



**INTERNATIONAL  PAPER**

# **Impacts of Renewable Energy Demand**

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Sustainability Dialogue**

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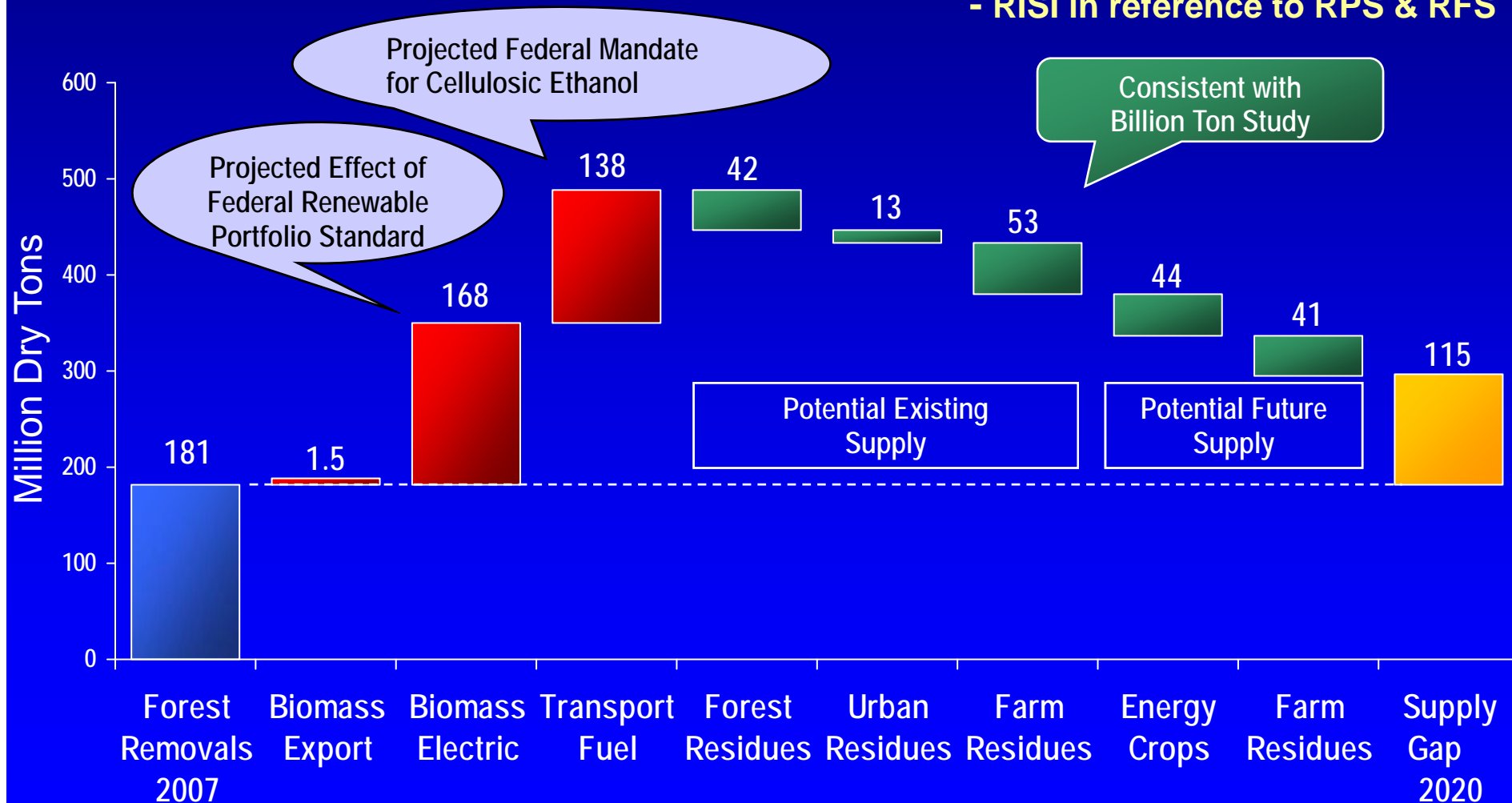
# Bioenergy

## Sustainability of the U.S. Southern Forest <sup>1</sup>



***“Clearly the additional demand for wood is not realistic, and would place demands on the nation’s forests that are unsustainable.”***

