

## **Burnham to be site of \$20 million wood pellet plant**

**By Walter Griffin**

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PHOTO COURTESY OF GOV. JOHN BALDACCIO'S OFFICE

Gov. John Baldacci speaks with Steve Mueller, president and CEO of International Wood Fuels, before a news conference to announce that the company would be locating a pellet plant at the Pride Manufacturing facility in Burnham.

said during the announcement.

“These new green jobs will allow the facility to produce approximately 100,000 tons of clean-burning wood pellets made from sustainably harvested whole logs, annually displacing nearly 12 million gallons of heating oil and effectively eliminating 133,000 tons of carbon dioxide emissions.”

Burnham, in Waldo County, is in the heart of the state's wood basket and close to the state's Interstate 95 transportation corridor. With the help of Maine & Co., WoodFuels obtained a site adjacent to Pride Sports, the world's largest manufacturer of wooden golf tees.

“This partnership is a perfect opportunity to grow and keep jobs in Maine,” Jacobson said. “We leveraged the strengths and sustainable products of two strong companies. ... In the end, the partnership provides for the creation of new jobs with WoodFuels and a strong work force at Pride.”

Both companies will be able to utilize the same wood sources for their products. WoodFuels will be able to blend the leftover hardwood from Pride's manufacturing process into its pellet product, which will be sold in both packaged and bulk form, Mueller said.

BURNHAM, Maine — The use of wood pellets and stoves is expected to keep growing, but an industry official does not foresee a situation similar to last winter when high oil prices caused demand to soar.

That was the observation made by Steven Mueller, president of International WoodFuels, a few hours after announcing that his firm will open a \$20 million wood pellet plant here next summer.

It will be the state's fifth pellet manufacturing plant.

Gov. John Baldacci, Matt Jacobson, president of Maine & Co., and Randy Dicker of Pride Sports also took part in Tuesday's announcement at International WoodFuels' Portland headquarters.

“Our Burnham facility will create up to 35 new jobs for Maine and support the region's existing foresters, loggers and other biomass professionals,” Mueller

“Pride is very complementary to our process. There are a number of things we can do together,” Mueller said. Groundbreaking for the \$20 million facility is expected to take place this fall.

Mueller said last year’s run on pellets and pellet stoves was likely a one-time occurrence triggered by \$5 per gallon heating oil prices in June 2008. Today the price of oil is about half that.

Jeremiah Graham, co-owner of Evergreen Home Solutions in Ellsworth, had a similar observation. Graham said inventories of pellets and pellet stoves were strong and that he did not anticipate things to escalate as they did last year. He said he never ran short of pellets last winter but that finding stoves to sell was a problem.

“I think we’re going at a more healthy rate this year; last year was a boom,” Graham said.

He said last year’s supply problems were exacerbated by people who worried that prices would skyrocket and began buying more pellets than they needed. Some bought as much as three or four years’ supply. Graham said he expected consumers to act more moderately this year.

Of course, he added, there will always be those who hoard pellets in fear of supply problems and rising prices. Graham said the hoarders proudly refer to themselves as “pellet pigs” and boast of their activities on the [hearth.com](http://www.hearth.com) Web site.

“They brag about it,” Graham said.

Mueller said there are approximately 1 million pellet stoves in the country, 171,000 of which were sold last year.

He said Maine produced about 350,000 tons of wood pellets last year. He estimated 320,000 homes in Maine were using oil for heat, approximately 10 percent of which have pellet stoves. Pellets are selling today for about \$255 per ton, the equivalent of \$2.10 per gallon of heating oil, he said.

Mueller said there are 91 pellet manufacturing plants in the country, including four in Maine. The Maine plants are in Ashland, Corinth, Athens and Strong. Mueller said the unstable price of oil and the need to reduce greenhouse gases and the country’s carbon footprint would result in continued demand for clean-burning wood pellets.

“We could build 10 more plants here. We’re importing pellets from Wisconsin, and that should not be,” Mueller said. “There is no shortage of fiber in the state of Maine. There is no shortage of pulp. And there is no shortage of demand.”

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