

NSF International Evaluation of Westervelt Renewable Energy, LLC Compliance with the SBP Framework: Public Summary Report

First Surveillance Audit

www.sustainablebiomasspartnership.org



Completed in accordance with the CB Public Summary Report Template Version 1.0

*For further information on the SBP Framework and to view the full set of documentation see
www.sustainablebiomasspartnership.org*

Document history

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1 Overview

CB Name and contact: NSF 789 North Dixboro Road, Ann Arbor, MI 48105

Primary contact for SBP: Norman Boatwright, NSF Forestry Program Manager, P.O. Box 4021
Florence, SC 29502 nboatwrigh@nsf.org

Report completion date: 08/Sep/2016

Report authors: Norman Boatwright

Certificate Holder: Westervelt Renewable Energy, LLC 1400 Jack Warner Pkwy, N.E.,
Tuscaloosa, AL 35404

Producer contact for SBP: Mike Williams 1400 Jack Warner Pkwy, N.E., Tuscaloosa, AL, 35404
mwilliams@westervelt.com

Certified Supply Base: Alabama and Mississippi USA

SBP Certificate Code: SBP-02-01

Date of certificate issue: 21/Sep/2015

Date of certificate expiry: 20/Sep/2020

Indicate where the current audit fits within the certification cycle				
Main (Initial) Audit	First Surveillance Audit	Second Surveillance Audit	Third Surveillance Audit	Fourth Surveillance Audit
☐	X	☐	☐	☐

2 Scope of the evaluation and SBP certificate

The manufacture of wood pellets, transport to the port of Mobile, AL and the trading of wood pellets, including Standards 1, 2, 4 and 5 for the Aliceville, Alabama facility. The SBP Standard certification number is SBP- 02-01.

3 Specific objective

The specific objective of this surveillance audit was to confirm that Westervelt Renewable Energy, LLC's management system is capable of ensuring that all requirements of specified SBP Standards are implemented across the entire scope of certification.

4 SBP Standards utilised

4.1 SBP Standards utilised

Standard 1: Feedstock Compliance Standard, Version 1.0, March 2015

Standard 2: Verification of SBP-Compliant Feedstock, Version 1.0, March 2015

Standard 4: Chain of Custody, Version 1.0, March 2015

Standard 5: Collection and Documentation of Data. Version 1.0 March 2015

These documents can be reviewed at:

<http://www.sustainablebiomasspartnership.org/documents/standards-documents/standards>

4.2 SBP-endorsed Regional Risk Assessment

Not applicable.

5 Description of Biomass Producer, Supply Base and Forest Management

5.1 Description of Biomass Producer

Westervelt Renewable Energy, LLC is a part of The Westervelt Company, an integrated forest products company that manages over 500,000 acres of FSC/SFI Forest Management certified timberland and has a large southern pine sawmill located in Moundville, AL. The pellet facility is located in Aliceville, AL on the Tombigbee waterway and pellets are loaded onto barges, shipped down to Mobile and loaded onto bulk cargo ships.

Inputs: Pine roundwood/tops and a small amount of sawmill residual chips.

45% total input is PEFC certified (through SFI and ATFS forest management certifications) and the remaining material is FSC Controlled Wood or PEFC Controlled Sources. The facility is FSC Chain of Custody and Controlled Wood certified, SFI Fiber Sourcing certified and SFI/PEFC Chain of custody certified.

5.2 Description of Biomass Producer's Supply Base

The Company typically procures wood within a ninety mile radius. The facility sources from a largely rural area where forestry and agriculture are prevalent and are the primary sources of income for workers and the local communities. Fiber is sourced from Company land, by the procurement group that purchases stumpage for a sister company's pine sawmill in Moundville, Alabama, by a procurement forester at the pellet mill and from sawmill residuals (<4%). Sourcing also includes fiber from Wood Suppliers (gatewood). The Company has a system to identify the origin (tract level) of all roundwood and origin (state and county level) of all sawmill residual material. Pinus is the only genus utilized.

The supply base is in an area known as the Black Belt Prairie Region, which is characterized by weathered rolling plains containing various hardwood and mixed hardwood/pine forests. Intensive forest management for pine is practiced by most of the large forest landowners in the area with an average rotation length of twenty-eight to thirty (28-30) years.

The States of Alabama and Mississippi have large and well-funded State Forestry Commissions and agencies that administer a number of programs including: landowner outreach and extension, forest inventory and analysis, forest fire and pest prevention, BMP implementation and monitoring, smoke management planning and scheduling, forest resource and wildlife assessments and action plans, and other forest sustainability programs.

The Supply Base Evaluation can be reviewed at: <http://www.sustainablebiomasspartnership.org/approvals-and-certifications/certificate-holders/westervelt-renewable-energy-llc>.

