Enviva Greenwood - Fiber Procurement and Sourcing

Stephen Stroud <Stephen.Stroud@envivabiomass.com>

Tue 9/22/2020 9:27 AM

To: Cunningham, Jo Anna <cunninja@dhec.sc.gov>
Cc: McCaslin, Steven <mccaslsd@dhec.sc.gov>; Daugherty, Michael <daughemg@dhec.sc.gov>; Kai Simonsen <Kai.Simonsen@envivabiomass.com>

3 attachments (393 KB)

Enviva Greenwood - Response to Fiber Procurement and Sourcing 09_22_2020.docx; Longleaf Alliance MOU Press Release_3_27_20_AM_FINAL.pdf; PublicHearingComments_EnvivaPelletsGreenwood_CesafskyKim.pdf;

Jo Anna,

Please find the attached documents to address the additional information requested as it pertains to our fiber procurement and sourcing policies. I have also included information about Enviva's partnership with the Longleaf Alliance and public comment submitted by our Director of Sustainability Policy.

Stephen Stroud
Director, Environmental Affairs

ENVIVA
4242 Six Forks Road, Suite 1050
Raleigh, NC 27609
Office: +1 984.789.3602
Cell: +1 919.441.2080
www.envivabiomass.com
stephen.stroud@envivabiomass.com

enviva

7200 Wisconsin Ave, Suite 1000
Bethesda, MD 20814 USA

+1 (301) 657 5560
Fax (301) 657 5567
www.envivabiomass.com

September 22, 2020

Enviva Pellets Greenwood, LLC
Response to Statements Regarding Fiber Procurement and Sourcing

I am writing, as requested, to provide additional information related to the following comment received by SC DHEC after last month's Enviva Pellets Greenwood hearing:

"Enviva should be limited to the number of trees we cut down and responsible for reforestation."

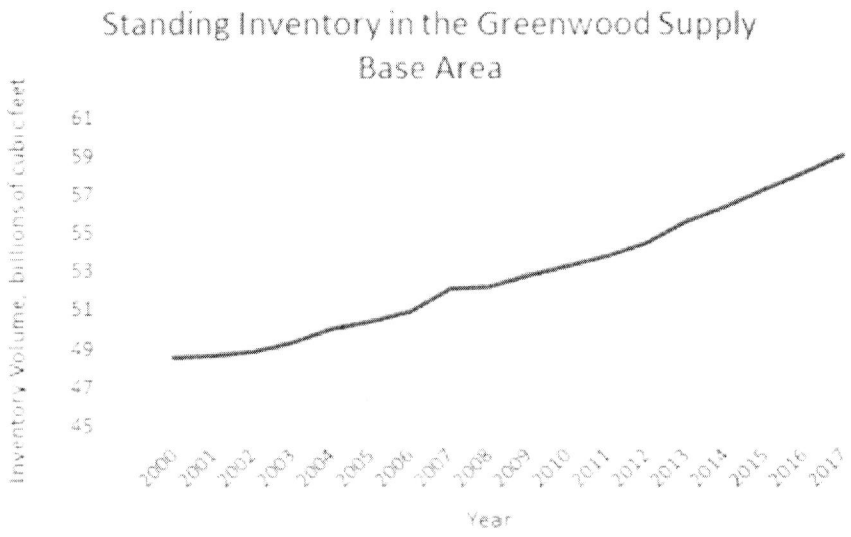
As highlighted in the comments submitted to your agency by Kim Cesafsky, Enviva's Director of Sustainability Policy, which I have reattached here, Enviva considers these and other sustainability-related issues very closely when making decisions on locating our facilities. Because of the value we place in forests and also because of the regulatory requirements in our end use markets, Enviva will not build or acquire a mill in an area where the forest resource is being used at unsustainable rate (i.e. trees are being cut faster than they are growing) and we will not accept wood from a harvest where the landowner intends to convert to a different land use other than forestry.

These requirements are included in Enviva's Responsible Sourcing Policy as well as the third party sustainability standards, such as the Sustainable Biomass Program (SBP), to which we are audited and assessed every year.

