




WOOD PELLETS

Mississippi, Renewable Energy and the Economy

QUESTION

- Are you tired of seeing Mississippi listed at the bottom of all the “Good” lists and at the top of all the “Bad” lists?
 - Are you tired of waiting for the development of a renewable energy technology that will create jobs and stimulate the economy?
 - Would you like to see Mississippi recognized as the national leader dedicated to renewable energy and setting the standard by which *all other states* are measured?
- 

Our company goals are very simple.

1. Create jobs for Mississippi
2. Have a positive impact on the environment by reducing carbon emissions
3. Move our state and nation toward energy independence

Our Vision for Wood Pellet **production and consumption** in Mississippi and the economic impact on our state is the subject of this discussion today.



MY NAME IS TERRY DUNLAP. I AM THE PLANT MANAGER OF **PINEY WOODS PELLETS**. WE'RE LOCATED **IN STONE COUNTY JUST SOUTH OF WIGGINS, MISSISSIPPI**. OUR STATE OF THE ART PELLET MANUFACTURING FACILITY HAS BEEN IN PRODUCTION FOR ALMOST A YEAR. OUR PRODUCTION CAPACITY IS **52,000 TONS PER YEAR**. WE ARE DESIGNED TO QUICKLY EXPAND OUR PRODUCTION CAPACITY TO 100,000 TONS PER YEAR.



WHAT IS THE VISION? CONSIDER THIS.

- A renewable bio-mass energy product
- Grown in Mississippi
- Managed by Mississippi forest experts
- Harvested by family owned Mississippi logging companies
- Converted by Mississippi owned and operated manufacturing facilities
- Distributed by Mississippi owned and operated trucking companies
- Consumed in Mississippi manufactured furnaces (Hardy Heaters)
- Heating Mississippi schools, hospitals, government buildings, universities, colleges, poultry operations and family homes



IS THIS POSSIBLE?

Yes!

And it's possible now.

WHAT IS THE PRODUCT?

- Wood pellets
- Produced from Mississippi bio-mass (trees)
- Grown by Mississippi tree farmers
- Managed by Mississippi Foresters
- Harvested by Mississippi Loggers
- Converted by Mississippi owned, managed, and staffed Manufacturing facilities

PELLETS AND JOBS CREATION

Our plant employees 26 Mississippians

The EDP in Stone County estimates that for each direct job, three additional indirect jobs were created. A new chip mill will be construction on property next to our facility to supply us feedstock (bio-mass) for wood pellet production.

They will employee 10 Mississippians. It is logical to assume those 10 direct jobs will also create three additional indirect jobs. Therefore, each new pellet plant constructed in Mississippi could create 144 new jobs.

ECONOMIC IMPACT OF OUR PLANT ON STONE COUNTY AND MISSISSIPPI

- \$1,100,000 in new compensation for the 26 direct jobs created.
- Approximately \$400,000 in new compensation from the new jobs created by the chip mill.
- \$250,000 in new business to local parts stores, hardware stores, machine shops, and service providers
- \$4,200,000 generated from the purchase of feedstock (wood fiber)
- \$250,000 from the purchase of wood shipping pallets
- \$611,000 from the purchase of packaging products

DIRECT IMPACT TO THE LOCAL ECONOMY FROM DIRECT JOBS.

\$6,811,000.00 annually

This number is direct impact and does not include indirect jobs or monies generated during construction of our plant.

INDIRECT IMPACT

If we assume each indirect job was valued @\$30,000 (\$14.50 per hour) annually, these jobs (108) would contribute an additional

\$3,240,000.00



TOTAL ECONOMIC IMPACT ON THE LOCAL AND STATE ECONOMY

\$10,051,000 Annually



WOW!

NOW CONSIDER THIS

We believe that Mississippi has the resources (bio-mass) to support 8 to 10 additional pellet plants.

The total impact on our economy would be between **\$840 MILLION and 100 MILLION annually.**

New direct jobs created from the pellet plants would be between **208 and 260.**

New indirect jobs created would number between **624 and 780.**

Each new pellet mill could be supplied by a chip mill. This would be accomplished by building new chip mills or re-starting chip mills that are out of business.

New direct jobs created for Chip Mill would number between **80 and 100**

New indirect jobs created from the new chip mills would number between **240 and 300**.

