

HAMPTON AFFILIATES

DARRINGTON LUMBER MILL ENERGY SUPPLY PLANNING

Hampton Affiliates (Hampton) is one of the nation's largest privately held forest and building products companies. As of 2003, the company timberland holdings were over 150,000 acres supporting its annual production of 1.3 billion board feet of lumber at six mills located in Washington and Oregon. Overall, its annual sales approach \$800 million.

Hampton was approached by a generation developer about the possibility of locating a cogeneration facility adjacent to its mill in Darrington, Washington whereby the developer would provide steam to the mill in exchange for wood waste. The developer would then be allowed to sell the electricity byproduct for profit.



Having only recently purchased the Darrington mill, and with its sights set on future expansion, Hampton required assistance in evaluating the offer put forth by the developer and desired an overall strategy for energy supply at its Darrington and nearby Arlington mill. EES Consulting was retained to provide Hampton advice on these matters. Over the course of this work for Hampton, EES Consulting provided the following to Hampton:

- Evaluated several alternatives for meeting Hampton's future steam needs as well as the installation of cogeneration facilities
- Critiqued the developer's proposal, advising Hampton of potential alternatives and areas of concern
- Identified significant savings through power factor correction
- Identified significant savings from taking natural gas services at its Arlington mill under a different rate schedule
- Identified the opportunity for cost savings through the buyout of leased utility transformers
- Evaluated the cost-effectiveness of combining the 13 electric meters at its Darrington property
- Evaluated other options for possible cost savings; including interruptible service, time-of-use rates and direct access

Hampton has since declined the offer of the developer and retained EES Consulting to assist in the development of new boilers and back-pressure turbines at its Darrington and Tillamook, Oregon mills.