SBP also requires certified mills to publish an annual summary report that provides evidence of compliance with the requirements of their standard. The most recent report for the Greenwood mill includes the following:

- According to data from the USFS Forest Inventory and Analysis program, forest inventory in the Greenwood supply basin has increased steadily since 2000 at an average annual rate of about 1%. (See figure below and pages 1-2 of the report.)

Figure 2. Standing Inventory in the Greenwood Supply Base Area



- The conclusion of the risk assessment section of the report is that the risk of wood from land use change entering Enviva's supply chain is low, as we only partner with vetted and trusted suppliers who have agreed to avoid conversion sources, and we monitor a sample of tracts post-harvest to ensure regeneration is taking place. (See pages 59-60 of the report.)

Beyond our certification efforts, we also partner with a wide variety of conservation-minded groups both in the public and the private sectors to help us accomplish our landscape conservation goals. One such partnership is with the Longleaf Alliance, with whom we've signed a five-year partnership to protect and restore longleaf pine forests, one of the most biodiverse ecosystems in North America. Please read about our partnership here and refer to the press release issued on March 27th here (also attached).

Because many existing longleaf forests need thinning, and because millions of acres of former longleaf forests were converted to other forest types, appropriate biomass removals are a critical step in the longleaf restoration process.

Specific to South Carolina, through our sourcing for our Greenwood plant, we have been supporting the largescale longleaf restoration at Fort Jackson, which is located within the city of Columbia, SC. In addition, through our sourcing for our Hamlet plant in North Carolina, we have been supporting longleaf restoration on private lands in the South Carolina Sandhills.

I hope the above information above satisfies the query. Please do not hesitate to contact me if you require any further assistance.

Sincerely,

Stephen Stroud
Enviva Director of Environmental Affairs

CC: Steve McCaslin
Jo Anna Cunningham

enviva

7200 Wisconsin Ave, Suite 1000
Bethesda, MD 20814 USA

+1 (301) 657 5560
Fax (301) 657 5567
www.envivabiomass.com

August 20, 2020

Rhonda Thompson (Chief, Bureau of Air Quality)
South Carolina Department of Health & Environmental Control
2600 Bull Street,
Columbia, SC 29201

RE: Written Statement on Sustainability for Enviva Pellets Greenwood Air Permit Public Hearing

Permit number: 1240-0133-CC
Public notice #20-046-TV-C-H

Dear Rhonda Thompson:

Since being founded in 2004, Enviva has become the world's largest producer of wood pellets, which are used in bioenergy production and provide sustainable, low carbon heat and power feedstocks that replace the use of fossil fuels. We own and operate nine plants throughout the Southern United States with a production capacity of approximately 4.9 million metric tons of wood pellets annually, and we export our pellets primarily to power plants in Europe and Asia that previously were fueled by coal. We do this in a responsible, safe, and sustainable manner, working closely with the local community, scientific experts, private forest landowners, conservation organizations, and a broad set of stakeholders to ensure our operations and wood sourcing do not negatively impact the local environment and surrounding communities.

We at Enviva are proud to be a part of the robust and longstanding Southern forest products industry, which is our country's oldest natural resource industry and one of our biggest sustainability success stories. As stewards of Southern forests, we are also proud to provide utilities in the EU and Japan with a sustainable, reliable, and affordable solution for meeting their national renewable energy and climate targets. Because of the value we place on forests and because our customers must demonstrate to regulators that the biomass they use comes from sustainable sources, Enviva takes great care to ensure that our plants are located in areas with an abundant supply of wood from working timberlands and that our sourcing practices support the health, longevity, and carbon storage potential of Southern forests.

The benefits of biomass are clear, and I'd like to provide additional information around that for your benefit and review:

- Good biomass, like Enviva's, comes from wood sourced sustainably as a by-product of a traditional timber harvest where the land returns to forested use, from a region with stable or increasing forest carbon stocks.

- The success of our business depends on our being able to demonstrate that the forest carbon stocks in our supply region is stable or increasing. We can confidently state that carbon stocks and thus forest inventory in our sourcing region is increasing, based on the U.S. Forest Service Data.

- The biomass industry is an integrated part of the overall forest products industry. Today, in the Southeast U.S., private forest owners are growing 40% more wood than they remove every year.

- Only 2% of the working forests in the Southeastern US are harvested each year, while the remaining 98% continue to grow and store carbon, and only 3% of that harvest is used to produce biomass.

