



New Natural Resource Economy Picks Up Steam in Harney County

Creative entrepreneurs are using natural resources in renewable/sustainable ways

By Lauren Brown
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When Louisiana-Pacific Corp. closed its laminated veneer mill in Hines in 2007, the Harney County economy took a major hit affecting 91 jobs. There was no instant fix, and the county has been continually searching for ways to encourage local businesses and create jobs.

Part of the solution may be what University of Oregon researchers Mike Hibbard and Sue Lurie have termed “the new natural resource economy.” In a study titled, “Supporting Eastern Oregon’s New Natural Resource Economy,” published in 2017, Hibbard and Lurie and their project team interviewed 42 businesses that are part of the new natural resource economy to understand their specific needs and to identify ways governments and economic development organizations can respond to these needs.



Businesses that are considered part of the new natural resource economy use natural resources in a renewable or sustainable manner. Such businesses might include those that involve watershed restoration projects, native plant nurseries, juniper utilization, ecotourism, agrotourism, stewardship contracting and sustainable agriculture. Often, they are small in size, and the people who run them have a vested interest in living in rural areas. “They want to contribute to the community,” Lurie said. “So they’re trying to figure out how they can be a part of that community and make a living there.”



Lurie said the new natural resource economy is not necessarily a replacement for traditional economies, but something to consider as an adjunct. Because these businesses are using natural resources in more sustainable and renewable ways, it’s something they should be able to do for a long time.

Greg Smith, Director of Harney County Economic Development believes the new natural resource economy holds promise for this area. “The notion of being able to take natural resources and utilize them in a different way than we historically have, for those who can be entrepreneurial and can be flexible and nimble, there’s a real opportunity to create good family wage jobs,” he said. An example of this, Smith said, is a former logger who recognized the challenges associated with logging and pivoted to using his equipment and labor for stream restoration. “Rather than working closely with the Bureau of Land Management on harvesting a tree, he works now with the BLM on riparian work. Without skipping a beat, without having to lay off employees, without having to suffer fiscal losses, the business just kept pushing forward, but that’s an example of being nimble in this new world,” Smith said.

New Natural Resource Economy businesses are usually small, employing 10 or fewer people. Smith said that having several small businesses would be preferable to one large one. “In my view, the county would be much better off having 10 viable small businesses rather than one with 100 employees that, should it close, would devastate the county,” he said. “If one of the 10 small businesses closes, we figure out how to replace it.”

High Desert Biomass Cooperative

One example of a successful new natural resource business in Harney County is the High Desert Biomass Cooperative. The co-op started when Slater Elementary School and the Harney County Courthouse were both searching for a new solution to heat the buildings during a particularly cold winter. Lori Cheek, High Desert Biomass Cooperative manager, was on the



Harney County District No. 3 School Board in 2012 when the board was searching for a solution to heat the elementary school as the old diesel-fueled boiler was failing.

In 2012, Andrew Hayden with Wisewood Energy initially proposed a pellet-fueled boiler, which was rejected by both county and school district because they both wanted something that could utilize hog fuel, or small-diameter wood, which was readily available locally. Two years later Hayden returned having found technology in Austria that fit the needs of the county courthouse and the elementary school.

While the county had enough money to pay for the new boiler, the school district did not. Finding a funding solution wasn't easy, but they eventually found funding through Carlton Owen and the U.S. Endowment of Forestry and Communities. The U.S. Department of Energy and Meyer Memorial Trust also helped with the funding.

In 2017, the state-of-the-art biomass-fed boiler along with a propane-fueled backup, were installed at the elementary school. The boiler heats Slater school as well as the sheriff's office, county jail, county courthouse, St. Andrews Episcopal Church and Symmetry Care facility, which are all located a few blocks away. "It puts out a lot of heat. It's very, very effective," Cheek said.

High Desert Biomass is currently working with the U.S. Forest Service Emigrant Creek Ranger Station on a stewardship project. In addition, the cooperative has done some tests with juniper to see if it is a fuel that would work with its boiler. "It is wonderful fuel for us if it's treated correctly," Cheek said.

With the proper fuel, the boiler actually burns its own smoke so there is no particulate except for a very fine ash, according to Cheek. "Steam comes out, and you can see some heat from that, but we don't release any particulate into the air. Our ash, especially when we're burning juniper, is of such a high carbon value that it's great for soil additive," Cheek said.

The cooperative has created local jobs through construction and using local contractors to service the boiler. They also partner with Lewis and Clark Machinery and Silver Sage Farms.

The results of a recent feasibility study indicate that big things are in store for the cooperative, Cheek said. The study identified areas in Burns that could be added to the cooperative's system with the addition of another boiler through funding that is available for renewable energy and through Oregon Trail Electric's Rural Electric Savings Program. The cooperative has also been working with state legislators, who have been supportive of what the co-op has done.

The cooperative's first new project will involve the Veteran's Village, a 21-unit building that will be built this summer behind Harney District Hospital. "We will put the pipe in the ground, and we will send the pipe down there, and they will have heat pumps and a cooling tower," Cheek said. That pipe would also give the hospital and the county's Home, Health and Hospice building access to the system as well. "It's very exciting, and we're just thrilled that we've got so much support right now. It's just incredible," Cheek said.

Smith with Harney County Economic Development said that the High Desert Biomass Cooperative is a role model for those who want to create something similar. "Portland General Electric looked at how that project was working in Burns because they wanted to see if it could be replicated on a much larger scale at the coal fire facility in Boardman," he said.

Fostering businesses in the new natural economy

In order to thrive in the new natural resource economy, small businesses require support. Businesses like High Desert Biomass have been lucky in finding capital to fund their projects, but in general, it can be tough.

Smith said that it can be difficult to access capital when business ideas are new and unproven. "It's going to be really challenging for local main street banks to initially come on board with certain ideas because they're still recuperating from losses they took from the previous natural resource economy," he said.

Lurie said that there is often a mismatch between the help that is offered by state and federal economic development programs and what these businesses truly need. Lack of infrastructure including internet and transportation access are also issues.

An unwillingness to change one's mindset where natural resources are concerned could be another potential challenge to overcome, Smith said.

That's where organizations like the High Desert Partnership are helping. By convening and supporting six different collaboratives focusing on wetlands, forest restoration, wildfire, economic opportunity and youth opportunity, the partnership is bringing folks from different agencies and perspectives together to identify common ground to solve problems and find funding solutions. Recent funding from Business Oregon to provide assistance to local businesses is a great example of one role HDP plays in the community.

The partnership has assisted new natural resource economy businesses such as High Desert Biomass Cooperative and EcoSource Native Seed and Restoration with their goals as they navigate the ups and downs of running businesses that utilize natural resources in a sustainable way in Harney County.

"It's pretty fascinating the variety and types of businesses there are as a result of people wanting to be in these small, rural communities and trying to figure out how they can make a living," Lurie said. "How rural communities can benefit is by helping that population of small-scale new natural resource economy entrepreneurs thrive so that they can."

This article is provided by High Desert Partnership; a Harney County nonprofit convening and supporting six collaboratives including the BizHarney Opportunity Collaborative, Harney County Wildlife Collaborative, the Harney County Forest Restoration Collaborative and the Harney Basin Wetlands Collaborative.

