BOWIE COUNTY, TX

Biofuel Development Opportunity Zone

RATING GRADE: 'AA'

Date of Issue: September 9, 2026

AA
Very High Quality

Rating Parameters:

Category	Rated Quantity	Delivered Price	Supply Zone Size
Pulpwood	500,000 bdt/yr	$58-$66/bdt	75-mi drive distance
Forest Residues	300,000 bdt/yr	$60-$80/bdt	from Texarkana, TX

BDO ZONE ASSETS

- 500,000 bdt/year of pulpwood and 300,000 bdt/year of forest residues available to a new project at very low risk, with larger quantities likely available at increased risk.
- A sustainably managed timber resource with an annual net growth that greatly exceeds annual removals.
- A substantial surplus of pine pulpwood and thinning material that is currently underutilized.

BDO ZONE LIABILITIES

- An aging and contracting logging workforce; additional crews, trucks, and contractor capacity will be needed.
- Forest-residue recovery constrained by the lack of local grinding capacity which will require significant new equipment investment.
- Delivered cost highly sensitive to haul distance, diesel prices, and hauling efficiency.
- Existing competitors benefit from long-standing supplier relationships that a new project would need time and commercial credibility to overcome.

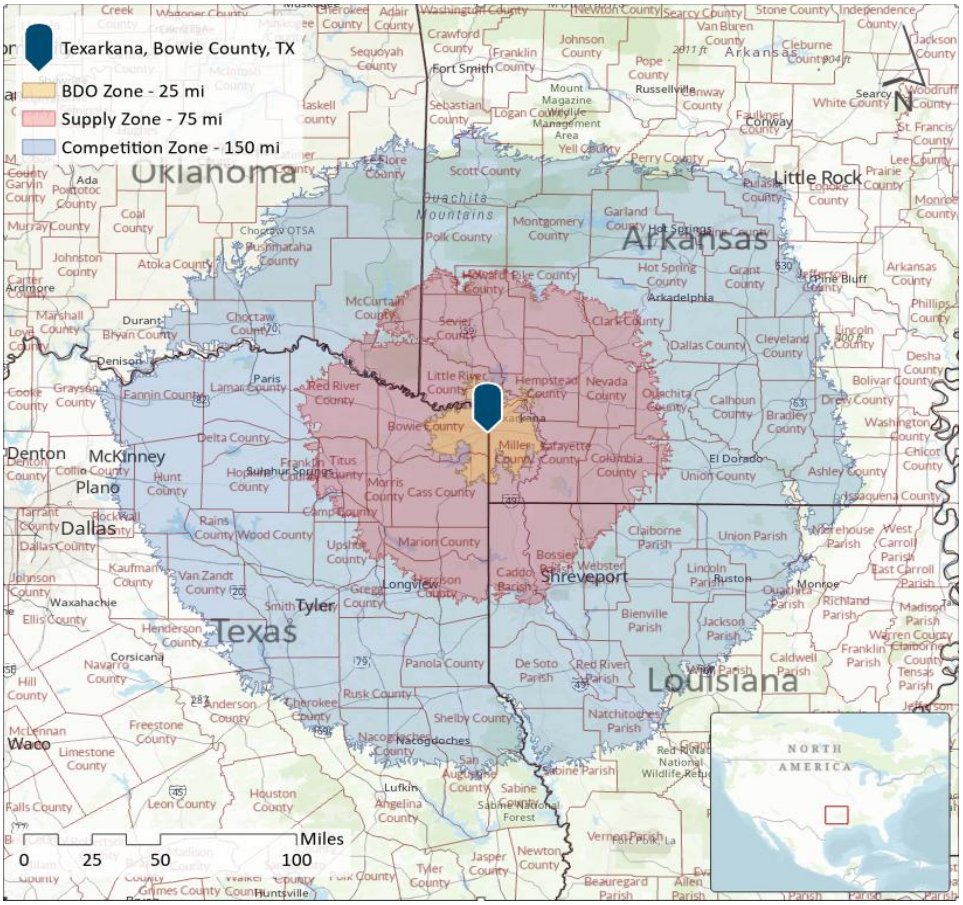
RATING GRADE

The Bowie County, TX, Biofuel Development Opportunity Zone, is rated 'AA', or 'very low' risk.

Risk Rating Grades are defined as follows: AAA (extremely low), AA (very low), A (low), BBB (low-moderate), BB (moderate), B (moderate-high), and C (high).

'AA' ratings denote very high prospective viability of Feedstock Supply and Infrastructure and low expectations of default risk in the Zone. Capacity to support new biobased plant operations is considered strong. This capacity may, nevertheless, be vulnerable to adverse weather, supply chain, economic, or infrastructure conditions.

BOWIE COUNTY, TX BDO ZONE



ANALYST NOTES

The Bowie Supply Zone is defined as the area within a 75-mile drive distance of Texarkana, Texas, with competitive demand evaluated across a wider 150-mile Competition Zone. The Supply Zone extends across Texas, Arkansas, and Louisiana. It includes approximately 7.7 million acres of land, of which about 4.5 million acres are timberland. The timber base is mixed, with hardwoods accounting for 54% of standing volume and loblolly pine representing the dominant softwood component.

The feedstock assessment focuses on two forest biomass classes: pulpwood and forest residues. Pulpwood consists of underutilized roundwood from small-diameter trees and upper-stem sections recovered during conventional logging operations. Forest residues consist of tops, branches, and other woody material generated during harvests and typically left on site, piled, or burned. Sawmill residues are excluded from the rating because they are already fully committed to existing pulp, pellet, and bioenergy users in the region.

The region is characterized by a forest-products economy that has contracted in recent years, marked by the idling of a pulp and paper mill and a pellet mill, softer pulpwood demand, and reduced processing capacity. This has left a substantial volume of low-grade pine and hardwood pulpwood and forest residues underutilized, while simultaneously reducing the regional base of logging crews, trucking, and equipment that a new operation would need to mobilize.

BDO ZONE ASSETS

The strongest asset is the scale of the rated fiber resource. After accounting for competitor demand, and after conservative Biomass Availability Multiple (BAM, i.e. redundancy) adjustments, the rated supply consists of 500,000 bone dry tons per year (bdt/year) of pulpwood and 300,000 bdt/year of forest residues, for a total rated supply of 800,000 bdt/year.

A second major asset is the favorable forest inventory and growth-to-drain relationship across the timber resource. Over the past decade, both total standing inventory and pulpwood-size standing inventory increased by about 19%. Also, the average annual net growth of roughly 7.1 million bdt greatly exceeds annual removals of about 4.3 million bdt. The resulting growth-to-drain ratio of 1.6 indicates that harvest levels remain within a sustainable range and that the supply basin retains room for additional utilization. From a forestry standpoint, this means the supply basin is still adding merchantable fiber faster than it is removing it, which supports the durability of the pulpwood resource over time.

Another important asset is the large surplus of pine pulpwood and thinning material. Local outreach indicates that many stands are being delayed, skipped, or left unmanaged because current pulpwood prices are often too weak to support first thinning economics. A new biomass market could therefore unlock material that already exists on the landscape but is not being mobilized under current conditions.

The region also benefits from an established logging and timber-procurement system for pulpwood. Harvesting is conducted through a consistent tree-length, ground-based system, and the area already supports conventional logging, hauling, and mill procurement relationships. Pulpwood is a familiar product in this basin, and the rated pulpwood volume is considered relatively scalable because the core harvesting and transportation system already exists.

The supply base is broad and geographically diversified. It draws from mostly private timberland across three states and a large pool of independent loggers, brokers, consulting foresters, and landowners. This wide supplier base reduces dependence on any one tract, landowner, or contractor and provides a good foundation for building a diversified procurement portfolio.

BDO ZONE LIABILITIES

The condition of the logging workforce and equipment base is a factor to monitor. Outreach to local experts points to a contracting, aging, and capital-intensive logging sector, with high equipment and insurance costs, some crew attrition, limited entry of younger operators, and contractors exiting the business over time. To supply the rated quantities, the project would likely require roughly eleven additional logging crews, forty logging trucks, seven grinders, and twenty-seven chip vans, meaning supply-chain buildout will depend on both

equipment investment and contractor confidence developing in step with demand.

The limited local grinding capacity is a related consideration for the forest residue stream. While pulpwood can scale through existing systems, residues cannot yet be recovered consistently at rated levels without additional grinders and residue-handling infrastructure. This is the main reason residues carry a more conservative rating and a somewhat higher delivered cost range than pulpwood.

Transportation economics warrant attention, particularly for delivered-cost control. Local experts note that trucking represents roughly half of delivered cost in practical terms, that wood value diminishes significantly beyond an 80-mile haul, and that truck turnaround efficiency is important to contractor viability. Chip vans are reportedly available, though logging truck and driver availability is comparatively tighter, and delivered economics remain sensitive to haul distance, diesel prices, and route efficiency.

Buyer-supplier relationships represent a competitive dynamic to navigate. Outreach repeatedly notes that established mills have deep, long-standing supplier ties, often across generations, reinforced through reliable intake, quota systems, and familiar specifications. A new entrant would need to build similar trust over time by offering reliable weekly intake, fast turnaround, clear specifications, and pricing stability rather than relying primarily on opportunistic spot procurement.

INFRASTRUCTURE PROFILE

The Boone-Copeland Industrial Park, located in Hooks, Bowie County, Texas, is a 140-acre site zoned for light and heavy industrial use within the TexAmericas Center. The site offers strong infrastructure across all major utilities. It has favorable transportation access via Cypress St with an on-site truck route, proximity to US Hwy 82 and I-30 (under 2 miles) and US Hwy 59 and I-369 (about 10 miles), plus on-site rail service through Texas Northeastern Railroad (a G&W short line) and an airport 20 miles away. Three-phase electric power is available on-site from AEP SWEPCO, supported by four substations with excess capacity. Natural gas is supplied by Navitas Utility Corporation via a dual 4-inch line roughly 4,000 ft away, and water is served by the Riverbend Water Resources District, with two 16-inch water supply lines, that connect to a 30-inch transmission system with a system pressure of 40 PSI. Fiber-capable telecommunications are available through Conterra Networks about 4,000 ft from the site. Overall, the site is well-positioned with robust utility and transportation infrastructure to support industrial development.

SCORING & RATING METHODOLOGY

In assessing the biomass supply chain risk for the Biofuel Development Opportunity (BDO) Zone, 75 Risk Indicators from the US Standards for Biomass Supply Chain Risk (BSCR) were applied. These BDO Zone Risk Indicators are the subset of BSCR Risk Indicators applicable to evaluating feedstock risk within a BDO Zone.