5.3 Detailed description of Supply Base

Total Supply Base area (ha):	8,012,775 ha Mississippi 9,307,769 ha Alabama
Tenure by type (ha):	560,894 ha Private Industrial Mississippi 651,543 ha Private Industrial Alabama 6,490,347 ha Private Non-Industrial Mississippi 8,097,759 ha Private Non-Industrial Alabama 961,533 ha (3.564mil ac) Public Mississippi 558,466 ha (1.38mil ac) Public Alabama
Forest by type (ha):	17,320,545 ha Temperate Forest
Forest by management type (ha):	2,483,960 ha Planted Mississippi 2,885,408 ha Planted Alabama 5,528,815 ha Managed Natural Mississippi 6,422,361 ha Managed Natural Alabama
Certified forest by scheme (ha):	768,902 ha ATFS Mississippi 1,250,833 ha ATFS Alabama 195,851 ha FSC Mississippi 226,207 ha FSC Alabama 779,232 ha SFI Mississippi 1,169,488 ha SFI Alabama.

5.4 Chain of Custody system

The Company is SFI/PEFC/FSC Chain of Custody certified and plans to utilize the systems already in place to track SBP certified biomass. Pellets are stored on-site, loaded onto barges and barged down the Tombigbee Waterway to the port of Mobile, AL where they remain on the barges until loaded on a ship. Title transfers when the pellets are loaded on the ship.

6 Evaluation process

6.1 Timing of evaluation activities

Date	Location/Method	Activity	Participants
3/7/2016	Planning call	Set audit date - 1 hour	Norman Boatwright and Mike Williams
3/28/2016	Email	Develop audit plan - 1 hour	Boatwright
4/19-20/2016	Certification Audit to Standards 1, 2 and 4	Tuscaloosa and Aliceville, AL - 14 hours and field sites	Boatwright, Tucker Watts and the Westervelt certification team
4/22/2016	Certification Audit to Standard 5	Tuscaloosa - 8 hours	Williams and Sentner
4/22 - 5/12/2016	Email	GHG data verification follow up and report completion - 12 hours	Williams, Sentner and Shideler
9/7-8/2016	Office	Review of information, follow-up calls and emails, finalize report - 16 hours	Boatwright

6.2 Description of surveillance activities

NSF initiated the SBP audit process with a planning call to confirm the scope of the audit, determine whether any changes had occurred in the Company's policies and procedures and set the audit dates. NSF then prepared a detailed audit plan and conducted the SBP Surveillance Audit of conformance to the SBP Standards with focus on the SBE/SBR and chain of custody requirements. A report was prepared and final approval was done by an independent Certification Board Member assigned by NSF. Follow-up or Surveillance Audits are required by the SBP Standards. The next Surveillance Audit is scheduled for the week of April 24, 2017.

The audit was governed by a detailed audit plan designed to enable the audit team to efficiently determine conformance with the applicable SBP requirements. The plan provided for the assembly and review of audit evidence consisting of documents, interviews, and on-site inspections of ongoing or completed forest practices and management systems.

During the audit NSF reviewed a sample of the written documentation assembled to provide objective evidence of SBP Conformance. NSF also selected field sites for inspection based upon the risk of environmental impact, likelihood of occurrence, special features, and other criteria outlined in the NSF SBP SOP. NSF also selected and interviewed stakeholders such as contract loggers, wood suppliers and other interested parties, and interviewed employees within the organization to confirm that the SBP Standard was understood and actively implemented.

The possible findings of the audit included Full Conformance, Major Non-conformance, Minor Non-conformance and Opportunities for Improvement.

6.3 Process for consultation with stakeholders

Stakeholders were not engaged as this is a surveillance audit.

7 Results

7.1 Main strengths and weaknesses

The Westervelt Company has been certified for years to the SFI/FSC Forest Management Standards, the SFI Fiber Sourcing Standard, to the SFI/PEFC/FSC Chain of Custody Standards and to the FSC Controlled Wood and PEFC Controlled Sourcing Standards. As a result, the Company has built mitigation measures into its policies and procedures to ensure fiber is not sourced from FHCV or special sites. This process includes having the roundwood suppliers complete a detailed form that describes the tract attributes. Accordingly, it has developed and refined its procedures to enable it to track fiber from the district of origin and throughout the supply system and manufacturing process.

