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Pinnacle to build new pellet plant in Alabama

By [Erin Voegele](#) | December 20, 2019



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Pinnacle Renewable Energy announced on Dec. 19 plans to build a new 360,000-metric-ton-per-year pellet plant adjacent to an existing sawmill in Demopolis, Alabama. The facility is expected to begin commissioning during the second quarter of 2021.

The Demopolis plant will operate under a single partnership with Pinnacle, The Westervelt Co., and Two Rivers Lumber Co. LLC, with each holding a respective 70 percent, 20 percent and 10 percent interest in the facility. According to Pinnacle, TWC will sell a 10 percent interest of its currently held 30 percent interest in Pinnacle's nearby pellet plant in Aliceville, Alabama, to TRL. Under the terms of the partnership, Pinnacle will operate the Demopolis facility and manage all aspects of customer relations, marketing sales, and logistics.

A statement released by Pinnacle indicates the proposed Demopolis plant and existing Aliceville plant are located on the same river system. The location of the Demopolis facility will ensure finished pellets can be barged and loaded at the port in Mobile, Alabama, which is the same port used to export pellets produced at the Aliceville facility.

According to Pinnacle, the Demopolis plant is in the final states of design and construction planning. Permit applications have commenced, the company said. Pinnacle also noted long-term fiber supply agreements have been completed with the majority of suppliers.



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"Building on our early success at the Aliceville Facility, which is currently producing wood pellets ahead of the commissioning curve, we are pleased to be expanding our presence in the U.S. southeast and leveraging the existing relationships and infrastructure we have established in the area," said Rob McCurdy, CEO of Pinnacle, in a statement. "The U.S. southeast expansion further aligns the Company with our partners and fibre suppliers and allows for flexibility to optimize fibre flow between the facilities, while further diversifying our business in the region, which will see approximately 660,000 MTPA of pellet production once fully commissioned."

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