Total new jobs created by building 10 new pellets mills and restarting or building 10 new chip mills could equal 1,440 new jobs for Mississippi.

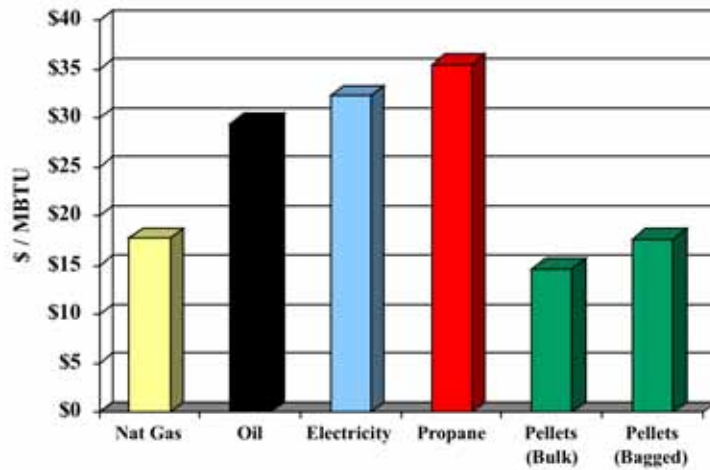


ADDITIONAL ECONOMIC BENEFITS OF WOOD PELLETS

- Affordable heating for our families
- Affordable heating for our schools
- Affordable heating for our Universities and Colleges
- Affordable heating for our Hospitals, Nursing Homes, and Medical facilities.
- Cost savings to local governments
- Cost savings for our state government



WOOD PELLETS COMPETES AND WINS ON COST



ENERGY OF WOOD PELLETS

- One pound of wood pellets averages 8,200 BTU's of energy
- One 40 lb bag equals 328,000 BTU's
- One ton of pellets equals 16,400,000 BTU's
- Piney Woods Pellets produces 820,000,000,000 BTU's each year.
- This saves 130,000 barrels or 6.5 million gallons of imported oil per year!

Slide 17


LOC1 Get new figures on this...
Osmond Crosby, 9/18/2008








WHY SHOULD WE DO THIS?

- We should do this to help the economy in Mississippi.
 - We should do this because it's the right thing to do for Mississippians.
 - We should do this because it's the right thing to do for our neighbors.
 - We should do this to show the world what can be done with home grown renewable energy.
- 

WHAT WILL BUILDING THESE NEW FACILITIES COST?

- Each plant will cost between 11 and 15 million dollars.
 - Total investment between \$110,000,000 and \$150,000,000
 - Total revenue generated from the above investment \$100,000,000 annually
 - Is Mississippi worth the investment?
- 

HOW DO WE DO THIS?

- Our State and Local Governments must get serious about renewable energy and become proactive in the energy production and consumption arena.
- Our state and local government agencies must work together to find all federal, and state funds available for building facilities that create **GREEN JOBS** and put those funds to work building plants and creating those jobs.
- **Mississippi must commit to renewable energy** and set the standard by which all other states are measured.

IT IS TIME FOR MISSISSIPPI TO INVEST IN MISSISSIPPI

We should convert our state and local government buildings, court houses, hospitals, schools, universities, nursing homes, poultry farms, and residence to Pellet Fuel heating.

We have the renewable resources (trees), the skill, the knowledge, the technology, and skilled work force to build these plants.

Mississippi tree farmers, foresters, and loggers need these plants.

Our state desperately needs the tax revenues these new plants would generate.

Mississippi needs these plants. Lets keep Mississippi money in Mississippi. Lets keep Mississippi bio-mass in Mississippi helping Mississippi and Mississippians.

REMEMBER THE VISION

- Mississippians creating jobs for Mississippians
- Creating a positive impact on our Environment.
- Reducing Mississippi's dependency on fossil fuel.
- Helping Mississippians by utilizing our natural, renewable resources.
- Putting Mississippi at the top of the "Good" list.
- Setting the example for all other states to follow.



CAN WE DO THIS?
YES WE CAN.

**Will we do this?
Only you can
provide the answer.**



WHEN THE LAST DROP OF OIL IS
PUMPED FROM THE DESERT SANDS,
AMERICA WILL HAVE MORE TREES
THAN IT DOES TODAY.

**Thanks to Mississippi
Foresters!**



QUESTIONS?