We received two environmental awards from Caterpillar last year. The first award was for switching from solvent based paint to water based paint. The second award was for being accepted into the ESP program.
- Has your facility taken advantage of any ESP incentives? If so, please describe the implementation process and list additional benefits IDEM should consider.
Yes, at the end of last year we submitted to our corporate office for an environmental award since we were accepted into the ESP program.
- If your facility was not registered to the ISO 14001 standard prior to becoming an ESP member, has ESP helped you to pursue registration? If so, how has ESP been instrumental in achieving registration?
N/A
- Explain the measured or perceived results from receiving, documenting, and responding to external communication.
At this time we had the one public release of our acceptance into the ESP program. We have been verbal congratulated from other local companies.
- How have community residents and businesses reacted to your facility participating in the Indiana Environmental Stewardship Program?

APPENDIX 1

ENVIRONMENTAL PERFORMANCE DATA

Additional questions for environmental improvement initiatives for the following categories/indicators

Energy Use - Non-Transportation

In the table below, please enter the amount of energy that you currently use and that you intend to use in your future reporting year. Break the energy use down by fuel type. Please note that you need only complete those lines that are relevant to your facility. If all of your energy is purchased from a local electricity generator, you may only need to complete the first line. If the facility uses natural gas, please be sure to complete the appropriate line (natural gas is typically combusted on site so it is listed in the "onsite" section).

Please note that this table categorizes sources of energy according to where the energy is generated.

3a Is the goal of your energy use commitment to:

- ☒ Reduce total energy use
☐ Invest in renewable energy sources
☐ Combination of both strategies

3b How much energy of each type does your facility use?

		Baseline Year 2008	Future Year 2009	Units
Energy Generated Off-Site	Electricity	11258.91	10695.96	MWH
	Steam	0	0	0
	Total Energy Generated Off-Site	100%	100%	N/A
Sources of Energy Generated On-Site	Coal	0	0	0
	Natural Gas	20854.85	20854.85	MMBTU
	Crude Oil	0	0	0
	Fuel Oil	0	0	0
	Diesel	22727	22727	Gal
	Propane / LPG	39237	35314	LBS
	Gasoline	0	0	0
	Hydrogen Powered Fuel Cells	0	0	0
	Natural Gas / Methane Powered Fuel Cells	0	0	0
	Biomass	0	0	0
	Solar	0	0	0
	Wind	0	0	0
	Landfill Gas	0	0	0
	Geothermal	0	0	0
	Hydroelectric	0	0	0
	Tire Derived Fuel	0	0	0
	Other Fuel or Source	0	0	0
	Specify: N/A	N/A	N/A	N/A
	Total Energy Generated On-Site	82818.85	78695.65	N/A
	Total Renewable Energy Use	0	0	0
	Total Non-Renewable Energy Use	0	0	0
	Total Energy Use	0	0	0
	Metric Tons of CO2 Equivalents	N/A	N/A	N/A
	Metric Tons of CO2 Equivalents	N/A	N/A	N/A
	Offset Through Purchases of Electricity from Renewable Off-Site Sources	0	0	0
	Net Metric Tons of CO2 Equivalents	0	0	0

Waste - Non-Hazardous Waste Generation

In the table below, please enter your facility's amount of non-hazardous waste, broken down by waste management method. Please enter both the amounts you manage currently and that you intend to manage in your future reporting year. "Waste" is defined as all materials sent off-site that are neither product nor product packaging.

3a Is the goal of your non-hazardous waste commitment to:

- ☐ Reduce non-hazardous waste
☐ Improve waste management methods
☐ Combination of both strategies

3b How much of your waste is handled using each management method?

Method of Waste Managed	Baseline Year 20__	Future Year 20__	Units
Landfill			
Incineration			
Reused/recycled off-site			
Other management - Specify: _____			
Total Non-Hazardous Waste			

Waste - Hazardous Waste Generation

In the table below, please enter your facility's amount of hazardous waste, broken down by waste management method. Please enter both the amounts that you manage currently and that you intend to manage in your future reporting year. Include all hazardous waste that is treated on-site or sent off-site.

