

Introduction to New England Wood Pellet, LLC (Founded in 1992)



- Currently owns**
- **2 Pellet Plants**
 - **1 Distribution Center**
 - **1 Equipment Fabrication Plant**
- Future plans**
- **Siting 3rd Pellet Plant**
 - **Starting Commercial/Industrial Heating Division**

History of the Industry USA/Canada

- **First wood pellets patented in 1950's.**
- **First significant production in the late 1970's.**
- **Pellet stoves sales start to take off in the mid 1980's.**
- **Pellet stoves sales currently about 100,000 units annually .**
- **Total number of installed stoves approx. 750,000 units.**
- **Wood pellet sales approx. 1.3 million tons annually.**
- **Wood pellet production approx. 3.5 million tons annually.**


History of the Industry Europe

- **First pellet production in the early 1990's.**
- **First power plant to experiment with pellets in the 1990's.**
- **CO2 mandates along with change in energy policy put in place.**
- **Industry explodes; large Co-Generation, district heating, commercial heat, residential central heat and now pellet stoves.**
- **Total wood pellet consumption is over 8,000,000 tons and growing at a rate of 20-30% annually.**

Reasons why the US pellet market has not grown faster

- **No government support.**
- **No focus on thermal energy - which is about 1/3 of all energy the consumed by the US.**
- **Over 50% of new pellet mills fail.**
- **Other energy industries are getting subsidies for the use of wood for renewable energy (i.e. electricity, cellulosic ethanol) while our renewable energy (i.e. heat) receives no government subsidies.**
- **Very unstable market conditions.**

The future for the wood pellet industry in the US and Canada ?

- **5 billion gallons of #2 oil is consumed for heat –
That is diesel fuel** 
- **Moving beyond the pellet stove and bagged fuel market.**
- **New appliance and technology – like small scale Co-Gen plants.**

Why Pellets?



- **Much less energy intensive to produce.**
- **Less expensive to produce.**
- **Though pellets are not a good transportation fuel, electric and heat represent over 70% of energy consumption and pellets are a great candidate for that market.**
- **Pellets are not restricted to wood.**