



Sustainability:

Importance, Requirements and Impact on the Industry

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PFI ANNUAL
CONFERENCE

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Asheville, NC





Georgia, USA

Est. 2005

1st Production – Dec 2007

Port: MPT-Brunswick, GA

Wood Pellet Production

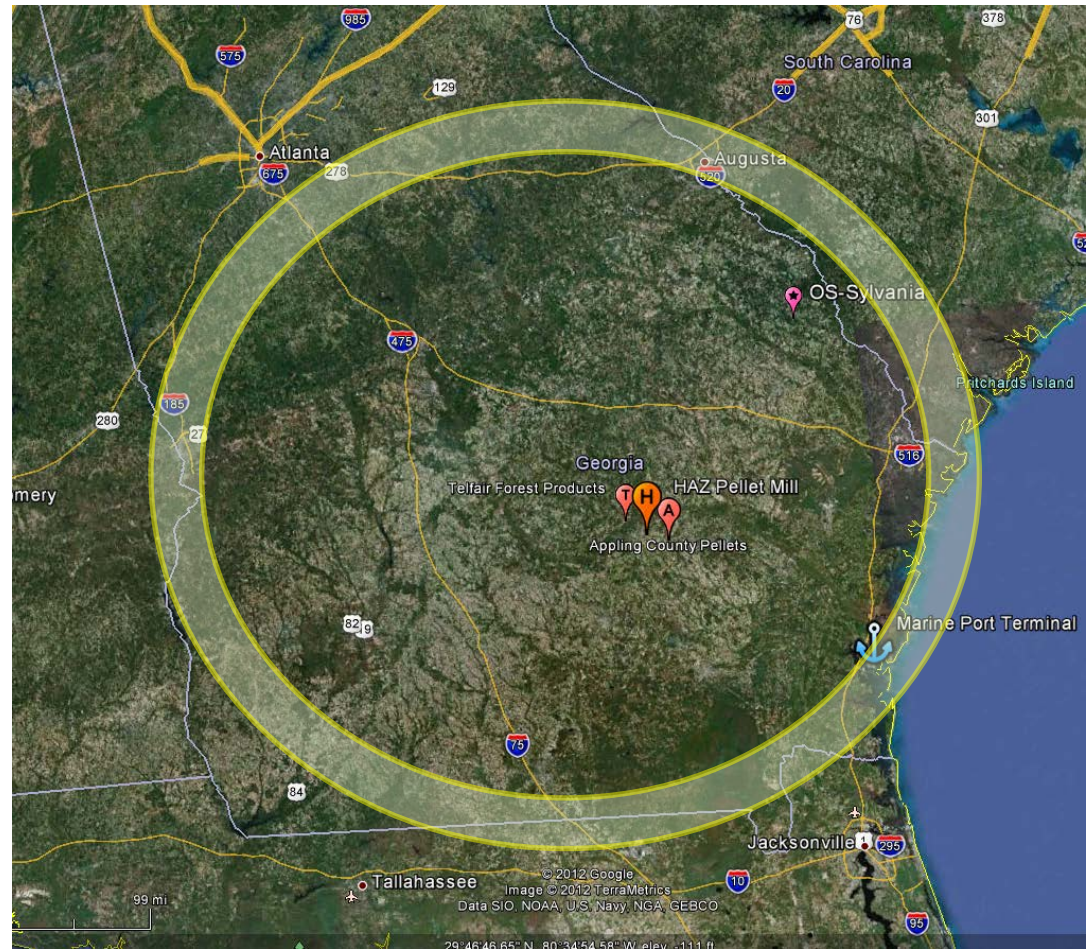
2012 – 250K mt

2013 – 350K mt

2014 – 650K mt

2015 – ???

To date, FRAM is largest US pellet exporter utilizing 100% sawmill & mill process wood residuals as pellet feedstock



Sustainability: Why is it Important to Pellet Exporters?