- The BDO Zone is a 25-mile drive distance from the center point, which represents the siting area for future biomass projects and is where the industrial site is located.
- The Supply Zone is a 75-mile drive distance from the center point, where feedstock availability was assessed.
- The Competition Zone is a 150-mile drive from the center point, where consumers can compete for feedstock generated in the Supply Zone.

Feedstock quantities are expressed in bone-dry tons per year (bdt/yr), while feedstock costs are expressed in United States dollars (USD). Maximum transport distance is based on a 75-mile driving distance from the center point (Texarkana, TX).

The BDO Zone rating is based on an aggregation of the scores assigned to each BDO Zone Risk Indicator (RI) assessed in this report. First, each BDO Zone Risk Indicator is given a **Raw Risk Likelihood (RRL)** score, which denotes the likelihood of a risk to future BDO Zone projects due to the Risk Indicator. RRL Scores are scaled as either very low (2), low (4), medium (6), high (8), or very high (10).

Each BDO Zone Risk Indicator is given a **Raw Risk Impact (RRI)** score, which denotes the impact on a future BDO Zone project due to the Risk Indicator. RRI scores are scaled as either very low (2), low (4), medium (6), high (8), or very high (10). Impact level scores are based on the impact level of a risk on the successful development and

deployment of a BDO Zone project with no mitigation measures.

The **Gross Risk Indicator (GRI)** score is then calculated as the product of the RRL and the RRI scores. For example, if an indicator is scored at an RRL of 2 and an RRI of 8, then the GRI for this risk indicator is 2 X 8 = 16.

If the analyst deems that a typical bio-based project could implement economically reasonable measures or best practices that mitigate the likelihood (RRL), the impact (RRI), or both, then the GRI will be notched accordingly.

The **Loaded RI** score for each Risk Indicator is the product of the GRI score and any notched scores. Loaded RIs are the final score for a Risk Indicator.

Loaded RI scores of 4 or less are deemed very low risk; scores between 5 and 16 are deemed low risk; scores between 17 and 36 are deemed medium risk; scores between 37 and 64 are deemed high risk; and scores of 65 and greater are deemed very high risk.

The total risk rating for the BDO Zone is the average of all Loaded RI scores and Infrastructure Indicators. The BDO Zone score for Texarkana, TX is ***13.21 out of 100, resulting in an 'AA' designation.***

All scoring and rationale for each Risk Indicator are provided in Section D.

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SECTION A: RISK INDICATOR SUMMARY

Figure A-1. All Risk Indicators Sorted by Risk Level

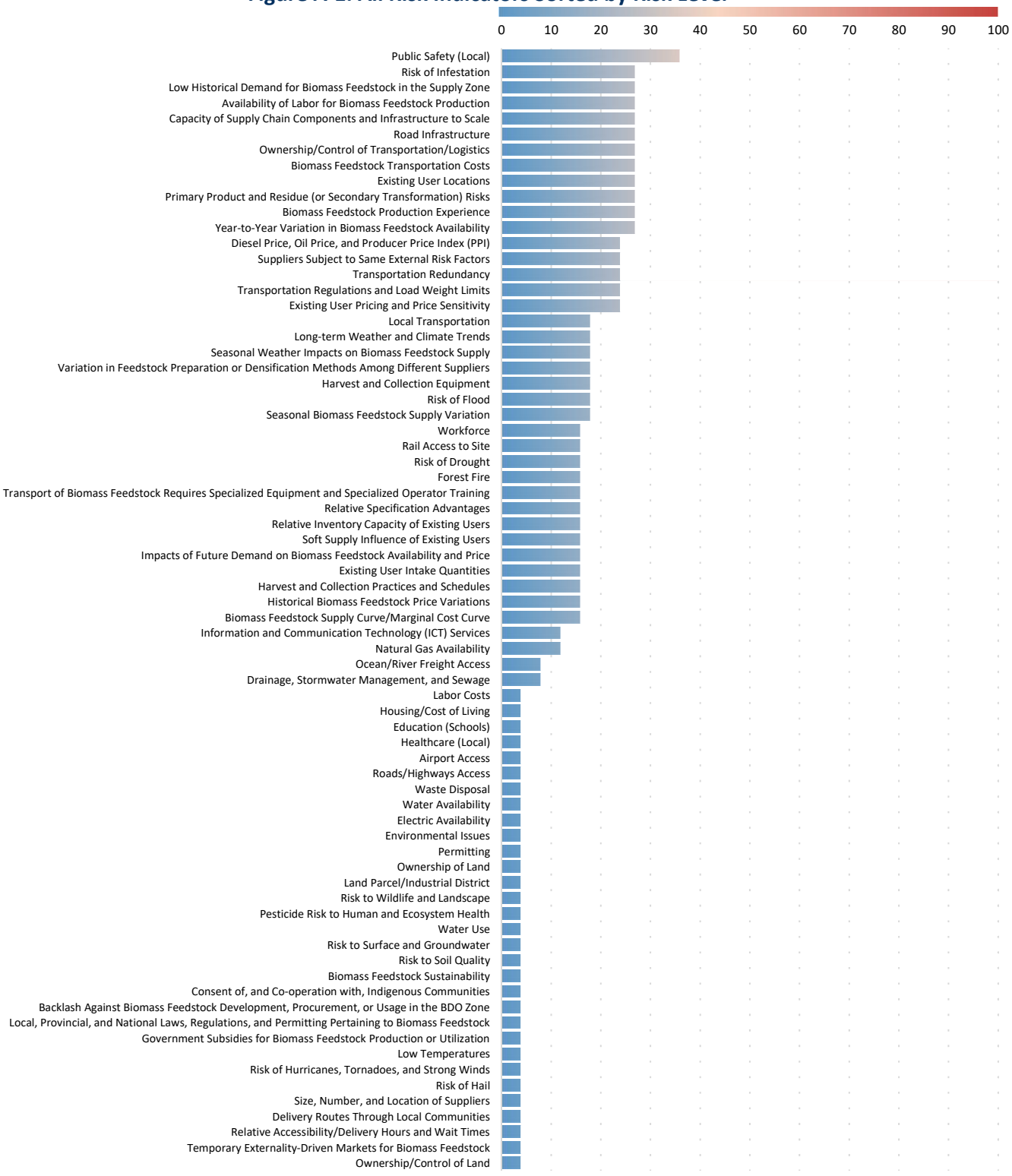


Table A-1. Risk Indicators and Associated Scores

Feedstock Supply Chain Risk Indicators	Raw Risk Likelihood	Raw Risk Impact	Gross Risk Indicator	Mitigation /Notching	Loaded RI Score
Category 1.0: Supply Chain Risk					
1.1 Risk Factor: Quantity and Delivered Cost of Available Biomass Feedstock					
1.1.1 Biomass Feedstock Supply Curve/Marginal Cost Curve	4	4	16	NN	16
1.1.2 Seasonal Biomass Feedstock Supply Variation	4	6	24	25%	18
1.1.3 Year-to-Year Variation in Biomass Feedstock Availability	6	6	36	25%	27
1.1.4 Historical Biomass Feedstock Price Variations	4	4	16	NN	16
1.2 Risk Factor: Harvest and Collection Risk					
1.2.1 Biomass Feedstock Production Experience	6	6	36	25%	27
1.2.2 Primary Product and Residue (or Secondary Transformation) Risks	6	6	36	25%	27
1.2.3 Harvest and Collection Practices and Schedules	4	4	16	NN	16
1.2.4 Harvest and Collection Equipment	6	6	36	50%	18
1.2.5 Ownership/Control of Land	2	2	4	NN	4
1.2.6 Variation in Feedstock Preparation or Densification Methods Among Different Suppliers	6	6	36	50%	18
1.3 Risk Factor: Existing Users					
1.3.1 Existing User Locations	6	6	36	25%	27
1.3.2 Existing User Intake Quantities	4	4	16	NN	16
1.3.3 Existing User Pricing and Price Sensitivity	4	6	24	NN	24
1.3.4 Impacts of Future Demand on Biomass Feedstock Availability and Price	4	4	16	NN	16
1.3.5 Soft Supply Influence of Existing Users	4	4	16	NN	16
1.3.6 Temporary Externality-Driven Markets for Biomass Feedstock	2	2	4	NN	4
1.3.7 Relative Inventory Capacity of Existing Users	4	4	16	NN	16
1.3.8 Relative Accessibility/Delivery Hours and Wait Times	2	2	4	NN	4
1.3.9 Relative Specification Advantages	4	4	16	NN	16
1.4 Risk Factor: Transportation					
1.4.1 Biomass Feedstock Transportation Costs	6	6	36	25%	27
1.4.2 Ownership/Control of Transportation/Logistics	6	6	36	25%	27
1.4.3 Transport of Biomass Feedstock Requires Specialized Equipment and Specialized Operator Training	4	4	16	NN	16
1.4.4 Delivery Routes Through Local Communities	2	2	4	NN	4
1.4.5 Transportation Regulations and Load Weight Limits	4	6	24	NN	24
1.4.6 Road Infrastructure	6	6	36	25%	27
1.4.7 Transportation Redundancy	4	6	24	NN	24
1.5 Risk Factor: Risks Related to Supply Chain Resiliency					
1.5.1 Size, Number, and Location of Suppliers	2	2	4	NN	4
1.5.2 Suppliers Subject to Same External Risk Factors	4	6	24	NN	24
1.6 Risk Factor: Biomass Feedstock Scale-up					
1.6.1 Capacity of Supply Chain Components and Infrastructure to Scale	6	6	36	25%	27
1.6.2 Availability of Labor for Biomass Feedstock Production	6	6	36	25%	27
1.6.3 Low Historical Demand for Biomass Feedstock in the Supply Zone	6	6	36	25%	27
1.7 Risk Factor: Climate and Natural Risks					
1.7.1 Seasonal Weather Impacts on Biomass Feedstock Supply	6	6	36	50%	18
1.7.2 Long-term Weather and Climate Trends	6	6	36	50%	18
1.7.3 Forest Fire	4	4	16	NN	16
1.7.4 Risk of Infestation	6	6	36	25%	27
1.7.5 Risk of Hail	2	2	4	NN	4
1.7.6 Risk of Flood	4	6	24	25%	18
1.7.7 Risk of Drought	4	4	16	NN	16
1.7.8 Risk of Hurricanes, Tornadoes, and Strong Winds	2	2	4	NN	4
1.7.9 Low Temperatures	2	2	4	NN	4
1.8 Risk Factor: Non-Weather Based Externalities					
1.8.1 Diesel Price, Oil Price, and Producer Price Index (PPI)	6	8	48	50%	24
1.8.2 Currency Risk	NR	NR	NR	NR	NR
1.8.3 Border Risk	NR	NR	NR	NR	NR
1.9 Risk Factor: Political and Social					
1.9.1 Government Subsidies for Biomass Feedstock Production or Utilization	2	2	4	NN	4
1.9.2 Local, Provincial, and National Laws, Regulations, and Permitting Pertaining to Biomass Feedstock	2	2	4	NN	4
1.9.3 Backlash Against Biomass Feedstock Development, Procurement, or Usage in the BDO Zone	2	2	4	NN	4
1.9.4 Consent of, and Co-operation with, Indigenous Communities	2	2	4	NN	4
1.9.5 Food Security Concerns	NR	NR	NR	NR	NR
1.10 Risk Factor: Sustainability and Environmental Concern					
1.10.1 Biomass Feedstock Sustainability	2	2	4	NN	4

