

E3 Takes On Groundbreaking ‘Green Pulp’ Project in Eastern Washington

by Mary Prendergast – Manager, E3 Marketing Communications



Columbia County, Washington, is known for its abundant crops of wheat and alfalfa – but there’s a downside. After each harvest, a massive quantity of waste straw needs to be managed in some way, either by burning it, plowing it under, or baling it for erosion control.

Enter Columbia Pulp, a new firm that promises to put some of that waste straw to better use. Recently dubbed ‘a very big deal’ by *The Seattle Times*, the project will manufacture pulp for papermaking using cellulose extracted from the straw through a proprietary process developed by Sustainable Fiber Technologies.

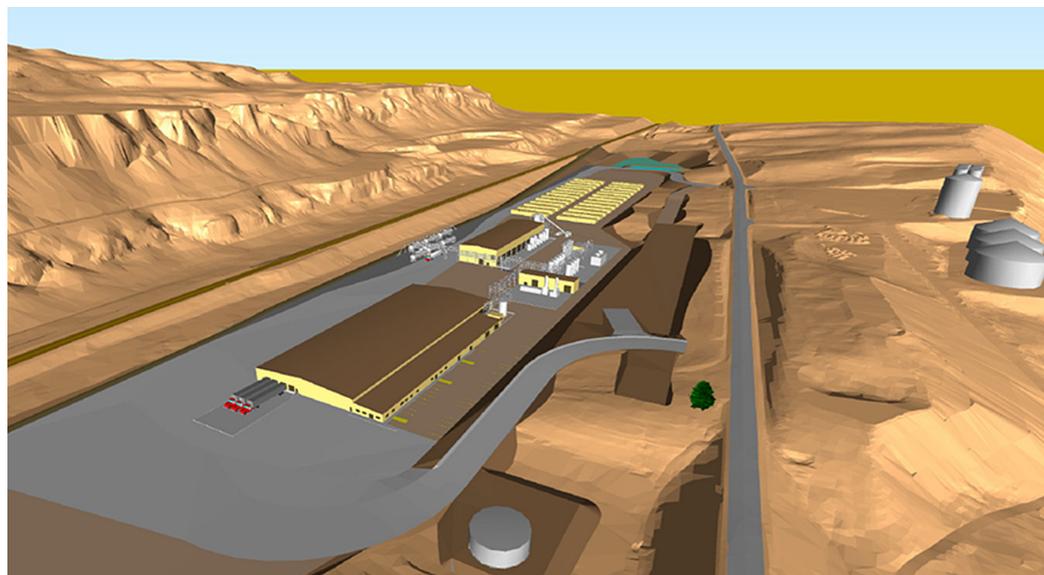
E3 began working with Columbia Pulp more than two years ago as Independent Engineer when the company sought to gather permits, put agreements into place and raise funding. According to E3 President Paul Plath, who manages the project, Columbia achieved financial close on debt and equity funding in August, allowing it to commence construction of the \$184 million mill.

“The Columbia Pulp project makes sense in so many ways, both environmentally and economically,” said Plath. “It will not only eliminate thousands of tons of air emissions from straw burning but will also produce a ‘green’ substitute for wood pulp and pump jobs and tax revenues into the local economy.”

Funding was secured through the sale of \$133.6 million in 15-year tax-exempt bonds issued by the Washington Economic Development Finance Authority. Columbia also raised \$54 million in equity financing, including \$36 million from lead investor Columbia Ventures Corporation, a private equity firm based in Vancouver, Wash.

The new mill will occupy a 449-acre site near Lyons Ferry State Park on the Snake River. Construction began immediately after financial close in August, with commercial operation expected in late 2018. The mill will purchase approximately 240,000 tons of straw annually from wheat and alfalfa farmers within a 75-mile radius.

In the project development life cycle, reaching financial close is a major milestone. It means that developers have agreements and funding in hand to proceed with project construction. It can be an arduous process fraught with setbacks, especially if the project will use technology that hasn’t yet been tested commercially – as was the case with Columbia Pulp. In such cases, E3’s professionals must determine if (a) there’s a high probability of the processing equipment operating as claimed; and (b) if the project is likely to generate a sufficient and sustainable cash stream to repay the investors and lenders. [L](#)



An artist’s rendering of the \$184 M Columbia Pulp Mill currently under construction in Columbia County, Wash. The mill will manufacture paper using cellulose extracted from agricultural waste straw, eliminating the use of harvested timber and also the thousands of tons of air emissions that result from burning the waste straw.