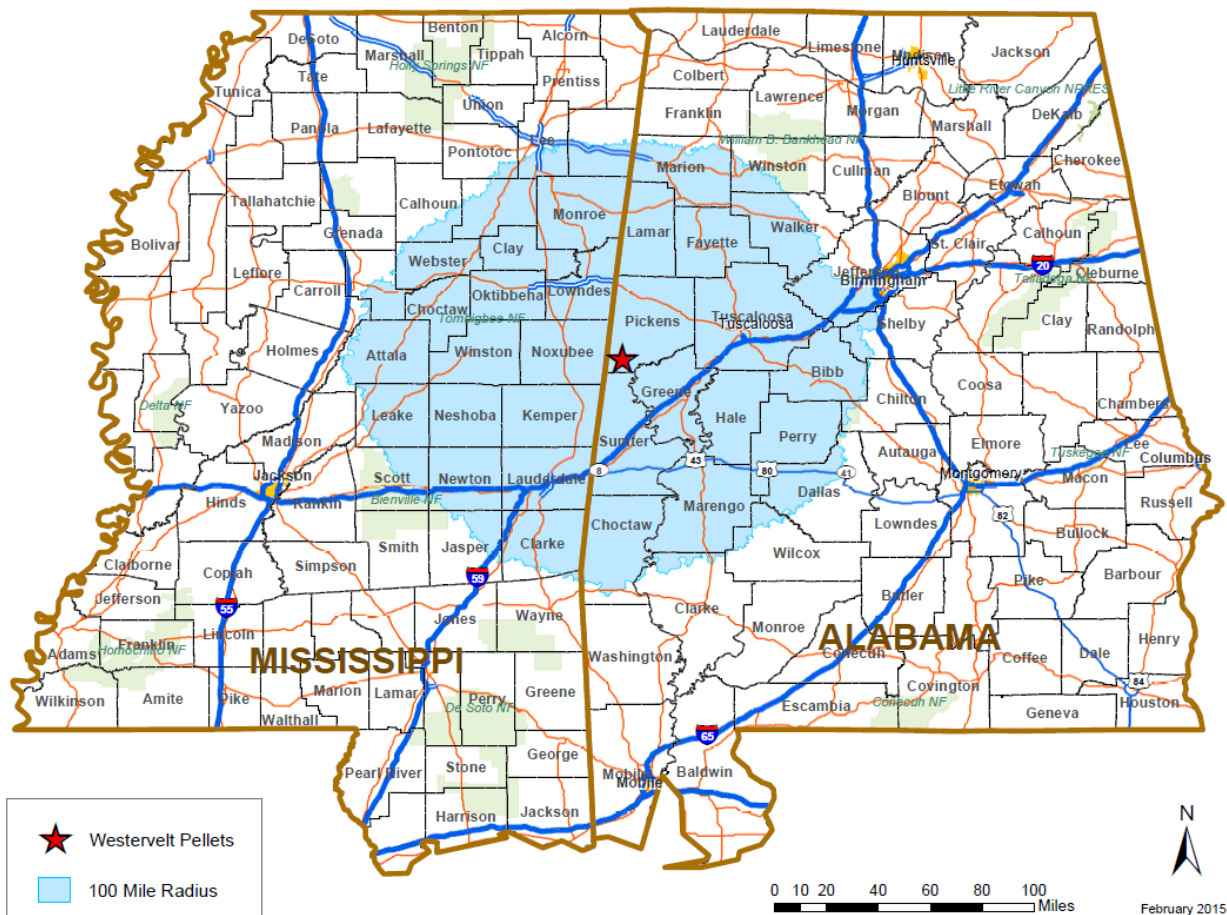
Strengths include the ability to track roundwood back to the tract it was harvested from and the process used to determine and confirm the district of origin for residual material. The strong corporate commitment to manage forest land and source fiber sustainably is an additional strength.

The audit did not identify any weaknesses.

7.2 Rigour of Supply Base Evaluation

The Company has conducted a rigorous Supply Base Evaluation that is adequate for the characteristics of the supply base. Risk was designated low for all core indicators. Due to the long term certification to the above referenced Standards, the Company has basically built mitigation measures into its procedures and fiber sourcing programs.

In addition, the Company has chosen to define the geographical scope of the SBE as the states of Alabama and Mississippi to ensure that fiber is not received from outside the SBE scope area. The actual wood draw area consists of an area defined as one hundred road miles from the pellet mill. See the map below:



7.3 Compilation of data on Greenhouse Gas emissions

The Company's GHG data is complete and accurate. Many of the data requests required by Standard 5 were unclear and not well defined. These issues were discussed during the GHG audit and several additional data requests/clarifications were requested by the auditor. These request were promptly met by the Company.

7.4 Competency of involved personnel

The original SBE was performed by Scott Berg, a well-known Forestry Program certification consultant, in consultation with key Company employees. Mike Williams, Westervelt Business Development Project Director, Scott Berg and several NSF auditors attended an SBP training session conducted by Simon Armstrong during the Westervelt Readiness Review at NSF's office in Columbia, SC January 14-15, 2015.

