

BIOMASS

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Drax completes acquisition of Louisiana pellet plant

By [Anna Simet](#) | April 26, 2017



Drax Group plc announced it has completed the acquisition of substantially all of the assets of Louisiana Pellets, at a price of \$35.4 million.

Drax indicated that it would participate in separate processes for the acquisition of the operating assets of the Urania, Louisiana, plant, as well as those of Texas Pellets in Woodville, Texas, [on Feb. 27](#).

German Pellets, builder of both plants, filed for bankruptcy protection in February 2016.

[In early April](#), following the conclusion of a March 30 auction, Drax announced that it had been provisionally successful in its bid to acquire the assets of Louisiana Pellets. However, the sale out of bankruptcy process of the assets of the similarly-sized Texas plant was postponed, though Drax stated that it remains an interested party in the acquisition.

Louisiana Pellets, commissioned in early 2015, will provide additional biomass pellet capacity in the region of 450,000 metric tons annually, according to Drax, which said the new capacity will play an important part in its strategy to build a flexible supply chain capable of self-supplying 30 percent of its generation requirement.

“Louisiana Pellets marks another positive step in delivering the Drax Group strategy,” said Dorothy Thompson, CEO of Drax. “The deal forms part of our plan to significantly increase our capability to manufacture high quality compressed wood pellets and increase self-supply to Drax Power Station.



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Upgrading half the Power Station to use sustainable wood pellets has resulted in Drax producing 16 percent of the U.K.'s renewable electricity and with the right conditions we aim to do more."

Richard P. Vlosky, Ph.D.
Director, Louisiana Forest Products Development Center
Crosby Land & Resources Endowed Professor of Forest Sector Business Development
Room 227, School of Renewable Natural Resources
Louisiana State University, Baton Rouge, LA 70803
Phone (office): (225) 578-4527; Fax: (225) 578-4251; Mobile Phone: (225) 223-1931
Web Site: www.LFPDC.lsu.edu



President, Forest Products Society; President-Elect, WoodEMA i.a.