1. We ALL care about environmentally responsible forestry practices for ourselves, our society, and future generations
2. Without Sustainable Working Forest – We're ALL "OUT of BUSINESS"
3. **Our Customers (European Utilities): DEMAND IT**
 - Common Standards (FSC, SFI, PEFC, etc.) are not enough
 - EU DECC has added Sustainability criteria for all biomass imports
 - ✧ >70% of pellets must come from CoC Sources (unclear)
 - ✧ No wood resulting from land conversions
 - ✧ GHG savings criteria for supply chain
 - ✧ Extensive verifiable proof of sustainability



EU Sustainability Program Requirements:

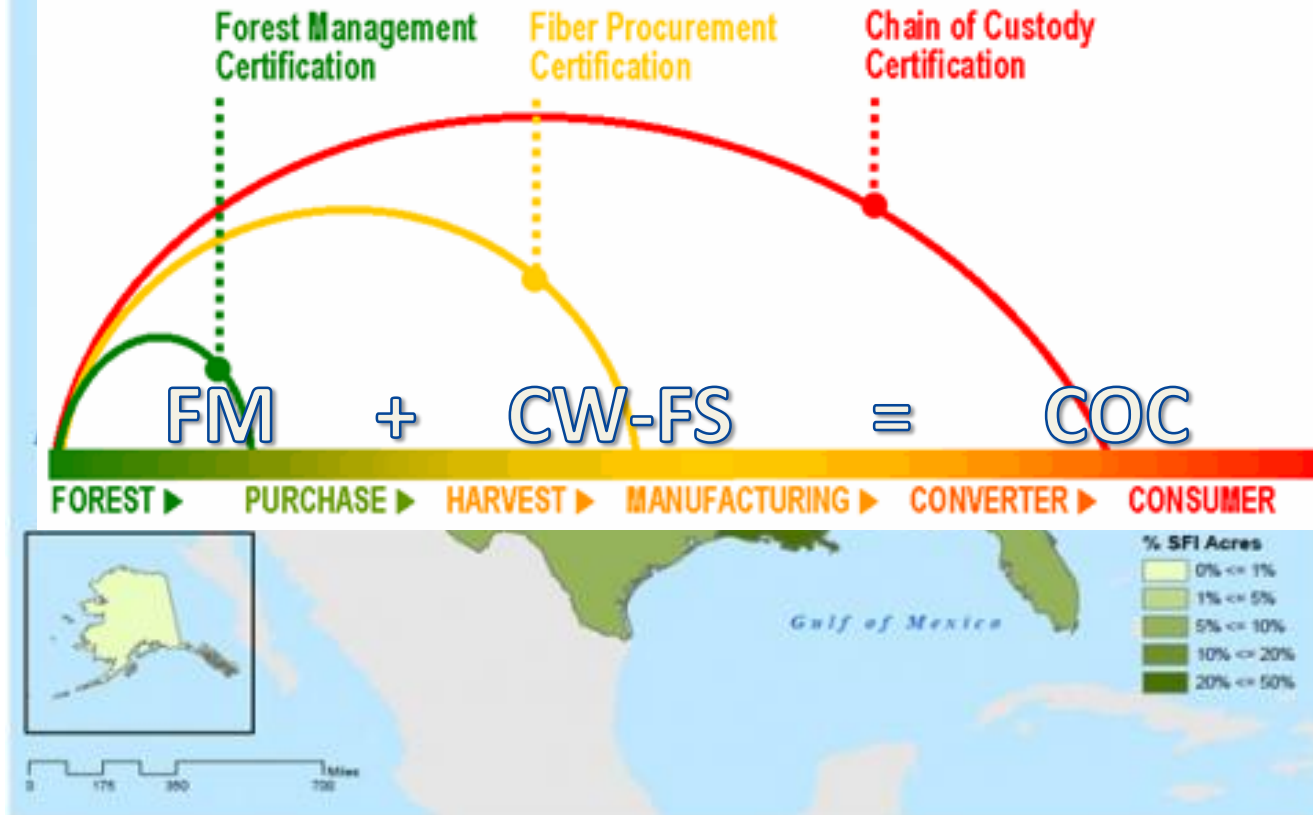
- Verify Wood Legality (No illegal logging)
- Social, Health and Safety Protections
- Local Community Support and Involvement
- Follow all environmental Laws (BMP's, EPA, CWA, ESA, etc.)
- No wood from “sensitive areas” (old growth forests, HBV, high carbon stocks, wilderness areas, social or archeological sites, etc.)
- 60-70% GHG savings, considering entire supply chain, compared with EU fossil fuel heat
- CoC “track and trace” from forest to end user
- **No wood that would result in a land use change**
- **___% of wood must come from Certified Forests/Sources**
(FSC, SFI, PEFC, ATFS)