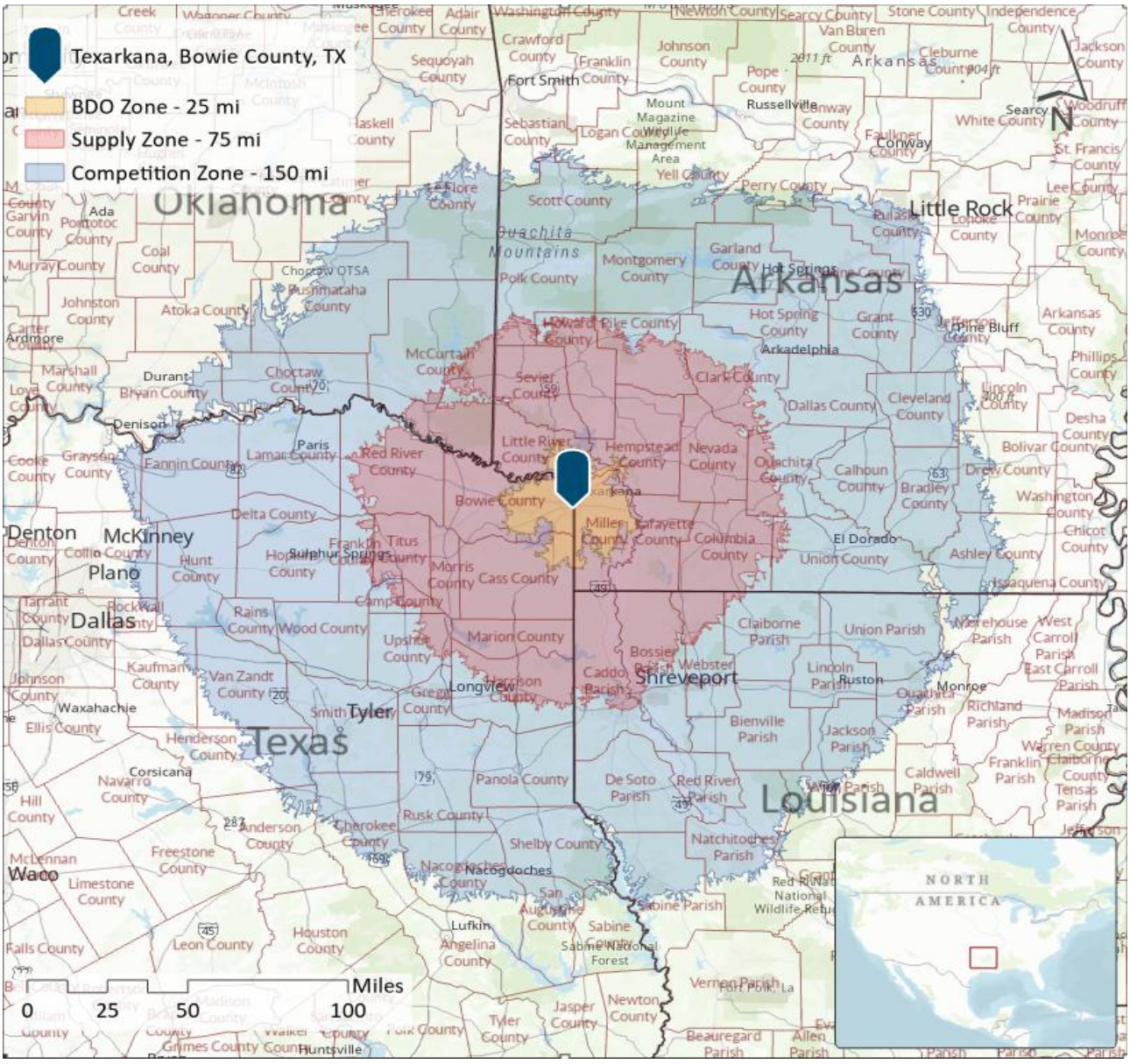
1.10.2 Risk to Soil Quality	2	2	4	NN	4
1.10.3 Risk to Surface and Groundwater	2	2	4	NN	4
1.10.4 Water Use	2	2	4	NN	4
1.10.5 Pesticide Risk to Human and Ecosystem Health	2	2	4	NN	4
1.10.6 Risk to Wildlife and Landscape	2	2	4	NN	4
Category 2.0: Infrastructure					
2.1 Risk Factor: Physical Infrastructure					
2.1.1 Land Parcel/Industrial District	2	2	4	NN	4
2.1.2 Ownership of Land	2	2	4	NN	4
2.1.3 Permitting	2	2	4	NN	4
2.1.4 Environmental Issues	2	2	4	NN	4
2.2 Risk Factor: Utilities					
2.2.1 Natural Gas Availability	6	4	24	50%	12
2.2.2 Electric Availability	2	2	4	NN	4
2.2.3 Water Availability	2	2	4	NN	4
2.2.4 Drainage, Stormwater Management, and Sewage	4	4	16	50%	8
2.2.5 Waste Disposal	2	2	4	NN	4
2.2.6 Information and Communication Technology (ICT) Services	6	4	24	50%	12
2.3 Risk Factor: Transportation/Logistics					
2.3.1 Roads/Highways Access	2	2	4	NN	4
2.3.2 Rail Access to Site	4	4	16	NN	16
2.3.3 Airport Access	2	2	4	NN	4
2.3.4 Ocean/River Freight Access	4	4	16	50%	8
2.4 Risk Factor: Social Infrastructure					
2.4.1 Healthcare (Local)	2	2	4	NN	4
2.4.2 Education (Schools)	2	2	4	NN	4
2.4.3 Local Transportation	6	4	24	25%	18
2.4.4 Public Safety (Local)	8	6	48	25%	36
2.4.5 Housing/Cost of Living	2	2	4	NN	4
2.5 Risk Factor: Labor					
2.5.1 Workforce	4	4	16	NN	16
2.5.2 Labor Costs	2	2	4	NN	4
				Average	**13.21**

SECTION B: BIOMASS AVAILABILITY AND PRICING

OVERVIEW

The assessment of available forest biomass for a prospective project in Texarkana, TX incorporates three distinct zones (Map B-1). The BDO Zone represents the area defined by a 25-mile drive distance from Texarkana wherein a new biomass project could be positioned to access rated quantities of biomass. The Supply Zone encompasses the area within a 75-mile drive distance from Texarkana from where biomass will be sourced. The Competition Zone is defined by a 150-mile drive distance from Texarkana, where biomass consumers/competitors are situated that impact biomass availability within the BDO Zone.

Map B-1. BDO, Supply, Competition Zones, and Center Point (Texarkana, TX)



The Supply Zone spreads over the states of Texas, Arkansas, and Louisiana, and twenty-eight counties. Of the approximately 7.7 million acres of land within the Supply Zone, 4.5 million acres are comprised of timberland. Hardwood tree species constitute 54% of the standing tree volume in the Supply Zone. The predominant hardwood species include a large variety of oaks (27%), sweetgum (Liquidambar styraciflua) (8%), and other several hardwood species such as elms, ash, maples, hickory, hornbeam, and cherry. The softwood species are dominated by loblolly pine (42%).[1] For the past decade, the Supply Zone experienced a steady increase of standing tree inventory (Figures E-1 and E-2). Both total and pulpwood size standing inventory registered a 19% increase in volume since 2015 which may be partially driven by genetic gains that have sharply accelerated growth. The vast majority of standing timber volume (92%) is located on privately owned forests (Figure E-3) and almost all harvests (98%) occur on these privately owned forest lands (Figure E-4).[2]

Forestry represents a significant economic contributor within the region with 48 main operational forest products facilities including seventeen sawmills, eight pulp and paper mills, nine co-generation facilities, seven pellet mills, six OSB mills, and a bio-power facility. The total lumber production capacity in the region has increased significantly, while a pulp and paper mill and a pellet mill became idle in the past three years. The growth of sawtimber harvesting and decline in consumers of wood fiber provides for an opportunity to a new entrant.

EVALUATED FEEDSTOCKS

The analysis focuses on two biomass resources in the Supply Zone: pulpwood and forest residues. Sawmill residues, including wood chips, sawdust, shavings, and bark were excluded from this rating as they are fully committed to other industries (see Competition section).

Pulpwood: Consists of underutilized roundwood logs processed from small diameter trees and the upper stem sections of larger diameter trees during conventional logging operations.

Forest residues: Stem tops, branches, and other woody materials generated during timber harvesting operations. These materials are typically piled and burned, or scattered across harvest areas.

The rated feedstock quantities presented herein were determined through estimation of potentially harvestable amounts of each biomass type in the Supply Zone, with consideration of anticipated demand for biomass in the Competition Zone. A Biomass Availability Multiple (BAM, i.e. redundancy factor) has been applied to account for the overarching assumptions, uncertainties in underlying data, models, and future operating conditions. The resulting rated quantities represent conservative estimates of biomass availability for new bio-projects. Once supply chains are developed, additional quantities of biomass are expected. Price ranges were established through market analysis and outreach in the Competition Zone and represent current expected delivered prices that a new project will need to pay to secure the rated quantities.

[1] apps.fs.usda.gov/fiadb-api/evalidator
[2] Ibid.

SUPPLY ANALYSIS

Generally, timber harvesting in the Supply Zone consists of a tree-length (full-tree-to-roadside) ground-based system that produces both softwood and hardwood sawlogs which are transported to seventeen sawmills located within a 75-mile drive distance of Texarkana.

