A review of Maine’s pulpwood and biomass markets

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Pulpwood and biomass market drivers
2018-2Q/2019

- Deep freeze spurs biomass and pellet demand.
- Cogen burn rates higher, bio pricing supported.
- Winter ended with untimely thaw, snow, PMs reached out to neighboring woodbaskets.
- Verso announces softwood line restart at Jay, est. 1 mm tons.
- NH biomass bill veto pummels bio market, most producers shut.
- T&D Wood Energy announces 35k ton/yr pellet mill, Sanford.
- NH biomass bill veto overridden, power plants restart.
- Summer pulpwood market easy with good weather. Quotas on.
- Softwood line restarts at Jay.
- ND Paper buys Old Town mill, will use softwood (1 million tons/yr approx.), restart 2Q/19.
- Corinth wood pellet mill burns down, 280,000 tons/yr biomass gone.
Pulpwood and biomass market drivers
2018-2Q/2019

- ReEnergy closes Fort Fairfield and Ashland power plants. Eliminates 800,000 tons/yr biomass. Remaining are Stratton and Livermore Falls (about 900,000 tons/yr biomass).
- Restarts at Jay and Old Town renew infrastructure capacity concerns.
- Again with NH: Political stalemate thanks to ratepayer group stymies PPAs, power producers falter again.
- Meanwhile, ReEnergy closures put biomass market in “tailspin.” Bark piles up, chippers reportedly go on the market.
- Spring pulpwood markets dicey, weather-related. Quiet slowdowns taken, and spot markets show $70/ton hardwood (del.).
- Last check in July: Biomass demand down and cogens switching to nat gas for price
- Long, wet spring upped delivered pulpwood prices on distance, trucker shortage of concern. “Posturing” reported around restart at Old Town.
Maine wood prices 2018-2Q/2019
US$/green ton del. Ave.
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- Hardwood roundwood
- Spruce/fir roundwood
- Hog fuel
Pulpwood and biomass market drivers 2008-2012

- “Fear and Loathing” among traditional pulpwood and biomass consumers amid high fossil fuel costs ($5/gal diesel fuel).
- Red Shield at Old Town closes, 800,000 tons hardwood.
- Katahdin Paper goes out, full mill shut.
- Verso takes out capacity at Bucksport.
- 2009, pulp and paper meltdown across NA, 30 million tons pulpwood impact.
- Wausau takes down machine at Jay.
- Domtar Woodland idles indefinitely (est. 1.5 million tons wood), reopens with black liquor credit.
- Old Town restarts under Patriarch Partner (Old Town Fuel & Fiber) with $30 mm DOE grant.
- BCAP, and the Northeast was the region to watch...
- Domtar sells Woodland to International Grand Investment to make pulp for Chinese concern, capacity increases nearly 20%. 
Pulpwood and biomass market drivers 2008-2012

- Verso breaks ground on bio expansion at Bucksport.
- Katahdin Paper announces closure at East Millinocket.
- Natural gas prices start dropping, and will hinder biomass for this point forward.
Pulpwood and biomass market drivers 2013-2017

- 2013 opens with biomass pricing reacting to new Verso boiler, then in the fall, Burgess starts buying for 750,000 ton/yr wood power in NH.
- Thermogen announces torrefied pellet mill in Millinocket; never happens.
- Lincoln Pulp & Tissue closes following explosion (450,000 tons/yr hardwood).
- Great Northern Paper at East Millinocket idles.
- Market responds to new bio demand and an upswing in natural gas prices.
- ReEnergy reopens Ashland 39 MW power plant (former Boralex).
- Verso Bucksport closes (est. 450,000 tons/yr roundwood and chips).
- Old Town F&F closes, reopens shortly thereafter under Expera.
- Expera closes Old Town after short run.
Pulpwood and biomass market drivers 2013-2017

- Verso shuts softwood line at Jay.
- Covanta closes biopower plants in Jonesboro, Enfield. Impact 500,000 tons/yr biomass.
- MA begins rolling in efficiency rules which effectively preclude stand-alone biomass sources.
- Three wood power plants restart first of 2017, benefitting from $13.4 million biomass “bailout.”
- Stored Solar announces conversion of E. Millinocket to wood CHP/biorefinery. Doesn’t come to pass.
- “42 Railroad Avenue” to restart 24 MW biopower in Staceyville. Seems dead.
Maine wood prices 2013-17
US$/green ton del. ave.
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Maine wood prices 2008-2Q/2019
US$/green ton del. Ave.
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Thank you!

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