



**Forisk News:** January 30, 2013

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Subject line: Forisk News: Wood Bioenergy – Forest Finance & Continuing Education

**Wood Bioenergy:** In the current issue of *Wood Bioenergy US*, we focus on financing and capital flows in the wood bioenergy sector. Of the 164 projects that fail Forisk’s viability screening, at least 41% explicitly lack sufficient access to capital to advance towards construction. Recent announcements regarding financing for projects indicate how investors view different bioenergy technologies and markets. The wood pellet industry, while facing uncertain growth, has established its viability; a track record of operational success is the best proof of creditworthiness, affirmed by the sector’s access to cheaper, traditional debt financing. Cellulosic ethanol and other biofuel projects remain high risk with a challenging road to commercialization in the eyes of investors. These projects rely on government funding, such as programs through the Department of Defense, and costly private equity. The *WBUS* feature article describes five primary sources of capital with examples of how viable projects access cheaper capital, providing another signal to timberland investors and wood-using facilities.

**As of January 2013, *WBUS* counts 461 announced and operating wood bioenergy projects in the U.S. with total, potential wood use of 132.8 million tons per year by 2023.** Based on Forisk analysis, 296 projects representing potential wood use of 76.4 million tons per year pass basic viability screening.

- To learn about project-by-project tracking and market analysis, see [Wood Bioenergy US](#).
- To download the free *WBUS* summary, click [here](#).

**Forest Finance and Timberland Investments:** Throughout January, we featured a series of blog posts responding to questions from forestry professionals and timberland investors related to analyzing and managing forest resources as investments:

- [Cash-on-Cash Returns, Part I](#)
- [Cash-on-Cash Returns, Part II](#)
- [Forest Finance Q&A: IRR and ROI for Timberland Investing](#)
- [What Does a Negative or Zero NPV Say About My Timberland Investment?](#)
- [Forest Finance: Common Errors and Suggested Solutions](#)

To learn more about forestry investment decision-making, consider the February 7<sup>th</sup> **Applied Forest Finance** course which details the step-by-step financial analysis required to answer key investment and forest management questions. The course includes copies of our *Forest Finance Simplified* handbook that distills key forest finance themes and questions into a question-and-answer format.

- For details and to register for Applied Forest Finance on February 7, 2013, click [here](#).

**Forisk Updates and Upcoming Presentations:**

- The Forest History Society published the book “[Wood for Bioenergy: Forests as a Resource for Biomass and Biofuels](#)” by Forisk authors Brooks Mendell and Amanda Lang.
- In March, Forisk will publish the *2013 Forisk Timberland Owner List*. Learn more [here](#). The pre-publication price is available through February 15, 2013.



- February 21: "[Liquid Biofuels: Lessons and Learnings for Investors](#)" presentation at GFA Forest Bioenergy Conference, Forsyth, GA
- April 10: "[Wood Bioenergy and Fun House Mirrors](#)", keynote at FIEA, Auckland, New Zealand

*Forisk provides research and educational services to executives and analysts making decisions related to timber REITs, timberlands, and wood-using energy and manufacturing facilities.*