Figure B-1. Average Net Growth, Average Annual Removals, and Growth to Drain Ratios in the Supply Zone (2015-2024)[3]

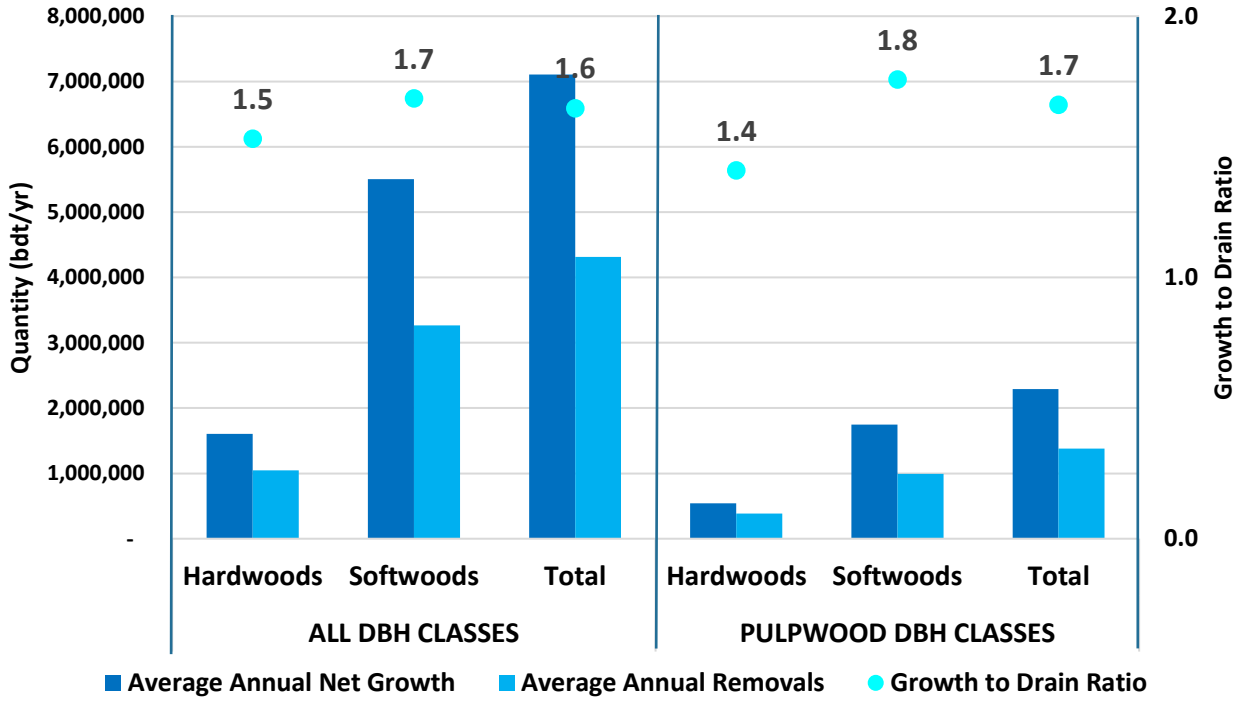


Figure B-1 illustrates the average annual net growth and removals per major species (hardwoods and softwoods) and diameter categories (all diameter at breast height (DBH)[4] classes and pulpwood DBH classes[5]). Overall, the forest stands in the Supply Zone exhibit substantial annual net growth (7.1 million bdt/yr), of which 4.3 million bdt/yr is harvested, resulting in a growth-to-drain (GTD) ratio[6] of 1.6. A similar situation occurs for smaller diameter/pulpwood size trees (GTD = 1.7). In other words, each year there is 1.7 times as much merchantable fiber added to the fiber basket in the Supply Zone as it is taken out, providing for sustainable harvesting levels and plenty of room for additional harvest. The FIA data estimated that approximately 1,380,000 bdt/year of pulpwood size trees and 320,000 bdt/yr of pulpwood logs[7] are harvested on average. In addition, approximately 700,000 bdt/year could become potentially available from thinning

[3] apps.fs.usda.gov/fiadb-api/evalidator. Variables: 574007 Average annual net growth of merchantable bole bark and wood biomass of growing-stock trees (at least 5 inches d.b.h.), in dry short tons, on timberland; 574049: Average annual removals of merchantable bole bark and wood biomass of growing-stock trees (at least 5 inches d.b.h.), in dry short tons, on timberland.

[4] The diameter of a tree trunk measured at a standard height, typically 4.5 ft above the ground. It is used to estimate tree volume, biomass, growth, and timber value.

[5] DBH <10.9 in for hardwoods and < 8.9 in for softwoods

[6] The ratio between the annual net growth and removals. A GTD > 1.1 indicates sustainable removals below the net growth measured in a forest area.

[7] A pulp log is a log that is sorted during log processing operations as unsuitable for sawmilling or veneer production due to its size, straightness, knots, rot, or other defects. apps.fs.usda.gov/fiadb-api/evalidator, Variable 574054: Average annual removals of merchantable bole bark and wood biomass above the sawlog of sawtimber trees, in dry short tons, on timberland

operations if the difference between the total net growth and average annual removals was utilized. In total, approximately 2,400,000 bdt/year of pulpwood could be generated in the Supply Zone.

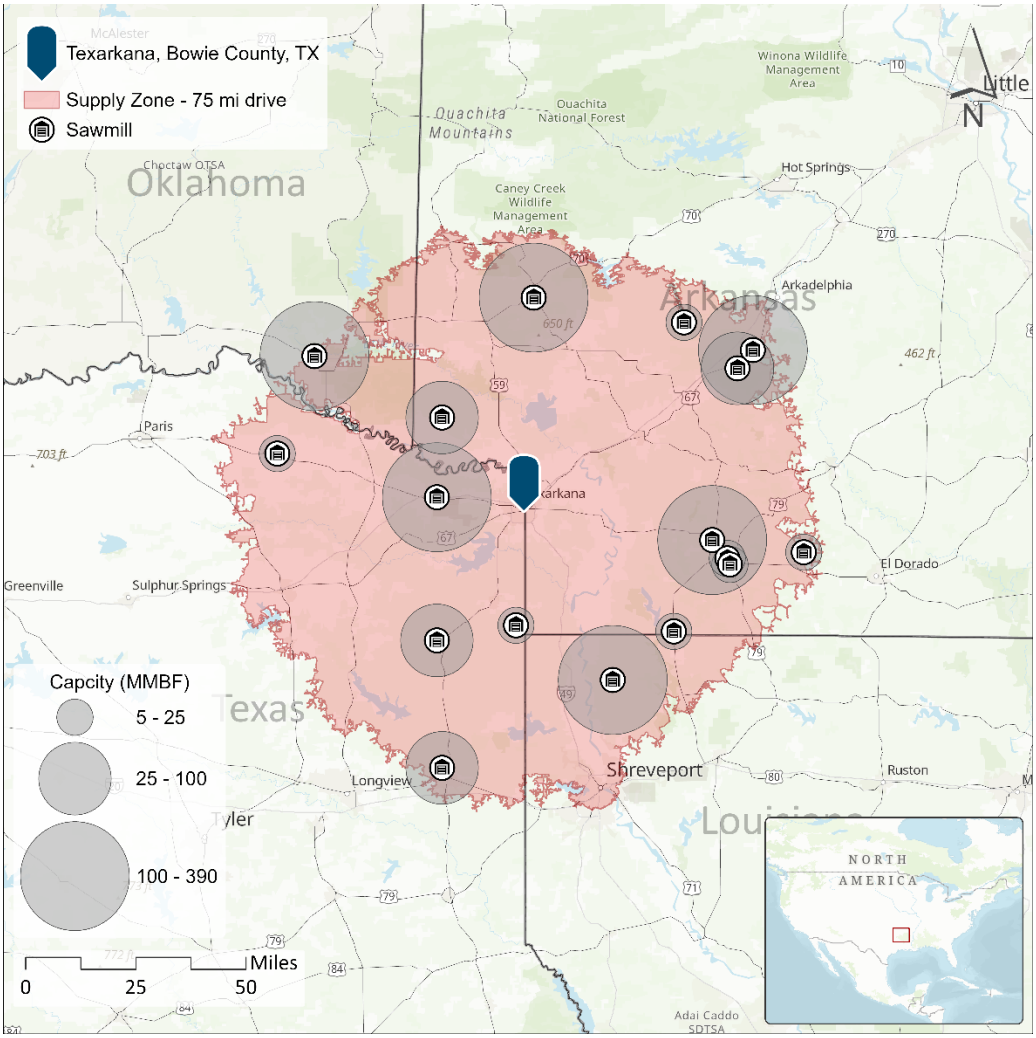
Forest residues

The FIA data estimates that, on average, approximately 1,180,000 bdt/yr of forest residues[8] are generated in the Supply Zone from harvesting operations. The outreach indicated that grinding equipment is not available locally and the region is facing an aging logging workforce, reduced logging capacity following a market contraction, high equipment costs, and limited investment in new equipment. A biomass facility may need to support supply-chain investment in chippers, grapples, trucks, or dedicated residue-handling systems before expecting consistent feedstock deliveries.

Sawmill residues

Seventeen hardwood sawmills exist in the Supply Zone (Map B-2) that range in lumber capacity between 5 MMBF (mostly hardwood mills) and 390 MMBF (mostly softwood mills).

Map B-2. Operational Sawmilling Facilities in the Supply Zone.



[8] apps.fs.usda.gov/fiadb-api/evalidator, Variables: 574065 - Average annual removals of top and limb bark and wood biomass of growing-stock trees (at least 5 inches d.b.h.), in dry short tons, on timberland. Value rounded to the nearest 1,000 bdt

Sawmill residues generated by the identified sawmills, including wood chips, sawdust, shavings, and bark, are widely utilized in the Competition Zone for pulp and paper, wood pellets, and bioenergy. Overall, the sawmills consume approximately 8.7 million bdt of sawlogs each year to support their full-scale operations.[9] Table B-1 outlines the estimated quantity of sawmill residues generated annually. Our supply and demand analysis, vetted by our outreach to local mills and experts, indicated that the entire quantity of sawmill residues produced in the Supply Zone is fully committed to existing competitors and thus was **not rated**.

