



# DURGIN AND CROWELL LUMBER CO., INC.

*Manufacturers of Eastern White Pine Lumber*

January 31, 2025

**Representative Michael Vose, Chairman**

NH House Science, Technology, and Energy Committee  
302-304 Legislative Office Building  
Concord, NH 03301

**Re: Opposition to HB 219 and HB 567**

Chairman Vose and Members of the House STE Committee:

Durgin and Crowell Lumber Co. operates a forest products company located in Springfield, which produces kiln-dried lumber, wood pellets, and lumber byproducts like bark mulch, wood chips, and shavings. The company opposes HB 219 and HB 567.

Durgin and Crowell is in the process of building a new combined heat and power (CHP) plant at its lumber facility, the construction and finance of which would likely not have been feasible without the expectation of NH Thermal RECs. While the construction must move forward even if the NH RPS is repealed, the passage of HB 219 and/or HB 567 would have severe detrimental effects to our company, our employees, and our suppliers throughout the state. The RPS should remain in place, and intact. Companies and other plant owners like Durgin and Crowell need certainty in order to ensure that these investments continue to be made.

Durgin and Crowell has been in business at the same location since the company's founding in 1976. It has grown to become one of the largest producers of kiln-dried Eastern White Pine lumber in the northeast. The company employs around eighty (80) people, and annually sources logs from around 200 different loggers, landowners, and foresters. The company is an economic driver for the state, where revenue from the sales of its products goes back to the local community in the form of wages, logs purchases, taxes, etc. And while the company has grown, and its products are shipped across the country and overseas, it is still a family-owned company. Its owners live locally, and are intimately involved in the day-to-day operations and management of the facility.

At the core of the lumber production process is Durgin and Crowell's 47-year-old wood boiler. This boiler produces steam to heat the company's dry kilns, in which green (i.e. "wet") lumber from the sawmill is dried before it enters the planer mill where it is planed and packaged for sale to our wholesale customers. A large propane boiler must also be operated in the winter months, when steam demand is higher and the wood boiler is unable to keep up.

Over the last fifteen years, Durgin and Crowell has investigated various options to replace its existing wood boiler. The reality is that the existing wood boiler is old and undersized, and eventually it would have to be replaced. A new boiler would not only offer reliability, but it could potentially



enable to company to add more dry kilns. It was not until 2023 that circumstances were favorable enough to make the new boiler plant a reality. The company committed to purchasing and installing a new CHP plant at its mill. The plant would consist of a new, efficient, and larger wood boiler, as well as a back pressure turbine to generate “behind-the-meter” electricity. The plant was designed with the expectation that the RPS would remain in place and that its energy generation would be eligible for Thermal RECs.

The company secured \$7.5 million in financing from Farm Credit East. Competitive state and federal grants were also awarded for the project. The financials and payback schedule were predicated in part on revenue from Thermal RECs. The project will create new jobs at Durgin and Crowell. It will also create local jobs for our builders, trades, and other local suppliers of goods and services. The new plant will be cleaner and more efficient than our existing plant, and the electricity generated from the back pressure turbine should offset a meaningful portion of our electric bill.

The lumber industry has never been easy, but it has become particularly challenging in recent years. It is a capital-intensive business. Maintaining and replacing sawmill equipment is expensive, with replacement costs continually escalating. It is also a resource-intensive industry. For instance, the company uses over 10.5 million kWh annually at a cost of over \$1.2 million, despite myriad efficiency upgrades over the years. It is a labor-intensive business, from the loggers in the woods, to the truckers that transport the logs to the mill, to the hard-working employees at Durgin and Crowell. Good employees seem harder and harder to find, hire, and retain in our state.

Experience has demonstrated that the margins in the lumber business are generally small. Good years are often followed by periods of downturn. In the last year alone, at least five pine mills (Durgin and Crowell competitors) in NH, VT, and ME have closed their doors. While some might view this as a potential benefit to Durgin and Crowell, that is not the case. The loss of these mills ultimately hurts the entire industry and infrastructure in our region. It means fewer log suppliers, fewer experienced mill workers, and more productive forest land converted to other uses. It also underscores the challenges of owning and operating a sawmill business. High costs, lack of willing and able employees, and ever increasing regulation can make it difficult to stay in business.

In order to stay competitive, money has to continually be re-invested in the facility. It is one reason why Durgin and Crowell has stayed in business while many of its contemporaries have shut down over the years. The projected Thermal REC revenue from the new project would help Durgin and Crowell remain viable and competitive. The potential loss of Thermal REC revenue due to the repeal of the RPS would acutely and negatively affect Durgin and Crowell.

That loss of projected REC revenue would mean there was less money available to pay down debt incurred for the project’s construction. There would be less money available to go back into the company and community. That loss of revenue would mean less money available to offer raises and/or hire additional employees. It would mean fewer capital improvements to maintain and modernize the facility in the face of competition not just regionally, but from Canada, southern US,



and imported species from overseas. It would mean less money available to pay loggers and other log suppliers for their logs. Harm to Durgin and Crowell's business would have ripple effects throughout the state.

Durgin and Crowell has, over the years, continually re-invested in its business. It's new CHP plant is evidence that we, the company's owners, plan to be in this business for the long haul. Repeal of the RPS and potential loss of Thermal REC revenue would negatively impact not just the company and those that rely on it, but the industry at large. The RPS, and Thermal RECs in particular, have served to promote infrastructure investment by NH companies. The RPS is functioning as intended, and providing a benefit to the state. It should remain in place, and therefore Durgin and Crowell opposes HB 567 and HB 219.

Thank you very much for your time.

Sincerely,

Malcolm Milne  
Durgin and Crowel Lumber Co., Inc.