Certified Forests Realities

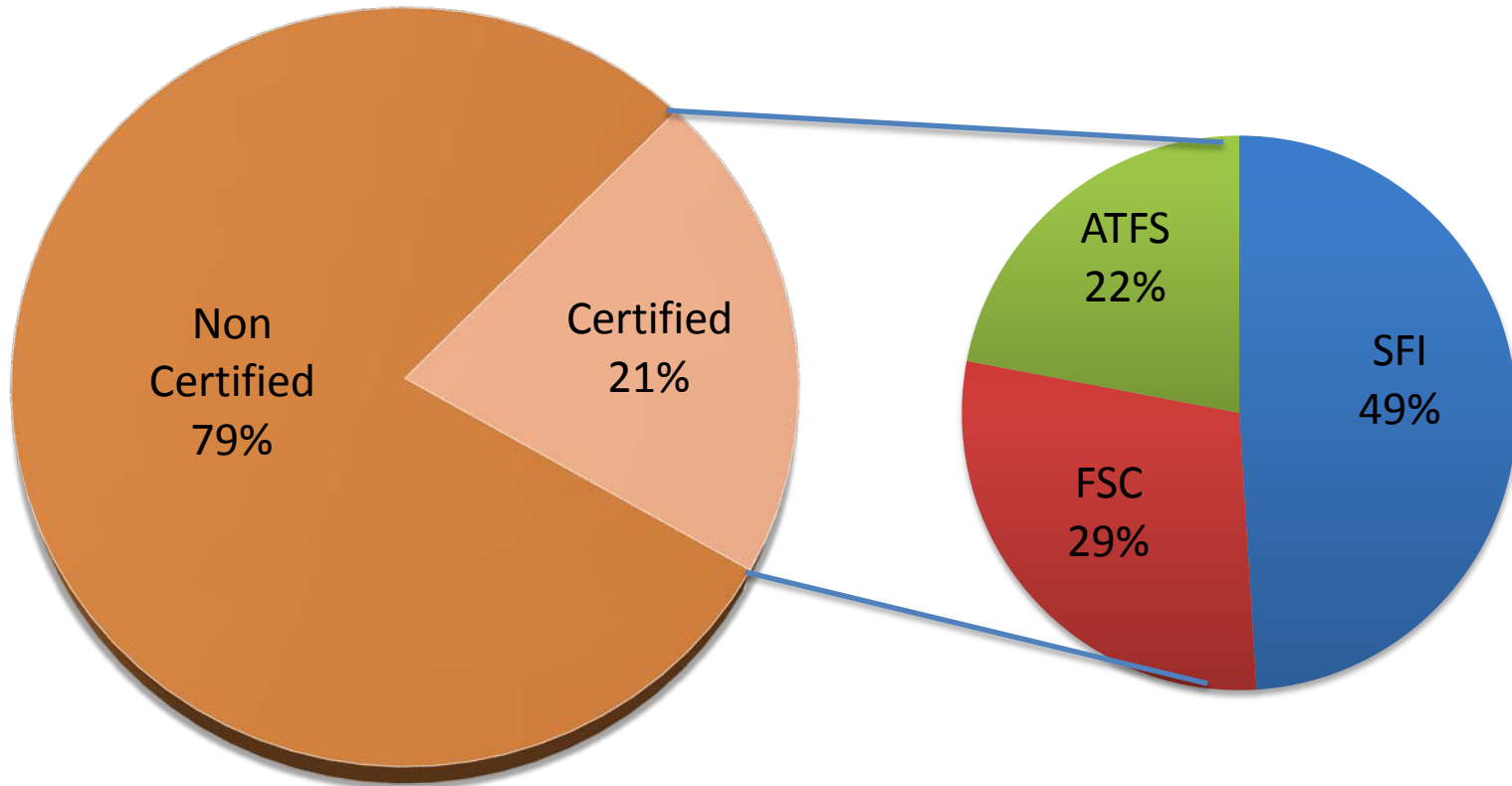
CERTIFYING THE SUPPLY CHAIN

How third-party certifications cover the supply chain from forest to consumer



Certified Forest Realities

U.S. Certified Forest Area by Certification Standard



Total US timberland 514 million acres

Impacts to this developing Pellet Export Market

Amid the current overwhelming flow of partisan adds and statements it is difficult to find the truth or know who to believe.

Biomass Power Incineration

SOCIETY OF AMERICAN FORESTERS 1900

GEORGIA FORESTRY ASSOCIATION WE GROW TREES

gas more potent than CO₂ eventually be released.

6

ENERGY doesn't come out of a smokestack!

energyjustice.net/biomass

Thank you for your interest and desire to know more...



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