

Carolina Wood Pellets, LLC

Location:

Franklin, NC (Macon County)

Investment Purpose:

Equipment and Working Capital

Total Project Costs:

\$2.805 M (NCIF \$250,000)

About the Company:

Carolina Wood Pellets (CWP) is a family-owned manufacturer of wood pellets for use in residential stoves and commercial boilers. The company is co-located with Steve's Custom Log Homes, a log home construction and rustic furniture company owned by Steve and Janice Smith. The Smith's log home & furniture business generates roughly 25,000 tons of wood waste per year, and Steve created CWP to transform that waste into a feedstock for renewable energy. The company will also provide an outlet for wood waste generated by flooring and mill operations within 50 miles of Franklin. The plant will produce 68,000 tons of pellets annually as configured.

Construction of the Carolina Wood Pellets facility began in September 2008, and the plant is expected to be operational by the 1st quarter of 2009.

Role of NCIF:

NCIF was instrumental in arranging the financing for Carolina Wood Pellets, which came from a variety of sources. NCIF's ability to commit up-front subordinated capital reduced the risk for Macon Bank of Franklin, NC, which provided construction and permanent financing, in conjunction with an SBA 504 guarantee from Smoky Mountain Development Corporation. NCIF's due diligence and early commitment leveraged additional risk capital from the NC Rural Center's Rural Venture Fund.

Impact:

Carolina Wood Pellets, the first wood pellet manufacturer in North Carolina, provides the western part of the state with a home-grown source of carbon-neutral renewable energy. Wood pellet stoves operate with much higher efficiency and much lower emissions than conventional wood stoves. In an era of rising oil and natural gas prices, heating homes with wood pellets can save families thousands of dollars in heating costs while reducing carbon emissions.

CWP is expected to create 32 full-time and part-time jobs when operating at capacity.

Company Website:

Under construction