The Company's management and control systems for SBP are the same as those used to meet the SFI/PEFC/FSC Chain of Custody and FSC Controlled Wood requirements, which have been in place since 2011. Key personnel tasked with implementing the Company's management and control systems relating to

SBP compliance are well trained and competent, with strengths in markets, silviculture, management, harvesting, and conservation issues. Their knowledge of SBP requirements is strong. This is a new standard, so any relevant experience is limited to the pre-existing CoC and Controlled Wood standards.

7.5 Stakeholder feedback

Stakeholders were not engaged as this is a surveillance audit. The Company has not received any complaints relative to SBP.

7.6 Preconditions

Surveillance audit so this is NA.

8 Review of Biomass Producer's Risk Assessments

The NSF Forestry Program Manager was the Lead Auditor for this certification audit. He is familiar with the Company's forest certification programs as well as issues related to forestry, conservation and biodiversity in the south-eastern US. The Lead Auditor reviewed the risk assessment and followed standard audit trails to confirm sensitive or important elements of the approach. He used his pre-existing knowledge, some web searches, and his experience with other forest certification risk assessments to assess the risks.

Table 1. Final risk ratings of Indicators as determined after the SVP and any mitigation measures.

Indicator	Risk rating (Low or Specified)	
	Producer	CB
1.1.1	Low	Low
1.1.2	Low	Low
1.1.3	Low	Low
1.2.1	Low	Low
1.3.1	Low	Low
1.4.1	Low	Low
1.5.1	Low	Low
1.6.1	Low	Low
2.1.1	Low	Low
2.1.2	Low	Low
2.1.3	Low	Low
2.2.1	Low	Low
2.2.2	Low	Low
2.2.3	Low	Low
2.2.4	Low	Low
2.2.5	Low	Low
2.2.6	Low	Low
2.2.7	Low	Low
2.2.8	Low	Low
2.2.9	Low	Low
2.3.1	Low	Low
2.3.2	Low	Low

Indicator	Risk rating (Low or Specified)	
	Producer	CB
2.3.3	Low	Low
2.4.1	Low	Low
2.4.2	Low	Low
2.4.3	Low	Low
2.5.1	Low	Low
2.5.2	Low	Low
2.6.1	Low	Low
2.7.1	Low	Low
2.7.2	Low	Low
2.7.3	Low	Low
2.7.4	Low	Low
2.7.5	Low	Low
2.8.1	Low	Low
2.9.1	Low	Low
2.9.2	Low	Low
2.10.1	Low	Low

9 Review of Biomass Producer's mitigation measures

Mitigation Measures are not necessary because the risk rating is low for all indicators. Due to the long term certification to the above referenced Standards, the Company has built mitigation measures into its procedures and fiber sourcing programs.

10 Non-conformities and observations

No non-conformities or observations were issued. The Company has used its existing procedures and management systems to implement SBE in a very effective manner.

11 Certification decision

Based on the approval of the SBP surveillance audit report by NSF CB Reviewer Anne Marie Kittredge, Westervelt Renewable Energy, LLC has been approved for continuing certification by NSF as of (September 21, 2016) as meeting the requirements of Sustainable Biomass Partnership (SBP) March 2015 Standards 1, 2, 4 and 5.

Original certification granted 21/Sep/2015

The expiration date of the certificate is 20/Sep/2020.

Note: Date will be entered after the CB review.

12 Surveillance updates

Note: Surveillance updates shall be provided to SBP as specified in SBP Standard 3: Certification Systems: Requirements for Certification Bodies.

12.1 Evaluation details

The 1st annual Surveillance audit for Standards 1, 2 and 4 was conducted April 19-20, 2016 and included site visits to the Aliceville, AL facility, the Tuscaloosa Corporate Headquarters and site visits to 13 harvest sites.

The audit focused on the SBE/SBR and chain of custody requirements.

12.2 Significant changes

There are no significant changes to the supply base.

12.3 Follow-up on outstanding non-conformities

Non-conformities were not identified during the evaluation audit.

12.4 New non-conformities

This surveillance audit did not identify any new non-conformities.

12.5 Stakeholder feedback

Interviews indicate there has been no additional stakeholder feedback.

12.6 Conditions for continuing certification

As indicated in Section 11, NSF recommends continued certification.

12.7 Certification recommendation

Based on the approval of the SBP surveillance audit report by NSF CB Reviewer Anne Marie Kittredge, Westervelt Renewable Energy, LLC has been approved for continuing certification by NSF as of (September 21, 2016) as meeting the requirements of Sustainable Biomass Partnership (SBP) March 2015 Standards 1, 2, 4 and 5.

Note: Date will be entered after the CB review.