

APPLICATION SUMMARY
Preservation Power

Company: Newton Falls Fine Paper, LLC

Location: Newton Falls

County: St. Lawrence

IOU: National Grid

Business Activity: Paper mill

Project Description: Company is planning to re-start the paper mill it idled in 2010 due to operational cost and profitability concerns. The plan is to invest \$6.7 million in refurbishing existing but idled equipment and install new or used papermaking machinery. Additionally, it will build a biomass cogeneration plant to supply the steam and electric requirements of the facility. The cogeneration plant will cost \$15 million and is expected to be fully operable in three years.

Existing Allocation(s): None

Power Request: 6,300 kW

Power Recommended: 5,000 kW

Job Commitment:
Existing: 18 jobs
New: 91 jobs

New Jobs/Power Ratio: 18.2 jobs/MW

New Jobs - Avg. Wage and Benefits: \$47,000

Capital Investment: \$21.7 million (\$6.7 million - paper production; \$15 million - cogen)

Capital Investment/MW: \$4.3 million/ MW

Other ED Incentives: ESD, National Grid, NYSERDA

Summary: Newton Falls Fine Paper Co. ("NFFP") is proposing to invest a total of \$21.7 million to re-start operations at its paper mill and to build a biomass cogeneration plant to self-supply steam and electricity. The renovated and newly equipped plant would produce high quality, heavy weight specialty paper with high recycled content. The biomass cogeneration plant, to be operational in three years, would burn locally harvested wood chips and would be designed and built to use the highest efficiency and environmentally sound state-of-the-art

equipment. The company is requesting an allocation for three years in anticipation of the cogeneration plant coming online within that timeframe.

If NFFP were to receive an allocation of Preservation Power, it would commit to reopening the facility and rehiring 87 people for paper production operations in the first year, thus providing an immense boost to, and reinvigoration of, the local economy. Overall, the company would commit to 109 jobs by the end of two years of operation, comprised of 18 existing employees and creation of 91 jobs. An allocation of Preservation Power is a major factor in the decision to move forward with this project. The hydropower cost savings over three years would give the company the ability to move forward now with the investment in the biomass plant.