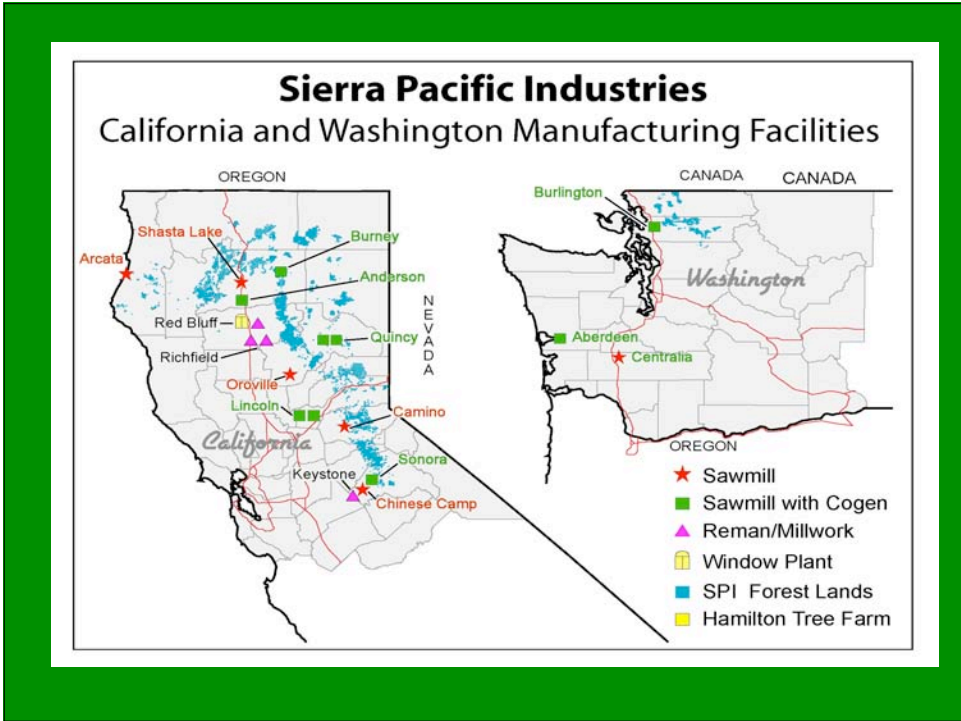


## Growing Forests for Our Future

SPI is a family-owned business  
for three generations

4,000 employees in 19 counties





## SPI – Growing Forests for our Future

California and Washington operations, 13  
Sawmills processing Ponderosa Pine, Sugar Pine,  
Douglas Fir, White Fir and Cedar.



## SPI – Growing Forests for our Future

- Nine of Sierra Pacific's facilities have biomass power plants producing electricity that helps California meet its energy demands



# Loyalton Timeline



- 1974 Sierra Pacific Industries purchases Loyalton sawmill
- 1988 cogeneration plant is built

Loyalton Mill Shut January 2001



**January 2001 Loyalton Cogeneration  
began stand alone operation**



## **Sierra Pacific's logistical Challenges**



- **Without the sawmill fuel had to be purchased on open market**
- **Develop fuel sources and suppliers quickly**
- **Remaining SPI mills had to supply Loyalton in the interim**

## Sierra Pacific's logistical Challenges



- Fuel Stock pile requirements (100 days)
- Dry fuel and weather concerns
- 10 acres required to manage fuel stockpile
- Staffing and equipment required

## Sierra Pacific's logistical Solutions



- Outside fuel purchase pricing based on distance from the plant
- Annual target volumes identified
- Developed fuel specification sheets for suppliers
- Neighboring SPI sawmills tapped less as sources were developed
- 100 mile radius was targeted for fuel

## Sierra Pacific's logistical Solutions



- Fuel specifications size and quality changed
- 12 acre paved log deck converted to storage
- New truck dump constructed
- Landfill diversion materials targeted

## Sierra Pacific's Operation



- Plant operates 24/7
- Scheduled maintenance shutdowns

## Sierra Pacific's Operation



- Average output 11 megawatts an hour enough for about 8,000 homes



Power exclusively sold to  
Sierra Pacific Power, which is no relation to Sierra Pacific Industries

Questions?

