



PT PAPER COGEN PROJECT

Providing Green, Renewable, and Local Electricity

We now have permits in hand that have successfully passed an extensive review by the Department of Ecology, the WA Pollution Control Hearings Board, and the Thurston County Superior Court.

This project will generate local and renewable green energy along with making significant upgrades to our existing pollution control equipment. It is designed to reduce the burning of at 1.8 million additional gallons of fuel oil every year. This is approximately a 25% reduction in all of the fuel oil that we expect to consume in 2012. In addition, it will create and sustain jobs. This is good for the mill and good for our community.

Proposed Scope

The Cogen Project will upgrade our existing Power Boiler to more efficiently burn wood biomass and install a new steam turbine generator capable of generating up to 25 megawatts of power. The project will add \$10 million of new air pollution control equipment to ensure that the Power Boiler emissions are improved over today's levels, and be lower than all State and Federal emissions limits.

Air Emissions

Will the Cogen project produce a net increase or decrease in airborne particulate matter?

The project will reduce existing particulate emissions by approximately 70 percent. This finding is based on the data analysis and modeling done by Trinity Consultants in a five month study period prior to submitting a formal Notice of Construction Application to the Department of Ecology (DOE) in May 2010. Finding 11, from the DOE Notice of Construction permit, was: "projected actual PM emissions from PB10 after project completion are 27.2 T/yr compared to baseline emissions of 103.1 T/yr." The emission factor for the boiler has been 0.1 #/mmBTU in the past and it becomes 0.020 #/mmBTU under the new permit limit.

The Power Boiler will be equipped with a new electrostatic precipitator with a 99.7% efficiency of removal. In addition, a new selective non-catalytic reduction system (SNCR) will be installed to control nitrogen oxides (NO_x), and the existing scrubber will be modified to increase sulfur dioxide (SO₂) removal. The addition of these pieces of equipment, plus the work on the boiler itself, will result in the Biomass Boiler running at decreased emissions for total particulate, NO_x, SO₂, hydrogen sulfide (H₂S), and total reduced sulfur compounds (TRS).

Fuels

We will be using the same type of fuels in the Power Boiler that we have used for decades. Our permit does not allow us to burn material that is treated, contains lead paint, hazardous materials or trash.

We will be shifting the proportion of fuels we use now by increasing the amount of wood biomass, and decreasing the amount of petroleum-based fuel oil burned in the boiler.

Impact on the Forests

The additional biomass fuel will largely consist of limbs and tops (slash) from existing commercial tree harvesting. This material has historically been piled up to make room for seedlings or burned in the forest. No mature trees will be harvested for the sole purpose of providing fuel to the project.

In addition to collecting slash from the Olympic Peninsula, our barging system allows us to bring in fuel from Olympia to Canada. The Port Townsend Paper mill wood procurement system is certified as a sustainable process by independent auditors using the Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI) standards. The FSC certification is the most rigorous forest sustainability certification in the world.

Jobs and Community Support

We expect that 30 new full-time, permanent jobs will be created in Jefferson and Clallam counties to process the biomass fuel. We also expect that the equivalent of 35 full-time construction jobs will be created for one year. For example, the first step for the Cogen project was to construct a \$650,000 truck unloader. This was done on time and on budget with local labor supplied by Seton Construction.

Most importantly, this project will sustain and strengthen employment of 300 people, and support benefits for over 400 dependents and retirees.

These families are a vital part of our community and help sustain the local economy, including its health care system.

Community Connection

We continue to reach out to community leaders and members with site tours and discussions. All change has its tradeoffs and there is no single solution to energy independence from fossil fuels. We believe this renewable energy project will have a significant positive impact on the community and its environment.

For more facts visit

www.ptpc.com/environment.html or

www.ptcogen.blogspot.com

Please register your support by e-mailing us at community_relations@ptpc.com or call 360-379-4224.