**- RISI in reference to RPS & RFS**

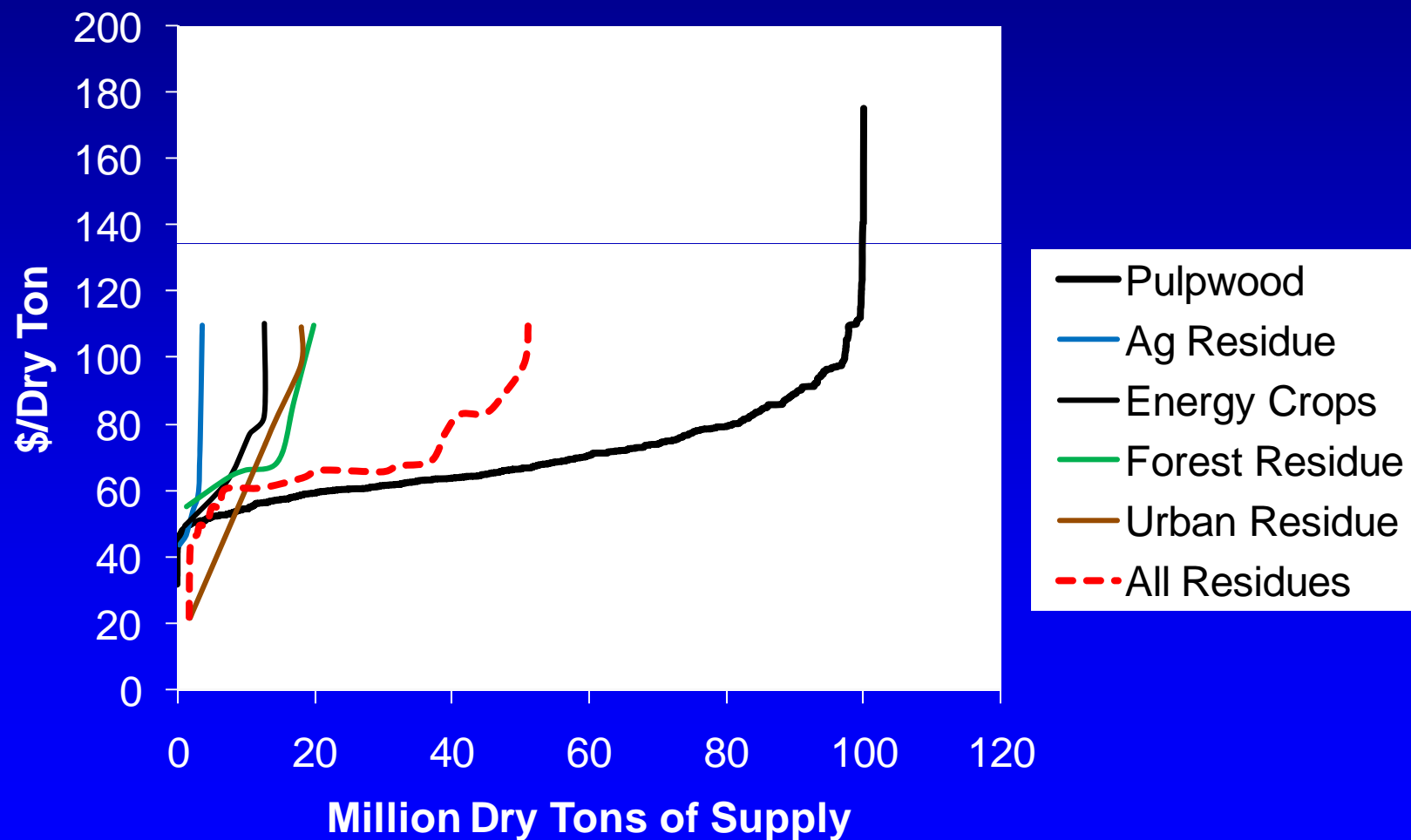


<sup>1</sup> Derived from SFRA, USFS Billion Ton Study, NREL TP-560-39181, Industry Announcements