Table B-1. Sawmill Residue Production and Availability Estimates in the Supply Zone

Sawmill Residue	Chips	Sawdust	Shavings	Bark	TOTAL
Generated Quantity (bdt/yr) *	1,440,000	218,000	300,000	502,000	**2,460,000**

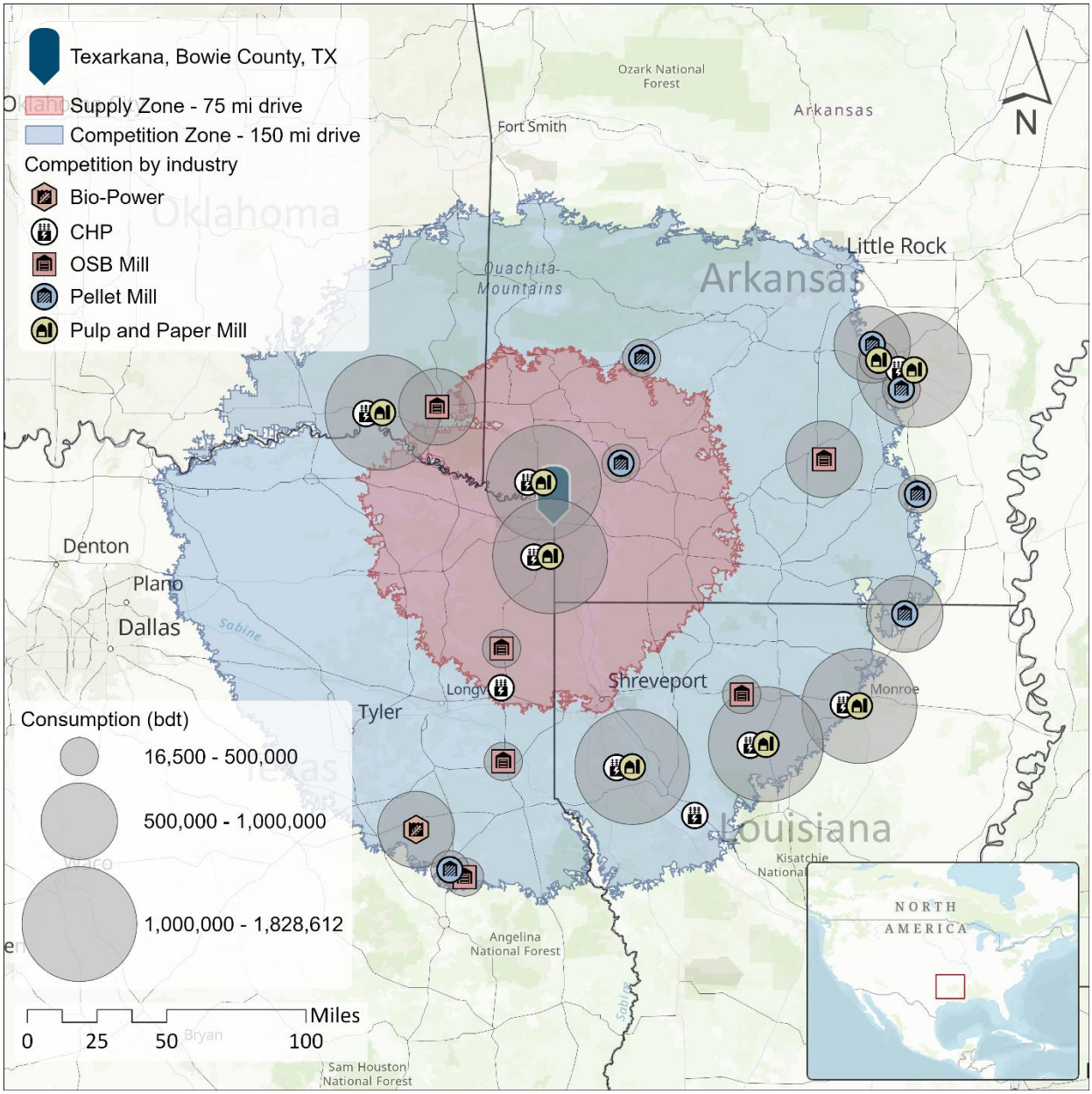
*Estimated based on mill capacities

[9] www.foriskmilldata.com (Q1 2026).

COMPETITION ANALYSIS

31 competitors for biomass exist inside the Competition Zone (Map B-3): eight pulp and paper mills, nine co-generation facilities, seven pellet mills, six OSB mills, and a bio-power facility. In the past three years, the number and total woody biomass intake of competitors in the Competition Zone has been decreasing as a result of a pulp and paper mill and a pellet mill becoming idle (Figure B-2). The existing competitors consume an estimated 19 million bdt of biomass per year (Table B-2), of which an estimated 4.1 million bdt/yr, mostly sawmill residues, is potentially sourced from the Supply Zone.

Map B-3. Map of Biomass Competitors in the Competition Zone[10]



[10] forisk.com/product/north-american-forest-industry-capacity-database

Figure B-2. Historical Total Woody Biomass Intake and Number of Competing Facilities in the Competition Zone[11]

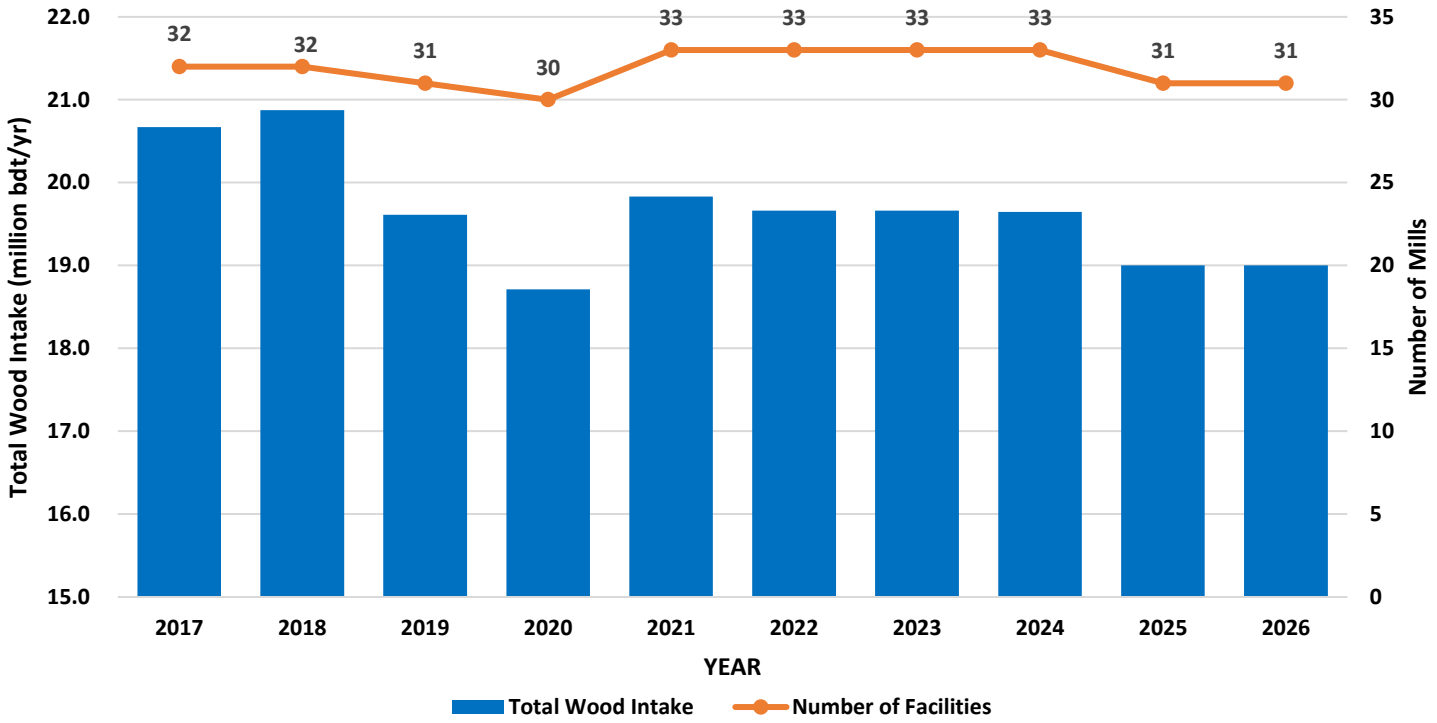


Table B-2. Woody Biomass Demand by Competitor Category*

Competitor Category	Biomass Demand (bdt/yr)	% Total Demand	Biomass Demand from Supply Zone** (bdt/yr)	Feedstock Mix
Pulp and Paper Mills	10,340,000	54%	2,780,000	45 % Pulpwood; 55% Sawmill Residues
OSB Mills	3,120,000	16%	370,000	100% Pulpwood
Pellet Mills	1,970,000	10%	65,000	100% Sawmill Residues
Bioenergy Facilities	3,570,000	19%	885,000	100% Sawmill Residues
Total	**19,000,000**		**4,100,000**	

* Values rounded to the nearest 10,000.

** Adjusted proportionally to the distance from Texarkana to each competitor.

Table B-3 shows that, after considering the estimated demand of 2,460,000 bdt/yr of sawmill residues, and 1,640,000 bdt/yr of pulpwood, the following quantities are potentially available to a new project in Texarkana: 760,000 bdt/yr of pulpwood and 1,180,000 bdt/yr of forest residues.

[11] Forisk Database

Table B-3. Woody Biomass Production, Demand, and Availability by Feedstock Type

Feedstock Type	Production (bdt/yr)	Demand (bdt/yr)	Availability (bdt/yr)
Pulpwood	2,400,000	1,640,000	760,000
Forest residues	1,180,000		1,180,000
Sawmill residues	2,460,000	2,460,000	0
Total	**6,040,000**	**4,100,000**	**1,940,000**

RATED QUANTITIES AND PRICING

Table B-4 summarizes the technical, rated quantities, and price ranges of pulpwood and forest residues. The Biomass Availability Multiple (BAM) factor accounts for uncertainty in the accuracy of existing inventory, scale-up readiness, historical harvesting practices and volumes, and sudden changes in supply and demand. While scale up readiness currently exists for pulpwood, the lack of grinding operations to sustain collection and processing of forest residues in the region warranted a conservative BAM value of 4. However, once supply chains for a new biomass project are established, additional volumes will likely become available. Price ranges were estimated based on outreach to local forestry professionals and available literature (Table B-5). Pulpwood prices include stumpage, harvesting, and hauling costs. In addition, forest residue prices include chipping/grinding costs (Table B-6).

Table B-4. Rated Quantities and Delivered Price Ranges of Biomass in the Supply Zone

Biomass type	Available Quantity (bdt/yr)	Biomass Availability Multiple (BAM)	Rated Quantity (bdt/yr)	Delivered Price Range ($/bdt)
Pulpwood	760,000	1.5	500,000	58-66
Forest residues	1,180,000	4.0	300,000	60-80
TOTAL	**1,940,000**		**800,000**	

Table B-5. Price Estimates

Feedstock Type	Delivered price ($/bdt)
Pulpwood (Timber Mart South Q1 2026 – Softwood)	58
Pulpwood (Timber Mart South Q1 2026 – Hardwood)	66
Pulpwood (Outreach - Softwood)	53-55
Pulpwood (Outreach - Hardwood)	64
Forest residue (Southwest Arkansas BDO Zone*)	60-80

* Confirmed by average cost-based estimates (see Table B-6)

Table B-6. Average Cost Components for Pulpwood and Forest Residues

Feedstock Type	Stumpage ($/bdt)	Collection ($/bdt)	Logging ($/bdt)	Chipping/Grinding ($/bdt)	Transport ($/bdt)	Average Delivered Price (est.) ($/bdt)
Pulpwood	8		34		20	**62**
Forest Residues		10		40	20	**70**

OPERATIONAL CONSIDERATIONS

To supply the rated quantity of pulpwood to Texarkana, eleven additional logging crews[12] and forty logging trucks[13] would be necessary. Local foresters have communicated that the logging capacity is contracting, aging, and capital-intensive, with equipment costs having far outpaced contractor compensation and limited entry of younger operators. Mills no longer run logging crews; they fund timber brokers who subcontract independent crews, and quota systems hold those crews below capacity. In addition to the above considerations, which also apply to forest residue recovery, seven grinders[14] and twenty-seven chip vans[15] would be necessary to grind and transport the rated quantity of forest residues to Texarkana. Outreach to local foresters has indicated that chip vans are available currently to transport the additional forest residues to a potential project, but significant investment in both logging and grinding equipment will be necessary.

