

SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP



MAY 7, 2021

Drax to build three new pellet plants in Arkansas



Morehouse BioEnergy, an existing Drax Biomass wood pellet plant located in Louisiana, close to the border with Arkansas.

Drax Group will begin constructing the first of three new 'satellite' pellet plants in Arkansas.

The three plants are together expected to produce around 120,000 tonnes of sustainable biomass pellets annually from sawmill residues, supporting the company's plans to increase self-supply to its power station in Yorkshire, UK.

Drax will begin construction of the first plant later this month near a West Fraser sawmill in Grant County, with commissioning expected in October. The firm will begin construction on two more plants in other locations in the coming months. In total, Drax will invest \$40 million (€33 million) in the state, creating around 30 new direct jobs and many more indirect jobs across three Arkansas communities.

Will Gardiner, Drax Group CEO, said: "By building these new pellet plants Drax is bringing jobs and opportunities to rural communities in Arkansas, boosting the state's post-COVID economic recovery.

"Through this investment, Arkansas will play an important role in combating climate change, supporting Drax to increase the amount of sustainable biomass we produce as part of our plans to pioneer bioenergy with carbon capture and storage (BECCS).



13 May 2021



SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP

“By using sustainable biomass, we have displaced coal-fired power generation, reduced carbon emissions and provided renewable electricity for millions of homes and businesses in the UK.”

The Leola ‘satellite’ pellet plant in Grant County is expected to produce around 40,000 tonnes of pellets a year. Drax will also utilise the sawdust and other dry residual materials, which are by-products created when timber is processed as West Fraser’s facility.

“Drax’s ambitious company vision combined with the renowned tenacity and loyalty of Arkansans make this partnership an excellent match,” commented Governor Asa Hutchinson. “I am confident that this investment will benefit both the company and our communities for years to come.”

By co-locating the pellet plants with sawmills, Drax will benefit from lower infrastructure, operational, and transportation costs. Reducing the cost of its biomass supports the company’s ambition to be carbon negative by 2030 by developing BECCS, which could permanently remove millions of tons of CO₂ from the atmosphere.

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