- In South Carolina forests are growing faster than they are being harvested. The nearly 13 million acres of working forests in the state are adding carbon year over year. For every one ton of wood removed from the forest each year, another 1.26 tons of wood are re-growing.[1] Enviva will not purchase wood on a tract that will not return to forest post-harvest, as required by our Responsible Sourcing Policy.

- The forest products industry, inclusive of timber income, is responsible for $21 billion of annual economic activity in the state of South Carolina, is one of the state's largest exports, and accounts for around 85,000 jobs.[2]
- Even after timber is removed for the creation of an array of products, forests in South Carolina are still growing every year. This means they are sequestering more carbon each year. This is because the forest products industry is vibrant and robust; investment in markets for forest products keeps forest as forest.

Let's turn to climate benefits of sustainable bioenergy. Leading academics and top climate science authorities worldwide agree that markets supported by wood bioenergy protect and grow forests, rather than shrinking them. The UN's Intergovernmental Panel on Climate Change (IPCC) wrote a report in 2018 explaining that we have 12 years to mitigate the worst effects of climate change included bioenergy as a requirement in

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[1] USDA-FS FIA state fact sheets https://public.tableau.com/views/FIA_OneClick_V1_2/Factsheet?%3AshowVizHome=no

[2] South Carolina Forestry Commission TPO fact sheet https://www.state.sc.us/forest/tpofacts17.pdf

every single one of their pathways toward a desirable future.[3] And most recently, in their 2019 special report on climate and land use, the IPCC concluded that "Sustainable forest management can reduce the extent of forest conversion to non-forest uses. **Sustainable forest management aimed at providing timber, fiber, biomass,** non-timber resources, and other ecosystem functions and services, **can lower GHG emissions and can contribute to adaptation.**"[4] Scientific experts in energy systems the world over recognize that biomass is one of the pillars of a sustainable climate future.

And forward-thinking countries also recognize this and have turned to bioenergy to meet their climate commitments. In Europe, ***biomass represents more than 60% of renewable energy*** consumption and is a key part of the strategy for meeting ambitious carbon reduction goals. Here's an example from the UK: 10 years ago, over 1/3 of electricity came from coal, while today that number has been reduced to *just 3%*. They made this happen by increasing the share of wind and solar electricity generation to over 40% and the share of biopower to 8%.[5] Though it makes up a relatively small share of generation, use of biomass was critical to this success story because it provides 24/7 non-fossil baseload power and makes more wind and solar generation possible.

Enviva is an industry leader in sustainability and we are unwavering in our commitment to improving forest health in the areas where we operate. In addition to due diligence on the sustainability of the wood supply at each of our facilities, Enviva's sustainability and wood procurement teams implement Enviva's Responsible Sourcing Policy at each of our plants. This is our approach to wood sourcing that goes beyond our legal obligation and third-party certification programs, pursuant to which we source wood in ways that are consistent with forest stewardship and forest health.

Furthermore, the most critical point of our fiber sourcing policy is that we do not source wood from a site that is being converted to another land use. We work hard to keep forests as forests and require our suppliers to comply with our policies in all of our fiber supply contracts. This way we ensure that forest carbon stocks are stable or increasing in all of our fiber sourcing regions.

I invite you to take a look at our policy, and to hold us accountable for doing what we said we would do.

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[3] IPCC Summary for Policymakers. In: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C https://www.ipcc.ch/site/assets/uploads/sites/2/2019/05/SR15_SPM_version_report_LR.pdf

[4] IPCC Summary for Policymakers. In: Special Report on Climate Change and Land https://www.ipcc.ch/site/assets/uploads/2019/08/4.-SPM_Approved_Microsite_FINAL.pdf

[5] UK Ofgem electricity generation by mix https://www.ofgem.gov.uk/data-portal/electricity-generation-mix-quarter-and-fuel-source-gb

I hope to have been able to convey how important sustainability is to us at Enviva, and how much effort and care we put into ensuring that we make a positive contribution to the communities we are a part of and the forests in which we operate.

We are proud of our record on conserving important forests, investing in restoration, and assisting landowners with certification, and look forward to being part of the SC community for years to come.

