



RODEO-CHEDISKI FIRE DAMAGED WOOD TO HELP PROVIDE
NORTHEAST ARIZONA ELECTRIC POWER

On June 20, 2002, two massive wildfires merged into one of the worst wildfires in Arizona history. Now, the fire damaged wood of the Rodeo-Chediski fire will fuel Arizona's newest renewable energy project, a 24 mega-watt electrical biomass plant in Navajo County, just West of Snowflake.

The project is reported to be the largest biomass plant to be constructed in the United States in over a decade. Snowflake White Mountain Power (SWMP) will build the plant adjacent to the Abitibi Paper Mill on State Highway 277. The Arizona Department of Commerce awarded allocation of a \$39.25 Million Private Activity Bond to facilitate the project.

In addition to damaged wood, the plant will provide a market for small diameter timber and will act as a disposal site for sawmill waste, slash material from thinning projects, and will incorporate recycled waste paper fibers reducing landfill waste. SWMP is certified under the Healthy Forest Enterprise Incentives Program because of this activity.

"This plant is consistent with our efforts in Arizona to protect our forested communities, restore our forests to a healthy condition and develop long-term sustainable economic development opportunities for the forested areas of our State," says Governor Janet Napolitano.

The project will add 12-15 full time permanent jobs on top of the 65 new jobs already filled by men and women working in the woods to collect the fuel. Plant construction employment will be sizeable.

"This project creates high-wage jobs in Snowflake, increases the available electricity to the White Mountain communities, and facilitates the restoration of Arizona's fire devastated forest," says Arizona Department of Commerce Director Gilbert Jimenez.

Power output from the facility will be sold to SRP and APS, assisting the energy providers in meeting Arizona Corporation Commission requirements for energy from renewable sources.

"In just over a year we'll be able to fire up the boiler for the first test runs and we expect to be in full-scale electrical production by the end of 2007," says Bob Worsley, CEO of SWMP. "The plant will also stabilize the area's electrical grid and provide a sensible and beneficial use to the woody biomass waste generated by the thinning efforts designed to protect the White Mountain communities and future forest fires."

Background:

Private Activity Bonds are securities issued by or on behalf of a local government to provide debt financing for projects used for the trade or business of a private user. The PAB program can be used for the construction of industrial and manufacturing facilities and the purchase of equipment, residential rental projects, facilities for the furnishing of water, sewage and solid waste facilities and more.

The primary goal of the **Healthy Forest Enterprise Incentives Program** is to promote forest health in Arizona. The program achieves this by proving incentives for certified businesses that are primarily engaged in harvesting, initial processing or transporting of qualifying forest products.

For information on these and other State incentives, please visit www.azcommerce.com,
For information on Snowflake White Mountain Power contact Scott Higginson at 480-218-8880.