

Jonathan Vigliotti CBS News 530 W. 57th Street New York, NY 10019

April 26, 2022

Mr. Vigliotti;

My name is Tim Portz. I am the Executive Director of the Pellet Fuels Institute, a trade organization representing the manufacturers of wood pellets for home heating and barbecuing markets operating in the United States. I am writing today to express disappointment on behalf of our membership in your recent report shared on CBS Morning on Friday, April 25th regarding the wood pellet sector.

Your report, like so many before it, failed to place the industrial wood pellet sector within the context of the entire wood products supply chain. Any story about wood pellets that fails or doesn't even attempt to share the story of how forests are managed for waiting markets for dimensional lumber, sheeted wood products, paper, cartons and wood pallets paints a woefully incomplete story of the wood pellet sector. The story you shared on Friday morning echoed an incomplete and inaccurate piece of propaganda spun up and propagated by activist groups whose motivations raise questions of their own. Television news needs a villain and your activist sources were happy to give you one.

That said, the real facts about wood pellet manufacturing reveal one of the forest products sectors best examples of the sustainable utilization of one of this country's greatest natural resources, trees.

The production of wood products of all kinds generates wood waste. Anyone who considers for a moment square lumber being manufactured from round trees can understand this simple fact. What can't readily be imagined is the incredible volume of wood waste generated by the manufacturing of lumber, cabinets, wood flooring and the thousands of other wood products bought and sold in this country every day. The good news is the U.S. Energy Information Administration captures this information monthly in their <u>Monthly Densified Biomass Energy Report</u>. There is a good deal of information here and I would be happy to walk you through the report but let me offer a few highlights which I think are crucial to understanding the real story of wood pellet manufacturing in this country.

1. Roundwood is utilized in the manufacturing of wood pellets, but it is a minority contributor to the fiber consumed within the sector each month. In 2021, wood pellet manufacturers purchased 15.8 million tons of wood fiber of which just 2.9 million tons (18%) was classified as

roundwood. Over 80% of wood fiber purchased by wood pellet manufacturers last year was from upstream wood product manufacturing residuals.

2. The numbers shared above deserve a moment of your consideration as the volume of material represented within them is staggering. Wood pellet manufacturers purchased over 1,400 tons of <u>residual</u> wood fiber every hour of every day in 2021. These materials are produced every day by virtue of other product manufacturing activities and will be generated each day regardless of whether wood pellet manufacturers are there to purchase them. What would happen to these materials if wood pellet producers were not standing by to purchase them is an open question and one for which I don't have a ready answer.

Finally, your piece concluded with a nod to some questions about environmental justice. We welcome the opportunity to talk about the wood pellet industry's contributions to issues of environmental justice. Wood pellets are utilized by more than 1 million American households as a home heating fuel. While this market was not the focus of your story, it is an important market for wood pellet manufacturers and one we are proud to serve. While other home heating fuels (propane, heating oil and natural gas) experience incredible price volatility, wood pellets have provided consumers with a stable heating fuel for years. This year, as oil prices skyrocketed, the cost stability of wood pellets has been on full display. Information gathered and curated by the New York State Energy Research and Development Authority highlights that bagged wood pellets offer a home heating solution at half the cost of current market prices for kerosene, propane and #2 heating oil. As the inflationary pressures mount on working families in America, most acutely for low-income earners, we welcome the opportunity to discuss questions of environmental justice.

Your reporting fell far short of offering a complete picture of the wood pellet industry in this country. Instead, your network was co-opted by a well-funded activist group ready to offer up compelling video footage of recent harvest sites that are unsettling to the uninformed masses with little understanding of modern forestry or forest products production. Forest inventories in the United States have been stable for a century, not in spite of demand for wood and wood fiber but because of it.

I would be happy to speak with you further about the wood pellet sector, our contributions to the forest products economy and our record of environmental sustainability.

Tim Portz Executive Director Pellet Fuels Institute