# NEMS Residue Cost Curves vs. Pulpwood

## U.S. South

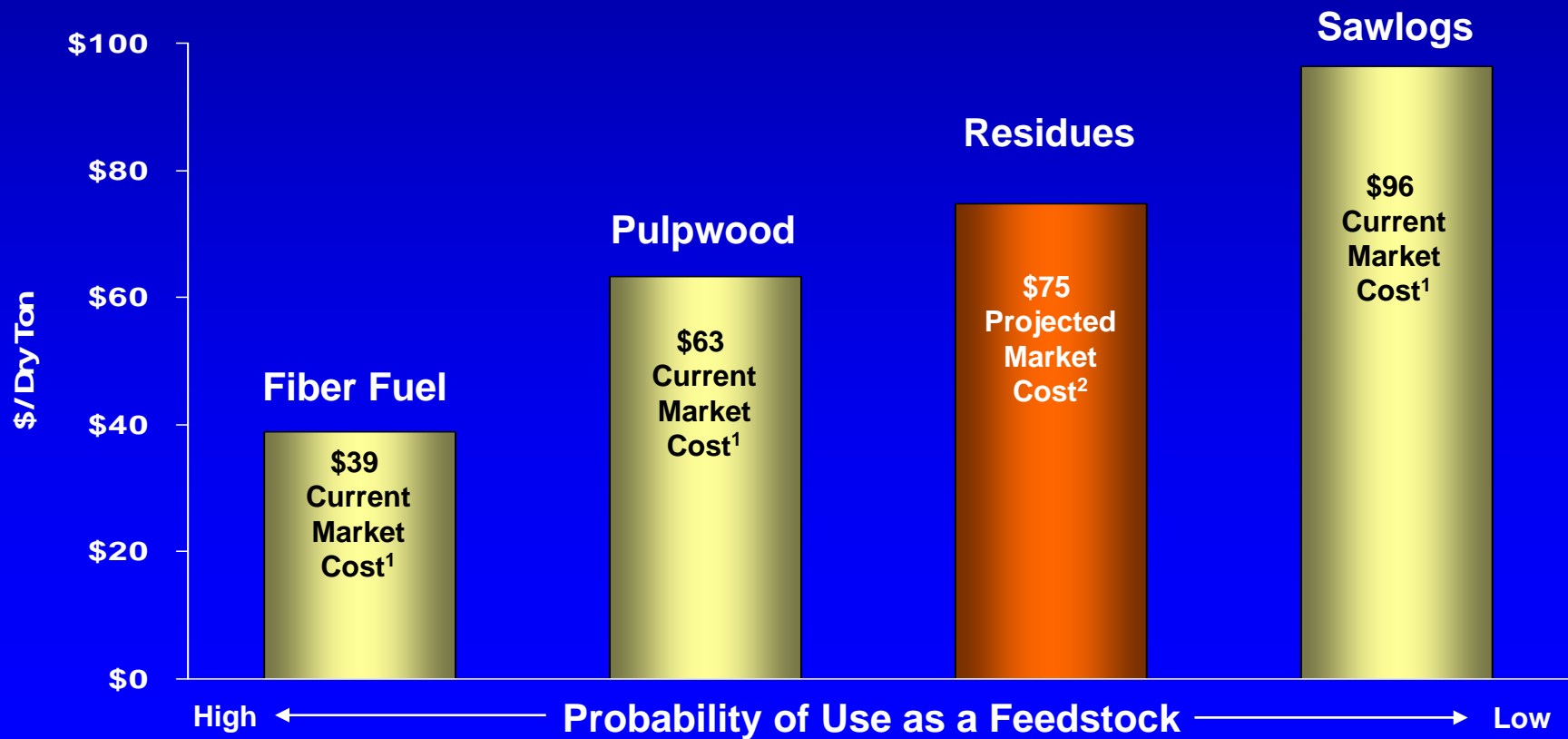


<sup>1</sup> Derived from EIA Biomass for Electric Generation by Zia Haq 2002 escalated to 2008\$ using PPI – Industrial Consumers

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## *Economic Conflict in Cost of Supply*

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<sup>1</sup> Forest 2 Market – 2nd Quarter 2008 Benchmarks. <sup>2</sup> Derived from EIA Biomass for Electric Generation by Zia Haq 2002 escalated to 2008\$ using PPI – Industrial Consumers

## Conclusions

***Mandates and subsidies pose substantial risks to the forest and the forest products industry***

***Consideration must be given to the environmental and economic impacts of renewable energy policy***

***To ensure forest sustainability, renewable energy policy must balance demand for biomass with the capability of the resource***

***If mandates and subsidies are enacted, they should not disadvantage the existing forest products industry***