



State steps up with assist for wood-pellet plant

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Greenova LLC's plan for a wood-pellet plant in the Berlin Industrial Park is getting a boost from the state Department of Resources and Economic Development, which will hold an off-site, 24-acre conservation easement to offset wetlands affected by the plant.

"We're delighted to be able to work with the community to be the holder of that easement," DRED Commissioner George M. Bald said in an interview last week.

DRED's Land Management Bureau already oversees more than 200,000 acres, so adding another 24 isn't a big deal. But Land Management Administrator Bill Carpenter said accepting the easement from the city of Berlin, which owns the land, will require approval from the Governor and Executive Council.

The parcel is near Berlin High School and includes snowmobile trails. Carpenter said DRED will make sure the boundaries of the easement are well marked.

Under state management, the protected land will be open to snowmobile and foot traffic.

"All our easements are open to the public for recreation," Carpenter said.

"In Berlin, we look to protect the working forest access," he said. "We want this piece of ground to produce forest products."

The easement is a small piece of a big puzzle for developer Greenova, a wholly owned subsidiary of Hingham, Mass.-based Woodstone USA LLC, which currently operates a pellet plant in Holland, Mich., and has another under way in Moreau, N.Y.

The Berlin Planning Board gave conditional site plan approval to Greenova LLC's application on March 4. The company hopes to complete the permitting process this month and break ground on the facility in May. It isn't expected to be operational until next year.

"Basically we plan on starting construction during the summer, and next spring or summer, a year later, we should be up and running," said Jim Wagner, economic development director for Androscoggin Valley, who has been helping shepherd the project.

Wagner said the state's commitment to the conservation easement was a critical piece. "There are trade-offs, but we want to bring in economic benefits here and not compromise the natural environment and that's what the easement does," Wagner said.

Albrecht von Sydow, a principal in Woodstone USA LLC, said, "We are feeling extremely well about how things are proceeding."

With oil prices at record high levels, timing for a new wood-pellet production plant appears to be fortunate.

"I think it's very, very fair to say we can offer the heating equivalent of 1 gallon of oil for \$1.80," von Sydow, a German native who is 33, said. One ton of wood pellets has the energy equivalent of 120 gallons of heating oil. The Berlin plant, announced in June 2007, will be designed to turn out 180,000 tons of wood pellets a year.

To meet that level of production, Greenova will be bringing in 400,000 tons of whole logs, enough to give a shot in the arm to the local logging and forestry industry. Fraser Papers closed its Berlin pulp mill in 2006, ending 250 jobs.

That's part of the wood-pellet plant's appeal to state officials.

"We've worked with Woodstone for the better part of a year," Bald said. "One of the things that we saw that was crucial was that when the pulp mill went down, there was an awful lot of demand for wood that evaporated, and so the hope was to be able to find another way to generate some demand, especially for what we consider to be low-grade wood."

Low-grade wood is not of sufficient quality to be used for lumber or flooring.

"If there isn't a good market for it, basically it stays in the forest," Bald said. "They're talking about using about 400,000 tons a year."

The mill at its height was using about a million tons a year.

"So, we're delighted that's going to happen," Bald said. "And that's why we had a close relationship with this company."

"The city of Berlin has been very good to deal with, they have been very supportive of this plan," he said.

Fraser Papers bought the mills in Berlin and Gorham in 2002, following their closure a year earlier after the bankruptcy of former owner American Tissue.

In a separate project, Laidlaw Energy Group Inc. is planning to convert a large part of the former Fraser Paper pulp mill site, about four or five miles away, into a biomass-to-energy project that is expected to produce 60 megawatts of renewable energy and use more than 700,000 tons of wood chips a year.

Von Sydow said the wood pellet plant will employ 30 to 35, but the wood demand it creates will sustain or create another 200 or more jobs in the logging industry.

He is still in talks with equipment manufacturers for the production-line machinery, he said.

One of Greenova's principals is Alan McLain, 47, a Berlin native who was laid off from the mill in 2001. He said Greenova plans to meet conditions laid down in its site-plan approval.

After he was laid off, McLain started M&L Foundations with partner Robert Labrecque.

But lately he's been training at Woodstone's Michigan plant to learn the wood-pellet manufacturing business.

"We're certainly going to keep a lot of the outside loggers in business and make a huge impact financially," he said.

"It's great to be involved ... in something positive," he said.

"I live in the Norwegian Village (section of Berlin) and I live four houses away from where I grew up," McLain said. "From my front porch, I can see my parents' home.

"When the mill closed ... we chose to stay here," McLain said. "It's the type of place where you'd want your kids to be raised and when the mill closed it was very emotional," he said.

Besides its economic benefits, the pellet plant will have environmental benefits, too.

"The idea of having a market for low-grade wood really does promote the health of the forest," Bald said. "And we certainly know there is a limit to how much can be cut, but with the previous pulp mill using over 1 million tons a year, certainly we still have quite a bit of capacity before we get to any problems."

Wood pellets also are considered carbon neutral, meaning that the amount of carbon dioxide released when burning pellets are consumed is the same as carbon dioxide consumed from the atmosphere while a tree grows in the forest.

"The average household will enjoy a considerably smaller carbon footprint by heating their home with wood pellets," Woodstone says on its Web site.

The move from fossil fuels to alternative fuels has support at the highest levels in Washington. President Bush said in a speech March 5 at the Washington International Renewable Energy Conference: "I look forward to the day when people in the parts of our country that have got a lot of forests are able to convert wood chips into fuel. And those days are coming."

Von Sydow hopes to produce wood pellets for both the residential market, sold in 40-pound bags, and the commercial market.

"In Sweden, for example, one third of all the houses are heated with a wood-pellet furnace," he said. "The wood pellets are not a secondary heating system, but have actually replaced the old oil or natural gas furnaces."

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