3a Is the goal of your hazardous waste commitment to:

- ☐ Reduce hazardous waste
☐ Improve waste management methods
☐ Combination of both strategies

3b How much of your hazardous waste is handled using each management method?

Method of Waste Managed	Baseline Year 20__	Future Year 20__	Units
Landfill			
Incineration			
Reused/recycled off-site			
Treated on-site			
Other management Specify: _____			
Total Hazardous Waste			

Air Emissions - Total GHGs

3a Is the goal of your Total GHGs commitment to:

- ☐ Reduce energy use
☐ Reduce process-related emissions
☐ Combination of both strategies

3b How much greenhouse gas does your facility emit from each source?

Source		Baseline Year 20__	Future Year 20__	Units
Direct Emissions	Stationary Combustion			
	Mobile Sources			
	Refrigeration/AC Equipment Use			
	Process/Fugitive			
	Specify Source: _____			
	Process/Fugitive			
	Specify Source: _____			
	Process/Fugitive			
Specify Source: _____				
Total Direct Emissions Process/Fugitive				
Indirect Emissions	Purchased Electricity			
	Purchased Steam			
	Purchased Hot Water			
	Total Indirect Emissions			
Optional Indirect Emissions	Other			
	Specify Source: _____			
	Other			
	Specify Source: _____			
Total Optional Indirect Emissions				
Offsets	Offsets			
	Specify Source: _____			
	Offsets			
	Specify Source: _____			
	Offsets			
	Specify Source: _____			
Total Reductions from Offsets				
Total Emissions Less Offsets				
Supplemental Information	Total CFC			
	Total HCFC			
	Total Stationary Combustion - Biomass CO2			
	Total Mobile Sources - Biomass CO2			
	Electricity trading transactions-			
	Electricity Purchase for Resale			

Besides local facilities congratulating us for being accepted in the program we have not had any other interactions.

6. According to the measurement program developed and implemented by your facility to measure Environmental Management System success, is your facility's EMS successful? Why or why not? If not, what changes will be made to ensure continual environmental improvement and future EMS success?
- We have been audited by our third ISO 14001 register and have already had our yearly compliance audit for ISO 14001. The environmental program has successfully improved through additional document procedures, table top exercises, and practice drills to test the system effectiveness. All processes have showed improvement and advancements of our Environmental program.

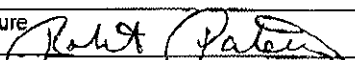
CERTIFICATION AND PLEDGE

On behalf of Caterpillar Reman Powertrain Indiana (name of facility),

I certify that the information contained in this Annual Performance Report and attachments is accurate to the best of my knowledge and that this facility is, to the best of my knowledge and based on reasonable inquiry, currently in compliance with all applicable federal, state, and local environmental requirements, or has a corrective action program in place to attain compliance.

We, Caterpillar Reman Powertrain Indiana, commit to maintaining the principles and goals outlined in our Environmental Management System for our facility's Indiana Environmental Stewardship Program status. We agree to strive for full compliance with all regulations promulgated by the U.S. EPA, state, or local jurisdictions. We agree to promote the Indiana Environmental Stewardship Program and to share our success stories with other facilities. We understand that the Annual Performance Report must be submitted to IDEM by April 1st of each year and that we must reapply to the Indiana Environmental Stewardship Program every three years.

I understand that the information provided in this Annual Performance Report will be public record. I am the senior facility manager or authorized facility signatory, and fully authorized to execute this statement on behalf of the corporation or other legal entity whose facility is submitting this Annual Performance Report.

Signature 	Title <i>FACILITY MANAGER</i>	Date (month, day, year) <i>3/30/09</i>
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Please mail, fax, or e-mail your completed Environmental Stewardship Program Annual Performance Report to:

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ESP Program Manager
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100 North Senate Avenue
Indianapolis, IN 46204-2251

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