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Maine MEP & USDA Rural Development Assists Windham Firm in Quest for Boiler

WINDHAM – Windham Millwork president and CEO Bruce Pulkkinen knew something had to give. The company’s 25-year old wood-fired boiler was breaking down constantly, was undersized to properly heat the 56,000-square-foot facility and energy costs were rising significantly because Pulkkinen was relying too heavily on a natural gas back-up boiler.

“My 60 employees were uncomfortable because our boiler wasn’t efficient,” Pulkkinen said, “and I was using expensive landfill for the disposal of our unused wood waste; waste that should have been used in the wood-burning boiler.”

Pulkkinen asked the boiler suppliers if there were any federal grant programs to help offset the costs of a biomass boiler project; he was told that there were no programs, but decided to take a look for himself. Sure enough, the U.S. Department of Agriculture Rural Development offered a program that would cover up to 25 percent of the project costs.

The program, known as the Renewable Energy and Energy Efficiency Loan and Grant Program, offers small businesses and agricultural producers an opportunity to develop long-term solutions for their energy needs, while reducing costs and putting into effect clean and efficient energy systems.

“We had come off a challenging year financially,” Pulkkinen said, “and despite the bank’s understanding of the positive impact this boiler would have on the company’s bottom line, the bank wanted to see some other match for the overall cost of the project.”

That’s when Pulkkinen turned to the Maine Manufacturing Extension Partnership (Maine MEP).

“Windham Millwork is fortunate to have worked with Maine MEP in the past,” Pulkkinen said, “and I have a good knowledge of what the projects managers can do for my company and other manufacturers.”

So when the issue of trying to put together the financing and acquisition of a new bio-mass came up, Pulkkinen realized he could use the help of the Maine MEP.

After Pulkkinen decided to submit a proposal for the \$65,000 grant under the USDA Rural Development Farm Bill for Renewable Energy Improvement Program, Mike Clark, project manager for Maine MEP researched the program and advised him so he could understand the expectations in the grant application process. “Mike worked very hard researching the grant application process and point system,” Pulkkinen said.

The grant was especially important at this time because the alternative to getting a new bio-mass boiler was for Windham Millwork to burn high-cost natural gas in the current back-up boiler. In addition, the goals for the project were to eliminate the use of natural gas while eliminating the majority of the current waste product that currently is placed in quickly filling landfills.

“We have plenty of wood waste,” Pulkkinen said, “but we weren’t able to burn it in the boiler. It was driving our energy costs way up.”

A producer of architectural woodwork and cabinetry for the commercial construction market in New England, Windham Millwork began in 1957. Pulkkinen is a second-generation owner, having purchased the company from his father in 1980.

As owner, Pulkkinen has led the company into expanding its product offering, while increasing sales and employment, as well as investing heavily in technology. The company currently has 60 employees and the 56,000-square-foot manufacturing facility features computer controlled saws and machining centers.

The company can produce anything made of wood – it does a lot of work for government buildings and hospitals – and over the years the market has evolved to a point where they are involved in installing most of its own products.

In September of last year, Windham Millwork was awarded the \$65,000 grant and installed a new wood bio-mass boiler in November in a new and larger outbuilding. At the same time, the company added a much larger waste grinder to break down the waste for burning.

Rural Development State Director Michael W. Aube said “The new bio-mass boiler gives Windham Millwork a cost-effective and environmentally sound alternative to an inefficient system. The impact of this new boiler will not only eliminate waste, but cut operating costs, saving many jobs as a result.”

The boiler is a huge success and Windham Millwork has not had to use the natural gas boiler as a backup. This has saved considerable amounts of money due to the unexpected severe escalation of natural gas prices this winter.

“This project will save in excess of \$80,000 in energy and landfill costs for 2006 and will have a total payback of less than three years,” Pulkkinen said. “Without this project and this investment, several jobs would have been lost due to the direct overhead cost associated with energy and disposal costs. The addition of this equipment actually resulted in the addition of another position to operate the equipment.”

Secondarily, the wood waste stream has been virtually eliminated since a majority of the waste is being burned in the new boiler.

“I am once again very happy to have worked with the Maine MEP,” Pulkkinen said. “The project managers’ technical and engineering expertise helped us to quantify and verify the information required in the grant proposal.”

The Maine MEP is an affiliate of the NIST under the U.S. Department of Commerce. The national MEP is a network of manufacturing extension centers that provide business and technical assistance to smaller manufacturers in all 50 states, the District of Columbia and Puerto Rico. Through MEP, manufacturers have access to more than 2000 manufacturing and business “coaches” whose job is to help firms make changes that lead to greater productivity, increased profits, and enhanced global competitiveness. For more information on the Maine MEP program call 1-800-637-4634.

USDA Rural Development currently has over \$187.9 million available nationwide through the Renewable Energy and Energy Efficiency Loan and Grant Program. Funds can be used to fund a wide range of wind, solar, biomass, geothermal, and conservation technologies. Applications must be completed and submitted postmarked no later than May 12, 2006, to the USDA Rural Development State Office: Attention Business and Cooperative Programs, 967 Illinois Avenue, Suite 4, Bangor ME 04402-0405.

Guaranteed Loans will be awarded on a continuous basis. Applications are due to the

National Office for funding consideration by July 3, 2006. Any guaranteed loan funds not obligated by August 1, 2006, will be made available for competitive grants. For more information refer to the announcement in the February 13, 2006, Federal Register at http://www.rurdev.usda.gov/rd/nofas/2006/9006_021306.pdf or contact USDA Rural Development Business Programs Director Michael W. Grondin at 990-9168.