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New Campaign Chops Down Growing Trend of Burning American Forests for Energy

Dogwood Alliance and NRDC Launch "Our Forests Aren't Fuel" Campaign to End the Practice; Release Case Studies Highlighting the Major Energy Corporations Responsible

May 28, 2013 – Southern forests are being burned for electricity, and a new campaign announced today aims to put an end to it. Dogwood Alliance and the Natural Resources Defense Council (NRDC) have launched "Our Forests Aren't Fuel" to raise awareness of an alarming and rapidly-growing practice of logging forests and burning the trees as fuel to generate electricity

At the forefront of burning trees logged from Southern forests for electricity are some of Europe's largest utility companies, including Drax, Electrobel and RWE. Rising demand by these companies has resulted in the rapid expansion of wood pellet exports from the Southern US. The American South is now the largest exporter of wood pellets in the world. Recent analyses indicate there are twenty-four pellet facilities currently operating in the Southeast, and sixteen additional plants planned for construction in the near-term. Market analysts project that annual exports of wood pellets from the South will more than triple from 1.3 million tons in 2012 to nearly 6 million tons by 2015. All of the South's largest domestic utilities, including Dominion Resources and Duke Energy, are also beginning to burn wood with plans for expansion in the future.

"This rapidly expanding trend of burning trees for energy will both accelerate climate change and destroy forests," said Danna Smith, Executive Director of Dogwood Alliance. "Southern forests not only protect us from climate change, but protect our drinking water, provide habitat for wildlife and contribute to our quality of life. We need these companies to stop burning trees for electricity and embrace a clean energy future that helps to protect, rather than destroy forests."

"With the advancement of clean, renewable energy alternatives, the growing practice of burning trees for electricity is a major step in the wrong direction," said Debbie Hammel, Senior Resource Specialist of the Natural Resources Defense Council. "Our Forests Aren't Fuel lets the public know about the extent of this ecological devastation and calls on utilities to end the practice. It's an even dirtier form of energy production than burning fossil fuels, it destroys valuable southern ecosystems, and it isn't necessary."

Energy from burning trees – or biomass – has been widely promoted as a form of renewable energy along with technologies like solar, wind, and geothermal. Over the past two years, however, mounting scientific evidence has discredited biomass from forests as a clean, renewable fuel. Recent scientific reports document that burning whole trees to produce electricity actually increases greenhouse gas pollution in the near-term compared with fossil fuels and emits higher levels of multiple air pollutants. This fact, combined with the negative impacts to water resources and wildlife associated with industrial logging have discredited whole trees as a clean fuel source. But current European and U.S. renewable energy policies and subsidies encourage the burning of trees as a "renewable" source of energy for power generation, helping to facilitate the rapid increase in demand for trees from Southern forests to burn in power plants.

Consequently, a new industry is spawning in the South. Companies like Maryland-based Enviva, the South's largest pellet manufacturer, are grinding whole trees into wood pellets to be burned in power stations in Europe while also supplying wood to domestic utilities like Dominion Resources. New evidence that Enviva may be relying at least in part on the harvesting of wetland forests has recently emerged. Georgia Biomass, a wholly-owned subsidiary of the German utility RWE Innogy, is also manufacturing millions of tons of wood pellets annually to be burned in European biomass facilities.

"Our Forests Aren't Fuel" organizers reveal the scope and scale of the growing biomass industry through a series of case studies on the campaign website that include wood pellet manufacturers, domestic utilities, and European utilities. Particular emphasis is placed on the following companies:

- Enviva one of the largest manufacturers of wood pellets in the U.S. and Europe, with manufacturing facilities and partner facilities in Mississippi, North Carolina and Virginia. The Bethesda, Maryland-based company has an annual production capacity of more than 590,000 tons. It also operates a deep water terminal at the Port of Chesapeake, which has the capacity to receive and store up to three million tons of woody biomass annually. Much of its product is sold and shipped to European utilities, like Drax. Leftover biomass "residues," like tree tops and limbs, are sold to domestic utilities, like Dominion Resources.
- **Drax** major United Kingdom-based utility that recently shifted focus from co-firing biomass in coal power plants to full conversion of its largest plant to biomass. Drax has begun building pellet mills directly through its wholly owned subsidiary Drax Biomass. In December, 2012, Drax announced it will build Amite BioEnergy pellet mill in Gloster, Mississippi, and Morehouse BioEnergy in Bastrop, Louisiana, to supply wood pellets for use in its power plants, with production set to begin in 2014.
- **Dominion Resources** the Richmond, Virginia-based utility recently launched several biomass operations that could well rely on whole trees in the near future. Its 83 megawatt plant in Pittsylvania, Virginia, is one of the largest biomass power stations on the east coast. Dominion is also converting three existing peak power coal-fired power stations into full-time biomass-burning facilities. The utility currently sources much of its biomass material as "residues" from wood pellet manufacturers like Enviva that export the bulk of its product to

European markets. Should the supply of these residuals become limited, Dominion's operations could increasingly rely on burning whole trees.

Full case studies for companies driving the biomass industry can be found on the "Our Forests Aren't Fuel" website, <u>http://www.dogwoodalliance.org/campaigns/bioenergy/</u>, along with recommended actions for those concerned about losing southern forests for electricity, and a list of more than 70 supporting environmental groups.

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Dogwood Alliance is increasing protection for millions of acres of Southern forests by transforming the way corporations, landowners and communities value them for their climate, wildlife and water benefits. Dogwood Alliance has revolutionized the environmental practices of some of the world's largest corporations. For more information on the organization please visit <u>www.dogwoodalliance.org</u> or follow on Twitter <u>@DogwoodAlliance</u>.

The Natural Resources Defense Council (NRDC) is an international nonprofit environmental organization with more than 1.3 million members and online activists. Since 1970, our lawyers, scientists, and other environmental specialists have worked to protect the world's natural resources, public health, and the environment. NRDC has offices in New York City, Washington, D.C., Los Angeles, San Francisco, Chicago, Livingston, Montana, and Beijing. Visit us at <u>www.nrdc.org</u> and follow us on Twitter <u>@NRDC</u>.