Thank you for your time and consideration.

Sincerely,

Kim Cesafsky
Enviva Director of Sustainability Policy

CC: Steve McCaslin
Jo Anna Cunningham

Enviva and The Longleaf Alliance Announce Partnership to Protect and Restore Longleaf Pine Forests

BETHESDA, MD – March 27, 2020 – Today, Enviva and The Longleaf Alliance announced the signing of a five-year partnership to protect and restore longleaf pine forests, one of the most biodiverse ecosystems in North America. Enviva and The Longleaf Alliance will collaboratively implement Enviva's longleaf forest restoration plan.

Longleaf pine forests are a critical forest ecosystem in the southeastern U.S. They are considered high conservation value forests because of their rarity and biodiversity value. Longleaf forests support some of the highest levels of small-scale species diversity of any forest ecosystem in North America. Well-managed longleaf pine forests provide critical habitat for 29 threatened and endangered species, including the red-cockaded woodpecker, the gopher tortoise, and the Eastern indigo snake.

Once spreading over 90 million acres, longleaf forests today only cover about 4.7 million acres. The partnership between Enviva and The Longleaf Alliance will support the goals of America's Longleaf Restoration Initiative, an extensive collaboration to increase acreage of longleaf pine forests to 8 million acres across the southeastern U.S.

"The Longleaf Alliance is excited to work with Enviva to bring new management opportunities and a much-needed market to landowners who are restoring longleaf forests. This collaboration will make a significant difference in furthering longleaf ecosystem restoration on high conservation value lands. This biomass removal tool will effectively kickstart the restoration process and allow landowners to reach their forest management goals more quickly," said The Longleaf Alliance President Carol Denhof.

The Longleaf Alliance will provide technical expertise to ensure that Enviva's biomass sourcing in mapped longleaf forests improves forest ecosystem conditions. Because many existing longleaf forests need thinning, and because millions of acres of former longleaf forests were converted to other forest types, appropriate biomass removals are a critical step in the longleaf restoration process.

"Enviva is honored and excited to work with The Longleaf Alliance on this vital environmental initiative," said John Keppler, Chairman and CEO of Enviva. "Longleaf forests are one of the most important and biologically diverse ecosystems in the southeastern United States. With this partnership, we are using our biomass sourcing to create space for longleaf ecosystems to flourish where they once did not and improve habitat for at-risk species."

Together, Enviva and The Longleaf Alliance will work with stakeholders, landowners, land managers, and others to support longleaf restoration on public and private lands, as well as to monitor, track, and report on progress.

About The Longleaf Alliance

The Longleaf Alliance, based in Andalusia, Alabama, was established in 1995 to promote retention, management and restoration of longleaf throughout its historic range. They serve as a clearinghouse of information on all things longleaf. They provide technical assistance to landowners and managers, provide education and training to natural resource professionals, and facilitate partnerships among the numerous public and private stakeholders vital to the future of the longleaf forest. The mission of The Longleaf Alliance is to ensure a sustainable future for the longleaf pine ecosystem through partnerships, landowner assistance, and science-based education and outreach. Learn more at longleafalliance.org.

Contact
Lynnsey Basala, Vice President for Development
Lynnsey@longleafalliance.org
314-288-5654

About Enviva Holdings, LP

Enviva Holdings, LP is the world's largest producer of industrial wood pellets, a renewable and sustainable energy source used to generate electricity and heat. Through its subsidiaries, Enviva Holdings, LP owns and operates wood pellet processing plants and deep-water export terminals in the Southeastern United States. We export our pellets primarily to power plants in the United Kingdom, Europe and Japan that previously were fueled by coal, enabling them to reduce their lifetime carbon footprint by about 80 percent. We make our pellets using sustainable practices that protect Southern forests and employ about 1,200 people and support many other businesses in the U.S. South. Enviva Holdings, LP conducts its activities primarily through two entities: Enviva Partners, LP, a publicly traded master limited partnership (NYSE: EVA), and Enviva Development Holdings, LLC, a wholly owned private company. To learn more about Enviva Holdings, LP, please visit our website at www.envivabiomass.com and follow us on social media @Enviva.

Contact
Maria C. Moreno
media@envivabiomass.com
301-657-5560

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