Producing pulpwood and forest residues for a biomass project will depend less on biological supply and more on whether the project can solve harvest economics, transportation, logger availability, and market reliability. The region appears to have a large surplus of pine pulpwood and thinning material, with net growth outpacing removals and many stands being delayed, skipped, or left unmanaged because traditional pulpwood outlets are weak.

A biomass project should be located close to the resource because haul distance is one of the main economic constraints. Several local experts indicated that wood can lose most or all stumpage value beyond an 80-mile haul, while 50 to 60 miles being more commercially attractive.

The project must also provide a dependable market for small-diameter wood from thinnings. Current pulpwood prices are often too low to justify first thinnings, which causes landowners to delay entries, shift to one-thinning regimes, or in some cases pay out of pocket to remove low-value material. A stable biomass buyer could help restore thinning economics, improve stand growth, and reduce the risk that material is left in the woods.

Logging capacity is a critical operational risk. The outreach to local experts describes aging logging businesses, high equipment and insurance costs, lost crews, and contractors leaving the industry for other sectors. A biomass facility would need procurement commitments, predictable quotas, fast truck turnaround, minimized equipment moves, and possibly support for contractor scheduling to keep logging crews viable.

The project should treat procurement as an aggregation challenge. Direct negotiation with many individual landowners is likely inefficient, while timber buyers, consulting foresters, large landowners, sawmills, and established procurement managers are the practical gatekeepers to volume. Long-term supply will require relationships with these aggregators rather than relying only on spot-market purchases.

[12] Estimates assume an average of 14 truckloads/day/crew, 14 bdt/truckload, 225 work days/year
[13] Estimates assume an average of 4 roundtrips per day
[14] Estimates assume 20 bdt/hr grinder productivity, 225 work days/year
[15] Estimates assume 4 chip vans per grinder

Transportation infrastructure and weather access must be built into the operating plan. Arkansas road constraints, wet-weather access issues, and the inability to use some faster routes can reduce delivered-volume reliability. The project should evaluate truck routing, unloading speed, storage capacity, seasonal inventory needs, and whether rail or satellite yards could reduce supply-chain risk.

Finally, the biomass project must offer enough price certainty to change behavior. The experts repeatedly emphasized that landowners and loggers will not produce pulpwood or residues simply because the fiber exists; they will do so only if the net return covers harvesting, hauling, downtime, and risk. A credible project should therefore pair competitive delivered pricing with clear specifications, reliable weekly intake, flexible residue handling, and procurement practices that support the logging workforce.

SECTION C: INFRASTRUCTURE



PROPERTY OVERVIEW

Site Name:	Boone-Copeland
Address:	East Campus
City:	Hooks
State:	Texas
County:	Bowie
Acres:	140
Zoning:	Light & Heavy Industrial

SITE CONTACTS

Industrial Site Contact
Eric Voyles
TexAmericas Center
(903) 223-9841
eric.voyles@TexAmericasCenter.com

ADDITIONAL NON-RATED SITES

Infrastructure Site Contact
Jaidan Hunt
Manager of Advisory Operations
jaidan@ecostrat.com

For additional non-rated sites, see the TexAmericas Center Site Selector: https://texamericascenter.com/

TRANSPORTATION

The Boone-Copeland Industrial Park is accessed by Cypress St, a two-lane road, with a truck route on-site and adjacent. The site has favorable interstate and highway access, with US Hwy 82 and I-30 located less than 2 miles from the site, and US Hwy 59 and I-369 located approximately 10 miles from the site. The site is rail served by Texas Northeastern Railroad (a G&W-owned short line). The nearest domestic airport, Texarkana Regional Airport, is located 20 miles from the site, and the nearest international airport, Dallas/Fort Worth, is located 186 miles from the site.

ELECTRIC SERVICE

Electric service is provided by AEP SWEPCO, with three phase power available on site, with electric transmission and electric distribution voltage of 12 kV. There are four substations that serve the industrial park, each connected to a 69kV transmission line, design capacities for 20MW and existing excess capacity of 10MW per substation. **Contact:** Jason Waldon, Customer Account Manager, AEP SWEPCO, jrjones@aep.com, (903) 728-5490

NATURAL GAS

Natural gas service is provided by Navitas Utility Corporation, with a dual 4-inch line approximately 4,000 ft from the site, with a natural gas pressure of 80 psi. **Contact:** Thomas Hartline, Executive Director/CEO, Navitas Utility Corporation, thartline@navitasutility.com, (714) 424-4094

WATER

Water is provided by the Riverbend Water Resources District (RWRD), with two 16-inch water supply lines, one along the eastern boundary and one along the southern boundary. These lines connect to a 30-inch transmission line, and the available system pressure is approximately 40 PSI. **Contact:** Kyle Dooley, Executive Director/CEO, Riverbend Water Resources District (RWRD), riverbend@rwrd.org, (903) 831-0091

WASTEWATER

The Boone-Copeland Site does not currently have a sewer main immediately adjacent, but TAC has committed to extending an 8-inch sanitary sewer main to serve the site. The wastewater plant has an average daily discharge limitation of 1.5 MGD with a daily maximum discharge of 3.0 MGD. **Contact:** Kyle Dooley, Executive Director/CEO, Riverbend Water Resources District (RWRD), riverbend@rwrd.org, (903) 831-0091

TELECOMMUNICATIONS

The nearest telecom is provided by Conterra Networks, approximately 4,000 feet from the site. The site also has fiber availability. **Contact:** Stephanie Green, Area Sales Manager, Conterra Networks, sgreen@conterra.com, (903) 908-3052

SECTION D: RISK INDICATOR SCORING METRICS

CATEGORY 1.0: SUPPLY CHAIN RISK

1.1 Risk Factor: Quantity and Delivered Cost of Available Biomass Feedstock

1.1.1 Biomass Feedstock Supply Curve/Marginal Cost Curve

Rationale: The greater the feasible transport distance, the more feedstock is accessible to the Issuer, but at a higher delivered cost. The feedstock supply curve, sometimes referred to as the marginal cost curve, is a function of feedstock availability over its cost, which is primarily, but not exclusively, a function of distance. The feedstock supply curve is used to determine the availability of redundant feedstock at various price points, as well as the cost of replacing feedstock with substitutes located at different distances.

Feedstock cost curves are useful in determining supply chain resilience; they provide information about the cost of feedstock availability in times of supply disturbance. Biomass supply chains are prone to supply disturbances over time; suppliers can become insolvent, or weather events can temporarily disrupt feedstock availability. When a disturbance occurs, the Issuer may need to source replacement feedstock from different suppliers at different locations and at different costs. A biomass supply curve indicates quantities of feedstock available at various price levels from suppliers generally located further away than the core supplier.

Risk Information: Figure E-6 provides pulpwood and forest-residue supply/marginal cost curves. The Supply Zone carries a large surplus (GTD 1.6 overall, 1.7 for pulpwood) with about 760,000 bdt/yr of pulpwood and 1,180,000 bdt/yr of residues available before the conservative BAM. Redundant pulpwood volume is accessible within the $58–66/bdt delivered band, providing replacement supply during disruptions. Forest residue redundancy is weaker because in-woods grinding capacity is absent. Overall the risk is deemed low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**16**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 16 out of 100.	**16**

1.1.2 Seasonal Biomass Feedstock Supply Variation

Rationale: Biomass supply can present significant seasonal variations. Seasonal supply variations, combined with limitations associated with longer-distance transportation and storage, can lead to BDO Zone biomass supply imbalances,[16] which can manifest in shortages and higher costs for Issuers.

Risk Information: Outreach indicates wet winters and springs that restrict access to bottomland tracts while dry periods allow heavy production, creating intra-year supply swings. Inventory build and all-weather tract access are needed to smooth deliveries. The risk is medium-low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**

[16] Golecha & Gan, 2016.

The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI) The Gross Risk Indicator (RRL X RRI) is 24 out of 100.	**Score** **24**
Mitigation/Notching Build covered storage and keep a standing inventory buffer large enough to cover the wet winter and spring months when tract access is limited. Concentrate harvesting during dry, high-productivity periods and draw down inventory when the ground is too wet to work.	**Notch** **25%**
Loaded RI Score The Loaded RI Score ((1-Total Notch) X GRI Score) is 18 out of 100.	**Score** **18**

1.1.3 Year-to-Year Variation in Biomass Feedstock Availability

Rationale: Biomass can have significant year-to-year supply variations due to variability in yield from biomass harvesting operations.

Risk Information: Pulpwood availability is cushioned by the large standing surplus (inventory up 19% since 2015), but both pulpwood and forest-residue volumes are tied to sawtimber harvest levels, which vary with lumber markets and only generate residues when harvesting occurs. The risk was deemed medium.

Raw Risk Likelihood (RRL) The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**Score** **6**
Raw Risk Impact (RRI) The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**Score** **6**
Gross Risk Indicator (GRI) The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**Score** **36**
Mitigation/Notching Contract a diversified, multi-year supply base across the three-state wood basket so a poor harvest year in one area is offset by others. Anchor the base supply on firm pulpwood volume and treat forest residues as a flexible top-up, supported by inventory buffering.	**Notch** **25%**
Loaded RI Score The Loaded RI Score ((1-Total Notch) X GRI Score) is 27 out of 100.	**Score** **27**

1.1.4 Historical Biomass Feedstock Price Variations

Rationale: If the historical feedstock price shows volatility, then the risk of future price fluctuation is elevated. If feedstock prices have historically exceeded the price at which the Issuer would have to cease operations or breach a financial covenant (i.e., the "red line" feedstock cost), then mitigation measures should be put in place.

Risk Information: Historical pricing data (Figure E-8) show pulpwood holding a relatively stable ~$58–66/bdt band, while the regional stumpage is depressed well below any plausible "red-line" for a new buyer. Oversupply, not price spikes, dominates the near-term outlook, though a future timber age-class gap could tighten supply to some degree. However, the rated price ranges ensure a fair long-term price for a new project. The risk is deemed low.

