



Photo The Westervelt Company

Biomass pellets light fire under Alabama lumber industry

Drax has already undertaken a \$50 million expansion of its pellet plant in Aliceville

BY AL JONES
Alabama Forestry Commission

The State of Alabama and the Alabama Forestry Commission excitedly received the news of Drax Group’s decision to locate pellet plants in Alabama in mid-2021, bringing good-paying jobs to rural areas, providing strong timber demand for Alabama’s forest owners and becoming an integral part of a strategy to keep our forests healthy.

Drax is the United Kingdom’s largest source of renewable electric energy, employing 3,400 people across the UK and North America.

In this Q&A, Matt White, the executive vice president of Dax’s North American operations, talks about ways the company uses timber byproducts to manufacture the combustible pellets, which may represent the future of electric power internationally.

“Three major benefits of a facility such as ours is that we provide market opportunities for small timber and materials which also supports good forest manage-

ment, help to create jobs in rural communities and deliver reliable renewable power,” White said.

Drax employs more than 130 employees at its Alabama plants in Aliceville and Demopolis but a recent Oxford Economics study shows its operations could support more than 2,000 direct and indirect jobs in Alabama alone.

An economic impact report by Chmura showed Drax could contribute more than \$260 million to Alabama’s economy in 2023.

“Drax is providing career opportunities in areas that have been economically challenged and where jobs haven’t been widely available,” White said. “In Alabama, 72 percent of all wages paid to Drax employees were people living in rural counties. This includes Pickens County, considered to be 100 percent rural, where Drax’s Aliceville plant is located. As demand for biomass continued to surge, last December we announced a \$50 million expansion at our Aliceville wood pellet plant.”

Q. What is a pellet and what is the process of producing a pellet?

In terms of bioenergy, wood pellets are a renewable, sustainable form of fuel which can be used to generate electricity. Biomass pellets are made at a pelletization plant, where sustainably sourced fiber is chipped, screened for quality and particle size, heated to reduce its moisture content and lastly pressed through a grate at high pressure to form the solid, short, dense biomass pellet. By compressing forest industry residues into a pellet, biomass becomes significantly more energy dense. Wood pellets also have very low moisture content, giving them a high combustion efficiency — an important feature in power generation.

What type of raw material do you utilize to make a pellet?

Our biomass is sourced from sustainably managed forests, predominantly in the U.S. and Canada. We utilize low-grade wood fiber left over from timber harvests and the sawmilling process, including smaller, diseased or misshapen trees that have little commercial value, as well as trees removed during thinning opera-

tions under standard forest management practices to maximize the growth of forest stands. Using these wood product residues helps reduce the risk of forest fires, pests and disease outbreaks that occur in places such as California, where there is very little forest management.

Three major benefits of a facility such as ours is that we provide market opportunities for small timber and materials which also supports good forest management, help to create jobs in rural communities and deliver reliable renewable power. The forests that we source our biomass from are managed in accordance with best practices designed to support the health and growth of these forests over the long term and we have strict criteria in place to ensure our work does not negatively impact the growth of the forest, the amount of carbon being stored, biodiversity or the socio-economic well-being of the communities that surround them.

Q. How did Drax come to locate in Alabama?

When Drax acquired Pinnacle

Renewable Energy, we gained the Aliceville site and the greenfield project site at Demopolis. The desire to strengthen our footprint in the Deep South coupled with Alabama having the third-largest forest industry in the U.S. gave Drax the win/win opportunity to expand its business and grow within the state. The forest products industry is a major component of Alabama’s economy.

With the third-largest timberland base in the U.S., producing around \$4 billion in gross domestic product (GDP), sustainable biomass production is a key part of Alabama’s economy. Drax aims to increase its global biomass pellet production capacity from around 5 million tons to 8 million tons by the end of this decade, seeing the strong forest industry in Alabama and the larger U.S. Southeast as a great partner.

A recent analysis by Chmura shows that this year (2023), Drax’s two pellet plants in Alabama could generate revenues of approximately \$20.6 million for the

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