

Energy Trust of Oregon, Inc.  
851 SW Sixth Ave., Suite 1200  
Portland, Oregon 97204

Telephone 1 866 368-7878  
Facsimile 503 546-6862  
[www.energytrust.org](http://www.energytrust.org)



## NEWS

For Immediate Release

Contact:

Jan Schaeffer  
503-445-7603

[jan@energytrust.org](mailto:jan@energytrust.org)

Susan Jowaiszas  
503-223-2802

[susan@irisgrouppr.com](mailto:susan@irisgrouppr.com)

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### **Rough & Ready Lumber Co. ready to rev up with biomass project** *Energy Trust actively seeking additional biopower project proposals*

PORTLAND, Ore. — August 1, 2006 — Rough & Ready Lumber Co., Cave Junction, a third-generation lumber manufacturing operation, will be in the power generation business when it brings on line a net 1.2 megawatt boiler and generator in fall of 2007. The new high efficiency equipment will produce all the steam needed for the company's two sawmills and lumber dry kilns, and will generate enough clean renewable electricity to power about 700 homes. An Energy Trust incentive of \$1.7 million is helping to get the project going.

Link Phillippi, president and general manager, Rough & Ready Lumber, sees this project as a key piece to helping Rough & Ready prosper and protect the environment. "We are going to be generating clean renewable power, preserving healthy forests and bolstering our local economy. It's good all the way around. We're thrilled to be selected by Energy Trust and to be partners in this project," said Phillippi.

"This project is a win across the board. It generates power from sawmill waste that would be burned anyway, plus material that raises the risk of forest fires. It provides the steam needed for the sawmill's operation, and the byproduct is clean, renewable electricity that goes right out to other Pacific Power customers," said Adam Serchuk, Biopower program manager, Energy Trust.

Energy Trust launched its Biopower program in 2005 with a formal request for proposals. "We heard about projects fueled by wood waste, landfill gas, dairy manure, sewage treatment gas — just about everything. There's a lot of interest out there in biomass," commented Serchuk.

To respond more flexibly to that interest, in 2006 Energy Trust opened the program to project proposals on a rolling basis. "The doors are open," said Serchuk. "We're evaluating proposals and making commitments on a real-time basis." Developers interested in discussing projects should contact Energy Trust.

The Rough & Ready Lumber project consists of a new high-pressure boiler, a backpressure turbine generator, boiler mechanical and electrical controls, fuel handling and storage equipment, and air quality control features. The project is designed to increase steam production for the lumber drying process while at the same time producing clean, renewable power from the burning of sawmill residuals and

forest thinnings. All of the power produced will be sold into the Pacific Power grid starting in the fall of 2007.

Rough & Ready Lumber currently operates a wood-fired low-pressure steam boiler but produces no electrical energy in the process. The new boiler system will require 30,000 bone-dry tons of burnable material per year. About half is expected from sawmill residuals and the rest from fuels treatment and thinning operations on nearby public and private forests.

Phillippi has been looking for the right opportunity to invest in more efficient technology to make the business more competitive. "Until now, the cost of capital for a project of this type was just too high for a small business like ours," said Phillippi. "With the Energy Trust incentive we can offset some of the costs of the project, particularly in the first four years when the interest costs on the financing are highest. We would have had a hard time getting this project off the ground without the incentive."

Rough & Ready Lumber has 85 employees in a community of fewer than 2,000 residents, making it an important piece of the local economy. The company manages 30,000 acres of timberland. Rough & Ready is a high quality pine and fir grade-cutting sawmill. The majority of the lumber products are sold to remanufacturers for doors, windows and specified cuttings sold to the home building industry through retailers and distribution accounts throughout the United States, as well as export markets in Japan and Europe.

"The Illinois Valley is a small, rural and economically depressed part of Oregon and we need successful, small family-owned businesses to make it thrive," said Phillippi. Not only is the company a third generation enterprise, but many Rough & Ready Lumber employees and customers are third-generation as well. "The synergy created by the needed increase in steam production, the demand for clean, renewable power and the need to reduce fuels in the forests make this project very necessary at this time," said Phillippi.

The total cost of the project is \$5 million. In addition to Energy Trust, Rough & Ready Lumber is applying to the Oregon Department of Energy for a Business Energy Tax Credit of \$1.25 million, or 25.5 percent of eligible project costs. After incentives and tax credits, Phillippi estimates that the project will pay back its cost in energy savings in four years.

Energy Trust of Oregon, Inc., is a nonprofit organization dedicated to changing how Oregonians use energy by promoting energy efficiency and clean renewable energy for Oregon customers of Pacific Power, Portland General Electric, NW Natural and Cascade Natural Gas. For more information, visit the Energy Trust website, [energytrust.org](http://energytrust.org), or call 1-866-ENTRUST.

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