Raw Risk Likelihood (RRL) The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**Score** **4**
Raw Risk Impact (RRI) The risk impact is deemed low, therefore the RRI is 4 out of 10.	**Score** **4**
Gross Risk Indicator (GRI) The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**Score** **16**
Mitigation/Notching No adjustment.	**Notch** **NN**

Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 16 out of 100.	**16**

1.2 Risk Factor: Harvest and Collection Risk

1.2.1 Biomass Feedstock Production Experience

Rationale: Risk is higher when suppliers have limited experience with planting, growing, harvesting, processing, and/or collecting biomass. Limited experience may be common for forest residue supply chains where forestry producers may have no previous experience.

Risk Information:

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**36**
Mitigation/Notching	**Notch**
Build the base supply around pulpwood, which local producers already harvest and deliver reliably. For forest residues, which are currently problematic to the area, start with smaller practical collections to build experience and have the project handle processing rather than rely on suppliers who have not done it before.	**25%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 27 out of 100.	**27**

1.2.2 Primary Product and Residue (or Secondary Transformation) Risks

Rationale: If the feedstock is a new/secondary product or a by-product, suppliers may either lack sufficient experience to mitigate risk or be unable to react to such risk. Secondary products or by-product producers may be less likely to prioritize production. For new product types, inexperience in planting, harvest, collection, and yield data may pose higher levels of risk. If the feedstock is a secondary transformation (i.e., forest residue), then production can be subject to variables beyond suppliers' control (e.g., changing demand for sawtimber).

Risk Information: Pulpwood is an established primary product with deep markets, but forest residues are a harvest by-product whose volume depends on sawtimber demand outside suppliers' control. Residue availability will lag whenever sawtimber harvest slows. Thus, this risk is set to medium.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**36**
Mitigation/Notching	**Notch**
Carry the base load on proven pulpwood and treat forest residues as a secondary stream during ramp-up, so a shortfall in residue recovery cannot shut the plant down.	**25%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 27 out of 100.	**27**

1.2.3 Harvest and Collection Practices and Schedules

Rationale: Differences in harvest timing and practices used can create risk to both the quantity and quality of feedstock. For example, feedstock harvested by different suppliers in different windows can undergo varying levels of exposure to sun, wind, and moisture, leading to variations in delivered feedstock quality. For forestry biomass, unsightly clear-cuts and slash piles (even on plantation forests and especially when located near communities) can provoke unwanted public backlash even when suitable and sustainable replanting regimes are followed.

Risk Information: The region uses a consistent tree-length, ground-based harvesting system feeding sawmills. Consequently, harvest practices are relatively homogeneous and pulpwood quality risk is low. Clear-cuts and slash piles are routine on plantations; residue quality will vary with weather exposure and pile age. Assuming that a new project will develop and deploy a rigorous logistic and quality control program, this risk is low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**16**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 16 out of 100.	**16**

1.2.4 Harvest and Collection Equipment

Rationale: Different types of harvesting and collection equipment used by suppliers in a BDO Zone can have a significant impact on the quality and availability of feedstock. Using different types and combinations of harvesting, collection, and processing equipment among suppliers can lead to non-homogeneous feedstock. Equipment that is not designed specifically for biomass cultivation, harvesting, and collection can increase feedstock quality risks. Relevant equipment should be specified for the sake of product consistency and risk reduction.

Risk Information: Crews run feller-bunchers, skidders, and delimbers, well suited to pulpwood supply; however, forest residue recovery requires grinders that are not available locally (an estimated 7 grinders are required). This equipment heterogeneity raises residue quality and consistency concerns that a new project will have to face and address. Thus, the risk is set to medium.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**36**
Mitigation/Notching	**Notch**
Issue clear feedstock specifications (size, moisture, contamination) and control the grinding step in-house or under contract, so residue particle size stays consistent rather than varying with each crew's equipment. Screen loads at the gate and apply price-adjustment or rejection terms.	**50%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 18 out of 100.	**18**

1.2.5 Ownership/Control of Land

Rationale: Suppliers that own land or a production facility where feedstock is produced tend to have better control of supply chains and present lower degrees of supply risk.

Risk Information: About 92% of standing volume is on private land (private landowners, TMOs/REITs, and brokers) and 98% of harvest occurs there. The risk is very low.

Raw Risk Likelihood (RRL) The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**Score** **2**
Raw Risk Impact (RRI) The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**Score** **2**
Gross Risk Indicator (GRI) The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**Score** **4**
Mitigation/Notching No adjustment.	**Notch** **NN**
Loaded RI Score The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**Score** **4**

1.2.6 Variation in Feedstock Preparation or Densification Methods Among Different Suppliers

Rationale: The shape and density of the unit in which feedstock is supplied can impact feedstock cost and quality. Standard feedstock densification modes for biomass consist of round or square bales, pellets, cubes, chips, or grindings. The size of wood fiber processed in a grinder is less homogenous than if a chipper is used. Bales of different densities can absorb moisture at different rates. In certain cases, round bales have been viewed as problematic due to their uneven moisture content distribution.[17]

Risk Information: Pulpwood is delivered as roundwood and is consistent, but residues would be ground rather than chipped, yielding less homogeneous material with variable qualities. Each stream has different sizing, moisture, contamination, and handling requirements. Pulpwood logs in the Supply Zone are produced in formats commonly accepted by regional wood-processing facilities, but forest residues require special densification methods and quality control that increase the risk to medium.

Raw Risk Likelihood (RRL) The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**Score** **6**
Raw Risk Impact (RRI) The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**Score** **6**
Gross Risk Indicator (GRI) The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**Score** **36**
Mitigation/Notching Set standard delivery specifications and process residues centrally, so material is uniform instead of reflecting the mix of equipment used across different suppliers.	**Notch** **50%**
Loaded RI Score The Loaded RI Score ((1-Total Notch) X GRI Score) is 18 out of 100.	**Score** **18**

[17] Huhnke, 2018.

1.3 Risk Factor: Existing Users

1.3.1 Existing User Locations

Rationale: Competitors' locations relative to siting locations within a BDO Zone can affect the viability of procuring feedstock and the cost of that feedstock. Accurate and detailed competitor mapping provides an understanding of a competitor's geographical influence on new plants within a BDO Zone, including competitive advantages such as short hauling.

Risk Information: Competitor mapping (Map B-3) indicates 31 competitors in the 150-mile Competition Zone. These include two large pulp/paper mills close to Texarkana that hold short-haul advantages. It is noted that the availability estimates already take account of current demand from existing competitors. That being said, proximity of major consumers exerts pressure on nearby fiber; thus, raising the risk to medium.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**36**
Mitigation/Notching	**Notch**
Siting the facility outside the short-haul draw of the large incumbent mills, toward the edge of the BDO Zone. The rated site at Boone-Copeland in Hooks may provide such an opportunity, but the actual effects of competitors remain largely unknown. However, secure wood through longer-term agreements backed by dependable, prompt-paying offtake will further alleviate this risk.	**25%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 27 out of 100.	**27**

1.3.2 Existing User Intake Quantities

Rationale: Clear understanding of feedstock consumption by key competitors for each rated feedstock type in the BDO Zone is essential to quantifying competitor risk. Understanding current consumption and historical trends of feedstock utilization can provide valuable information about feedstock price elasticity during shortages and insight into events that may impact future supply conditions. It can enable more accurate estimates of the sensitivity of feedstock availability to potential future consumption levels or the impact of external events (e.g., weather events, structural economic changes, seasonality, or policy change).

Risk Information: Existing competitors consume an estimated 19 million bdt/yr, of which an estimated 4.1 million bdt/yr is sourced from the Supply Zone, leaving rated availability of 500,000 bdt/yr pulpwood and 300,000 bdt/yr residues after applying the BAM (redundancy) factor. Competitor intake has been declining as a pulp mill and a pellet mill went idle. Consequently, the current competitor consumption does not constrain access to the rated quantities of pulpwood and forest residue and presents a low risk to feedstock availability for a new project.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**16**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**

The Loaded RI Score ((1-Total Notch) X GRI Score) is 16 out of 100.	**16**

1.3.3 Existing User Pricing and Price Sensitivity

Rationale: Understanding how much competitors pay (or receive) for different feedstock types is essential in determining the Issuer's competitiveness and accurately assessing the delivered cost range in the BDO Zone rating.

Current and historical prices paid/received by competitors provide insight into their procurement behaviors and exert pressure on suppliers in the BDO Zone, such as the ability/willingness to pay premiums for feedstock during times of feedstock shortage or reduce prices (or cut-off deliveries) during gluts. Competitors that have the ability to offer higher prices for feedstock during feedstock shortages can pose a significant risk to the Issuer.

Knowledge of competitor pricing and price sensitivity is also an essential prerequisite to formulating a feedstock cost curve, which can enable predictions of feedstock redundancy, i.e., how much feedstock could become available at different pricing levels.

Risk Information: The Southeast U.S. delivered-price series (Figure E-8) shows softwood pulp logs ranging from about $55/bdt in Q3 2020 to a peak near $67/bdt in 2022 before easing to $58/bdt by Q1 2026, while hardwood pulp logs moved from $57/bdt to a $74/bdt peak in 2022 and have since settled near $66/bdt. This moderate, cyclical volatility—roughly a $15–18/bdt swing over the period—demonstrates that incumbent mills will pay sharp premiums when fiber is tight (as it was during the 2021–22 spike) and let prices fall, placing suppliers on quota, during gluts. Hardwood prices remain firm and gently rising under essentially a single regional buyer, whereas softwood has multiple outlets and is trending flat-to-lower, so the main competitive risk is large mills' ability to outbid a new entrant during shortages, currently tempered by regional oversupply. The risk was assessed as medium-low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 24 out of 100.	**24**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 24 out of 100.	**24**

1.3.4 Impacts of Future Demand on Biomass Feedstock Availability and Price

Rationale: Feedstock utilization in a BDO Zone can change over time. Expansion of feedstock demand by current competitors can put additional pressure on feedstock and lead to higher prices, feedstock disruptions, shortages, supplier breaches, or other types of supply chain disruption.

If current markets for feedstock have been publicly signaling the potential for increased demand for feedstock (in the case of a sawmill adding a shift or pulp mill potentially expanding into the production of renewable chemicals, for example), high interest in a supply zone can make suppliers overconfident, leading to a supplier-controlled market where short-term contracting becomes the norm and supply chain reliability is compromised for the Issuer. If and when it occurs, increased demand on feedstock may decrease availability and increase cost for new plants within the BDO Zone.

