

NOVUS

WOOD GROUP

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September 2018

The NOVUS Story

NOVUS Wood Group began in 1998 following the successful divestiture of Waste Reduction Systems, a fully integrated solid waste management company, which was founded in 1985 by Bill Winters and others. NOVUS retained its core management team and infrastructure to focus exclusively on the recycling and reuse of urban woody debris for locally consumed products.

NOVUS has always been the leader in new and innovative products that can be manufactured from urban woody debris normally destined for landfill disposal. NOVUS seeks new opportunities to partner with existing industries and emerging technologies which require large quantities of reliable, high quality biomass feed stocks.



Wood Waste in Texas.

- Within Texas there are roughly 70 mulching and composting yards in Houston, Dallas, and San Antonio metro areas, which handle recycled wood and green waste.
- There is roughly 9 million tons of wood & green waste annually delivered to these facilities just in the Houston, Dallas, and San Antonio metro areas alone.



Current Uses & Oversupply

- **NOVUS currently produces 8 different varieties of mulch and wood products, including Pine Bark, Double Ground Native, Cedar, Red, Brown, Black mulch, Wood fuel, Playground Surfaces and erosion control products.**
- **Recently due to drought and tropical storms there has been a significant oversupply of wood waste coming into the Houston area, forcing recyclers to increase tipping fees to handle the influx of material.**



Increasing Tipping Fees & Solutions

- With the influx of green material, tipping fees are increasing through out all wood recycling facilities in Houston. Tipping fees vary across the area but are between \$4-6, per cubic yard. We have seen tipping fees increase area wide between 10 to 15% over the past year.
- There are solutions to combat the increasing trend of tipping fees.



Biomass RIN's

- In 2007, Congress approved the Renewable Fuel Standards (RFS) participation of using renewable feed stocks as fuel for electricity generation, among other types of biomass and biogas. The EPA also approved renewable electricity in 2014. However, despite this progress the EPA has not registered any facilities under the RFS, nor has it recognized respective producers with Renewable Identification Numbers (RIN's), otherwise known as eRIN's.
- “There is no good reason to deny the ability of biomass and waste-to-energy to produce RIN's – particularly when Congress has already given its explicit approval” – Bob Cleaves, President & CEO of Biomass Power Association.
- For these organizations, who have submitted applications to participate in the RFS program, are permitted to become part of the RFS, they will be classified in the cellulosic fuel (D3) category.
- What happens to the price and value of wood fuel & biomass if renewable electricity can obtain eRIN's?





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Thank You!