



Please Post

## **COMPANY NEWS**

October 30, 2015

On October 30, 2015, Humboldt Redwood Company completed the asset purchase related to the Steam and Power Plant located in Scotia, California.

This purchase will allow our Scotia facility to generate steam and electricity to be used in our sawmill operations. Excess electricity will be sold.

The use of biomass to make steam and electricity furthers our commitment to operate an environmentally sustainable and economically successful business. Products like sawdust and bark will be used to fuel the steam and electricity plant. Additionally, the plant is capable of using forest residuals for fuel.

The network of "biomass" steam and power plants in California is under pressure. A number of factors are preventing the successful future of these facilities. Primarily, "biomass" has yet to be afforded equal standing in the "renewable" energy rate setting mechanism of the State. These complicated regulatory burdens are having a detrimental impact on the State's ability to address the need for; 1) a "base-load" renewable energy source, 2) outlets for the byproducts of forest projects designed to enhance fire safety.

There are many challenges with the operation of a biomass steam and power plant. Fortunately, we have been able to hire nearly 20 skilled and capable new employees to be successful. It is always good news to share we are growing our business and providing opportunities for our colleagues.

If you have questions about this posting, your job or our company, please speak with your manager or give me a call at the number below.

Thank you,

Bob Mertz  
Chief Executive  
707-620-2974