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## **Snowflake White Mountain Power Biomass Electrical Plant** **BASIC FACT SHEET**

### **Snowflake White Mountain Power (SWMP):**

- 24MW biomass plant being built adjacent to the Abitibi recycled/newsprint paper mill in Snowflake, Arizona
- Plant construction is underway. Boiler steel has been topped off and the first water wall has been installed. All boiler parts are on site. Conveyors under construction as well. Turbine pedestal has been poured, condenser is in place with turbine/generator units to be installed in May. Truck dump is nearly complete.
- The plant is expected to be completed in late fall/early winter of 2007 with full production to follow within 60-90 days.
- All components and conveyors coming from another Abitibi facility in Sheldon, Texas...including the large, forged steel steam and mud drums and screw presses have been dismantled and shipped to Snowflake and are ready for installation. Drums will be put into place the first week of May.
- Abitibi will operate the facility...they have over 400 employees working at the plant with a large, skilled team experienced in operating and maintaining an electrical generation facility as they currently generate their own electrical power needs for the paper mill through coal-fired boilers.
- Abitibi is a recycled paper mill and has a waste stream of 250 bone dry tons of paper fibers that can not be used in their process. Currently this material is being stored in a landfill. We will mix the paper sludge with the wood chips as a fuel for our boiler. The paper sludge will be 53% of our fuel by weight and produce approximately 6MW of the plants 24MW output.
- Our boiler is a bubbling-fluidized bed boiler specifically designed for this fuel mix.
- We have signed 20-year Power Purchase Agreements (PPA) with Salt River Project (SRP) and Arizona Public Service (APS) to acquire the power we'll generate. SRP will take 10MW for years 1-15 and 20 MW for years 16-20. APS will take 10-14MW (fluctuates based on parasitic load) for years 1-15 as well as all additional power created but not committed under the PPAs.
- The plant will be fully operational in early 2008, in plenty of time to meet the December 31, 2008 deadline for federal Production Tax Credits
- The plant will have 3 years worth of fuel stored on site prior to start-up.
- The fuel is being provided from several sources through contracts and arrangements with our sister company, Renegy, LLC

- At 20% moisture content, the plant will burn 125,000 tons per year. The fuel from the Rodeo-Chediski area is coming in at 7-10% moisture content. Also, Arizona's dry, arid climate helps dry the "green" fuel very quickly and also helps prevent internal combustion within our piles.

### **Renegy and Renegy Trucking:**

- Responsible for harvesting, collecting and shipping woody biomass fuel for the SWMP biomass plant.
- Currently more than one and half year's supply of fuel is already delivered and stored at the plant site.
- Renegy is now the largest forest logging operation in Arizona with 40-50 employees.
- Current sources of fuel:
  - Several Timber Sale contracts with the US Forest Service to remove saw logs from the Rodeo-Chediski burn area. Rider to those contracts allows us to remove the biomass, smaller dimensional dead trees as well. We're meeting snag and downed woody material requirements of the EIS. We've purchased two saw mills to try and extract as much value as possible from the saw timber. However, much of it has deteriorated so badly that use as biomass is our only option. About 53% of those trees which are cut for lumber end up in the biomass pile.
  - Several Timber Sale contracts with the US Forest Service on "green" timber sales. These sales are for roundwood and thinning. We've recently acquired a pole peeler to, again, extract as much value as possible from the roundwood harvested while also chipping the remaining material and peelings for the biomass plant.
  - We are a subcontractor to Future Forests for two Wildland Urban Interface (WUI) task orders: Heber-Overgaard and Brookbank. We're removing the material there to FS specifications and taking the material to the biomass plant. As well, we're currently receiving biomass woody waste material from other WUI projects under the Stewardship Contract including the Dutch Joe, Ranch Iris and Little Springs WUI projects.
  - We were the successful bidder on the Pierce Fuels Reduction Project contract from the Forest Service which is an area of the Rodeo-Chediski Fire where there was not sufficient saw timber to justify it being released as a timber sale. The area is adjacent to Overgaard and needed to be cleared. Work there is nearly completed. We're hoping to see more contracts of this nature in similar areas both within and outside of the existing sale boundaries of our current timber sale contracts.
  - The Forest Service recently awarded Renegy two IDIQ contracts. One is for work similar to the Pierce contract and the other to clear and remove dead pinion and all juniper trees from areas within the forest in an effort to restore the grasslands. We see both of these IDIQ contracts as important opportunities for meeting our future fuel needs. Pinion has a slightly higher BTU content than Ponderosa Pine. The USFS has already allocated over \$200,000 for both of these contracts. On our first PJ contract we extracted over 12 tons of material per acre.
  - We're currently getting about 15% of our fuel from other sawmills in the region and from private clearing and treatment work. We removed an old chip pile from the

Cibique saw mill on the Fort Apache Tribal lands. Some of the material was over 10 years old but there was very little reduction in BTU content.

- The area's three green waste sites have also been a significant source for fuel. We recently cleaned out the Heber green waste site and are now the contractor responsible for its operation and maintenance (in past years it was burned) and already it is nearly full again. Residents are heeding the call to clear and thin around their homes and property.
- We've also entered in to discussions Gila County for management of the Buckhead Mesa GWS in Payson, Arizona.
- We're currently receiving 3-4 loads a day of green waste coming from the Salt River landfill in Mesa, Arizona.
- We've initiated discussions with the state's two largest utilities (SRP and APS) to assist them in clearing and thinning around their major transmission lines which traverse the forest. We're also discussing ways to have them store and/or bring to us their trimmings for line clearing work they do in residential communities.
- We're investigating the feasibility of an urban waste program with the Phoenix area and are already getting several loads of grindings a week from an old citrus grove that is being removed.
- We're currently bringing fuel to the yard on a monthly basis at a rate greater than our monthly consumption will be when the plant is operational.
- Our current fuel supply is from the following locations 53% Rodeo-Chediski sales, 19% Wildland Urban Interface Task Orders (Stewardship Contract), 9% Green Waste Sites and 19% Other Sources (saw mills and private).

#### Woody Biomass Fuel Consumption Rates:

- The plant's fuel requirements are based on moisture content:
  - 168,000 tons at 50% moisture
  - 125,000 tons at 20% moisture
  - 100,000 tons at bone dry content