



Excerpts from: **“Biomass: Is There Enough for All the Southern Wood-Energy Projects?”** by Steve Wilent, *The Forestry Source*, November 2009, Vol. 14, No. 11.

Brooks Mendell, president of Forisk Consulting, which is based in Athens, Georgia, said his company is closely tracking existing and proposed wood-to-electricity projects.

“As of September 25, we have tallied 104 publicly announced wood-using energy projects,” he said. “If they were all to succeed, they would represent 39.7 million tons of incremental wood demand. But how many of these projects are not going to succeed because the technology doesn’t work, or because it’s not economically viable today? First, you knock off all of the cellulosic ethanol projects, and then you take out all of the projects that don’t have their permits or a location or financing. That reduces the list to 31 projects and takes that 39.7 million tons down to 12.4 million tons....”

“There is room for new, large facilities, but there isn’t room for a lot of large facilities in close proximity to each other,” Mendell said. “If you look at all of the announced projects, there are cases in which there would be several large facilities close to each other. In northeast Florida, for example, there are three announced large projects that would represent about 250 megawatts of electricity. That’s 2.5 million tons of wood or more in an area that’s not very far from some big pulp and paper mills, and there is likely to be considerable competition for that wood.”

What would be the effect on biomass supply if all 31 of the potentially viable projects came online?

“There are two ways to look at that. One is the effect on supply compared to what is being used today. If you look at current demand in the South, about 200 million tons of roundwood is consumed per year. If you add in all of the residual and in-woods chips, the number fluctuates between 260 and 280 million tons. So, if you use 10 or 20 million tons [for biomass energy projects], that’s less than 10 percent of wood demand,” said Mendell.

The South can easily meet that demand, especially when considering the region’s [improving] efficiency in using logging residues, said Mendell.

“So, if you’re talking about 10 or 20 million tons across the South, and it’s spread out in the key wood baskets, we can handle it,” he said. “Now, if you’re talking 40 million tons, that’s a different story.”

But perhaps the biggest question regarding energy and the fiber supply is how Congress defines biomass in the climate-change and energy bills it is now considering.

“That is the issue,” said Mendell. “It is a legislative definition, not a market-driven definition, so it represents a high risk exposure [for biomass-energy companies]. That definition is critical not only to what can be consumed at these facilities and what’s going to qualify for subsidies, but also whether the market will be wide open to forest landowners. Are they going to be willing to plant and replant trees in a market that has some sort of restricted definition of biomass? At the end of the day, such restrictions mean that you’re interfering with an individual landowners forest management decisions.”