

Energy Trust of Oregon, Inc.
733 SW Oak Street, Suite 200
Portland, Oregon 97205

Telephone 1 866 368-7878
Facsimile 503 546-6862
www.energytrust.org



For Immediate Release

Contact:

Jan Schaeffer

503-445-7603

jan@energytrust.org

Susan Jowaiszas

503-223-2802

susan@irisgrouppr.com

NEWS

December 13, 2004

Wood products companies cash in on energy savings measures, production improvements

Energy Trust incentives, state energy tax credits help companies save money and energy

MEDFORD, Ore. — December 13, 2004 — Doing more with less is the mantra for every business, but no more so than in Oregon's wood products industry. Increasingly companies are investing in high efficiency technologies that go beyond saving energy and money to improve the production processes at their facilities. Roseburg Forest Products, Dillard, Ore., and Cascade Wood Products, White City, Ore., are the latest example of companies that took advantage of financial incentives to invest in technologies that make them more competitive in the marketplace.

"Even with the substantial energy savings possible, the upfront costs of investing in new technologies can be a barrier to companies striving to survive in a tough market," said Andy Saleh, commercial and industrial program manager, Energy Trust of Oregon, Inc. "Financial incentives from Energy Trust of Oregon Production Efficiency program and state energy tax credits through the Oregon Department of Energy make it possible for Oregon businesses to gain energy and production efficiencies now, when they need them most."

Oregon customers of Pacific Power and Portland General Electric fund Energy Trust programs through a three percent public purpose charge on their utility bills. In 2005, approximately \$20 million will be available to industrial ratepayers who take advantage of the Production Efficiency program. Energy Trust also serves residential and commercial customers of the two electric utilities and NW Natural.

Production efficiency appears to be a big priority for Southern Oregon industry. Dozens of potential production efficiency project sites in Southern Oregon have applied for assistance through Energy Trust. "With the high efficiency equipment available today, companies not only save money on electricity, they often get a better end product and can make more of it — and at a lower cost," said Rick Reichert, Engineer-Auditor, RHT Energy Solutions, Medford, Ore. "Energy Trust incentives are making it possible for many companies, especially resource-based industries, to invest in the future of their plants." RHT Energy Solutions is the Southern Oregon program delivery contractor for the Energy Trust Production Efficiency Program.

Savings roll in with new equipment at Roseburg Forest Products

Roseburg Forest Products is a large wood products manufacturing company headquartered in Dillard, Ore. The company operates a number of facilities throughout the Northwest. The company's Oregon sawmill and plywood mills generate nearly half of the wood raw materials for the firm's particleboard mill, as well as feed the central steam boilers at all of the facilities.

After completing a major process evaluation, Roseburg Forest Products determined that a new "rolling screen" wood processing system would do a better job of sorting material for particleboard manufacture at a much lower level of energy consumption. This new energy-efficient equipment replaced about 8000 horsepower of energy-hungry, steam-pressurized refiners. By upgrading the equipment, this energy demand was removed forever, resulting in electricity energy savings of about 22 million kilowatt hours per year, or about \$720,000 of electricity cost savings yearly.

"We've been wanting to make this change for some time, both to streamline the process of sorting the wood particles and to reduce electrical energy, steam and maintenance costs. Energy Trust of Oregon made it possible for us to go ahead with the project," said Brian Bennett, Plant Manager for the Dillard particleboard facility. The equipment cost and installation for the rolling screen system costs several million dollars, so it was a tough decision, even with the dramatic energy savings potential.

Roseburg Forest Products received \$2.2 million in incentives through the Energy Trust Production Efficiency Program and has applied for Oregon Business Energy Tax Credits to further offset their multi-million dollar investment. The 22 million kilowatt hour savings are equal to the yearly energy consumption of more than 1,800 average Oregon homes.

Roseburg Forest Products has already begun evaluating new energy efficiency projects for their facilities in Southern Oregon. According to Lindsay Crawford, Vice President of Manufacturing, "We will continue to reduce our energy needs and costs and make our operations more competitive with projects like these."

Energy savings comes in threes for Cascade Wood Products

Energy savings are just the beginning of the benefits Cascade Wood Products, White City, Ore., is realizing through an extensive energy retrofit completed this fall. Taking advantage of a combination of incentives, tax credits and rebates, the secondary wood products mill has reduced energy consumption by 40 percent over the old dust collection system, air emissions by 25 to 39 percent and cut interior noise levels by about half.

Cascade Wood has received nearly \$500,000 in financial incentives from Energy Trust for significant energy measures installed for new dust collection, air compression and lighting systems. The energy savings from these three projects is nearly 2 million kilowatt hours, or enough energy to power 170 homes. Paybacks for the investments are 2-1/2 year or less.

"We learned about the program through our representative at Pacific Power who introduced us to RHT Energy Solutions," said Doug Erickson, maintenance supervisor, Cascade Wood. "By taking advantage of the incentives and the Business Energy Tax Credits we were able to make improvements that we wouldn't have made otherwise. These projects are helping make our company stronger in a very tight margin business. Any money we can save on energy makes us more competitive."

Through an online energy monitoring system through Pacific Power, Erickson can monitor the mill's energy consumption on a daily, or even hourly, basis. "We're saving about \$10,000 a month," said Erickson. According to Erickson, actual energy savings have exceeded forecasts.

The largest energy savings were gained from a redesign of the mill's cyclone dust collection systems. Cascade Wood had five cyclones running during the hours of operation to separate particulates from the air before releasing it to the atmosphere. Energy consultants with RHT Energy Solutions, determined that two dust collection systems could be combined and redesigned to remove more particulate matter with less horsepower. A third dust collection system was retrofitted to make it more energy efficient.

There are other non-energy benefits, as well. Because the new dust collection system does a better job, Cascade Wood is receiving a rebate from the Oregon Department of Environmental Quality on its permit. "We've realized a 25 to 39 percent decrease in our particulate emissions with the new system," said Erickson.

Noise inside the mill has also dropped dramatically. "On the first day with the new blowers, we all thought that the system wasn't working because it was so quiet," said Erickson. "It wasn't until I went outside that I realized that the new equipment made a lot less noise than the old." Erickson estimates that the noise level is about half of what it was before.

Another project at Cascade Wood was the retrofit of the old air compression system. The old system used a 200 horsepower compressor for the whole mill and ran 24 hours a day, 7 days a week, since it was needed for the fire protection system. Instead, The new 50 horsepower air compressor runs when the mill is closed to meet the needs of the system. A new check-valve maintains adequate pressure for the sprinkler system without running the 200 horsepower compressor.

The third energy project at Cascade Wood was the installation of high efficiency fluorescent lights in the mill manufacturing areas. Mill lights are kept on 24 hours a day for safety reasons, making this a good place to look for energy savings. The new lights are 227 watt T5HO fixtures, specifically designed for high ceiling, or high bay, areas. The old lights were metal halide, 400 watt fixtures. "The new lights provide a better quality light at a substantially lower watt level," said Erickson.

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 and NW Natural. For more information, visit the Energy Trust website, www.energytrust.org, or call 1-866-ENTRUST (368-7878).

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