Risk Information: Net competitor demand is currently shrinking (idled mills), easing pressure on a new entrant. Thus, the risk is set to low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**16**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 16 out of 100.	**16**

1.3.5 Soft Supply Influence of Existing Users

Rationale: In some cases, existing markets for feedstock may be able to exert high degrees of pressure over local suppliers, effectively enabling control of feedstock, especially during times of shortage. This control can derive from qualitative or "soft" factors, such as long previous relationships between local suppliers and existing markets for feedstock.
Risk Information: While incumbent mills hold long-standing supplier relationships, the region's substantial fiber surplus means that the existing loyalty is unlikely to choke off supply to a new entrant. Meanwhile, loggers and landowners are actively seeking additional, dependable outlets for underutilized wood. A new buyer offering steady intake, fair pricing, and reliable scheduling should be able to secure committed volume without displacing existing users. The risk was deemed low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**16**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 16 out of 100.	**16**

1.3.6 Temporary Externality-Driven Markets for Biomass Feedstock

Rationale: Alternative, non-traditional, externality-driven competitors for feedstock can drive feedstock demand (and cost) in unusual circumstances.
Risk Information: No significant externality-driven feedstock competitor was identified in the Competition Zone. Rumored eucalyptus imports and pellet export economics were noted by experts, but are not current local demand drivers. The risk was set to very low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**

The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching No adjustment.	**Notch** **NN**
Loaded RI Score The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**Score** **4**

1.3.7 Relative Inventory Capacity of Existing Users

Rationale: The more inventory a competing biomass facility is able to store, the more competitive pressure it can exert on supply. The ability to store large inventories allows competitors to purchase inventory when the prices are low, potentially giving it an economic advantage. Additionally, the ability to store inventory during feedstock supply surpluses can enable competitors to continue to intake feedstock when the Issuer's plant (with lesser inventory capacity) may be forced to put suppliers on quota. Larger inventory capacity on the part of competing markets creates supplier loyalty and can make it more difficult for new projects to secure supply without paying a significant premium.

Risk Information: Several large mills in the Competition Zone hold sizable log and residue yards, letting them stockpile fiber and place suppliers on quota in ways that reinforce supplier loyalty. On its own, that storage advantage may be difficult for a new project to match from the outset. In this market, however, the persistent fiber surplus means inventory power has limited ability to restrict supply to a new buyer, since pulpwood is plentiful. A new entrant offering steady, reliable intake should be able to secure consistent volume despite incumbents' larger storage capacity. The risk is deemed low.

Raw Risk Likelihood (RRL) The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**Score** **4**
Raw Risk Impact (RRI) The risk impact is deemed low, therefore the RRI is 4 out of 10.	**Score** **4**
Gross Risk Indicator (GRI) The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**Score** **16**
Mitigation/Notching No adjustment.	**Notch** **NN**
Loaded RI Score The Loaded RI Score ((1-Total Notch) X GRI Score) is 16 out of 100.	**Score** **16**

1.3.8 Relative Accessibility/Delivery Hours and Wait Times

Rationale: The value attributed by suppliers to local competing markets for biomass is often directly related to the degree of flexibility the market provides in terms of delivery hours and the more efficient discharge can occur.

Risk Information: Outreach flagged that mill turnaround time and driver paperwork materially affect logger economics (the three-loads-per-day threshold), so incumbents with fast, flexible receiving hold an advantage. A new project that will offer efficient, extended delivery hours, will most likely have a competitive advantage. The risk is thus very low under these most likely assumptions.

Raw Risk Likelihood (RRL) The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**Score** **2**
Raw Risk Impact (RRI) The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**Score** **2**
Gross Risk Indicator (GRI) The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**Score** **4**
Mitigation/Notching No adjustment.	**Notch** **NN**

Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

1.3.9 Relative Specification Advantages

Rationale: When choosing a market for biomass feedstock, suppliers not only look at price but also at relative quality requirements or specifications. It is important to understand feedstock quality specifications for competing markets within the BDO Zone in order to accurately quantify the risk that competitors can exert on the Issuer's supply chain.

Risk Information: Pulpwood specifications are a standard that local suppliers already meet for existing mills, so a pulpwood-intake project faces little specification risk. Forest residues however are less uniform, and tighter contamination or sizing requirements could raise risk. A new project is assumed, however, to set and enforce clear feedstock quality standards—covering size, moisture, and contamination limits—and to handle final processing in-house. With these specifications in place from the outset, feedstock quality can be controlled directly rather than left to varied supplier practices, keeping this risk low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**16**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 16 out of 100.	**16**

1.4 Risk Factor: Transportation

1.4.1 Biomass Feedstock Transportation Costs

Rationale: Transportation can be one of the most significant cost components of biomass supply chains. The average transport cost and percentage of total feedstock cost attributable to transport should be known.

Transport distances of 50-75 miles for biomass feedstocks are typical, but larger distances can be common. Where the average transport distance from suppliers to Issuers is high, the supply chain is subject to greater sensitivities to risks, such as increases in diesel cost, weather impacts, mechanical breakdown, and the demand for scarce feedstock from competitors closer to the source.

Understanding average transport distance can help flag higher-risk BDO Zones where transport distance materially exceeds the average.

Risk Information: Trucking is a substantial cost, at roughly $20/bdt, or about a third of the delivered pulpwood price. Outreach to local experts consistently indicates that pulpwood loses most or all of its value beyond 80-mile drive, with a 50–60-mile trucking distance preferred. This makes delivered economics sensitive to haul distance and fuel price. The risk is moderated, however, by the project's intended siting within the 25-mile BDO Zone and by the large volume of fiber available close in, which together keep the bulk of supply within an economic haul range. These considerations grant a medium risk for a new project.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**
Raw Risk Impact (RRI)	**Score**

The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**36**
Mitigation/Notching	**Notch**
Site the plant tight to its wood basket within the 25-mile BDO Zone and procure mainly inside the 50–60-mile economic haul distance. Use fuel-indexed haul rates and optimize loads and backhauls to control delivered cost.	**25%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 27 out of 100.	**27**

1.4.2 Ownership/Control of Transportation/Logistics

Rationale: In most cases, suppliers that own or lease transportation equipment necessary to transport biomass from forests or fields are at lower risk than those that do not. However, in some circumstances, reliance on third parties to transport biomass is common practice and does not contribute to risk.

Risk Information: Loggers typically own or contract their own log trucks, which is normal practice, but driver shortages and a three-year-experience insurance barrier constrain availability. The risk is thus medium for a new project.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**36**
Mitigation/Notching	**Notch**
Secure dedicated hauling through multi-year contracts, help finance or guarantee trucks for committed contractors, and support new drivers through the three-year-experience insurance barrier to keep capacity available.	**25%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 27 out of 100.	**27**

1.4.3 Transport of Biomass Feedstock Requires Specialized Equipment and Specialized Operator Training

Rationale: Requirements for specialized transport equipment (e.g., walking-floor trailers) can increase supply chain risk. Where there is low availability of required transportation equipment, equipment owners have increased leverage over transportation prices, and supply chain resiliency can be lower.

Risk Information: Both feedstocks rely on transport equipment that is already present in the region. Pulp logs are hauled on standard log trucks, which are widely available, while forest residues are hauled by chip vans, which outreach confirms are currently available to transport residues to a new project. Because neither pulpwood nor forest residues depends on scarce or unusual hauling equipment, and the associated operator skills are already common locally, specialized-equipment and operator-training risk on the transportation side is low for both feedstocks.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**16**
Mitigation/Notching	**Notch**

No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 16 out of 100.	**16**

1.4.4 Delivery Routes Through Local Communities

Rationale: Transportation of biomass can become a nuisance to local communities, especially if a large number of trucks pass through residential and school areas. Local communities often have the power to force regulations regarding truck transport, impeding the ability of BDO Zone suppliers to transport feedstock.

Risk Information: Texarkana is an established timber-hauling area with heavy existing truck traffic to multiple mills, so additional log trucks are unlikely to provoke strong community opposition. The risk is very low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

1.4.5 Transportation Regulations and Load Weight Limits

Rationale: In many BDO Zones, transportation is regulated based on seasonal road conditions. These regulations (e.g., "frost laws") often take the form of weight restrictions or limits on the number of trucks allowed on roads. Such regulations can impede the project's ability to source sufficient feedstock or increase the cost of doing so at certain times of the year.

Risk Information: All three Supply Zone states support timber hauling through annual permits, but with differing weight ceilings that affect per-load cost. Texas has the lowest log-truck limit among its neighbors at 84,000 pounds for timber products,[18] while Louisiana's timber harvest permit allows up to 88,000 pounds on state highways,[19] and Arkansas permits forestry hauling up to 104,000 pounds gross under a one-year special permit.[20] Also, outreach cited Arkansas road constraints and wet-weather access to bottomland tracts as the main seasonal limits; the warm climate means frost-law restrictions are largely absent. A Texas-sited project therefore faces somewhat higher regulated transport costs than competitors hauling within Arkansas or Louisiana, supporting a medium-low rating.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 24 out of 100.	**24**
Mitigation/Notching	**Notch**
No adjustment.	**NN**

[18] Forests (MDPI), "Increasing Log Truck Weight Limits in Texas," 2025. https://www.mdpi.com/1999-4907/16/6/1021
[19] Louisiana Farm Bureau (lafarmbureaunews.com/news/2020/1/14/details-in-works-for-timber-harvest-permit)
[20] Arkansas Code § 27-35-210 (law.justia.com/codes/arkansas/title-27/subtitle-3/chapter-35/subchapter-2/section-27-35-210/)

Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 24 out of 100.	**24**

1.4.6 Road Infrastructure

Rationale: Feedstock cost and availability can be a function of road infrastructure, in particular the accessibility the infrastructure provides to feedstock. Issues with road networks will translate directly to risks to feedstock supply.

Risk Information: The Supply Zone is served by an established highway and forest-road network feeding existing mills, but rural road and bridge condition varies across the three states and constrains the lightly built local roads that reach timber tracts. Texas is the strongest, with one of the lowest shares of poor-condition bridges in the nation,[21] while Arkansas carries a meaningful backlog of structurally deficient bridges.[22] Louisiana is weakest, with poor-condition bridges running near double the national average and a large road-maintenance backlog.[23] Combined with the wet-weather access limits noted in outreach, this supports a medium rating, with site-specific routing and bridge-weight checks advisable, especially for any draw area extending into Louisiana.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**36**
Mitigation/Notching	**Notch**
Screen road classes and posted bridge-weight limits when selecting the site and tracts, favor all-weather primary routes, and plan alternate routing around the weaker Louisiana bridge network.	**25%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 27 out of 100.	**27**

1.4.7 Transportation Redundancy

Rationale: Transport equipment redundancy is important for dealing with seasonally variable feedstock supplies as well as the risk of equipment breakdowns.

Risk Information: Many trucks operate across the three-state basin, providing a reasonable base of transport capacity, and outreach indicates both trucks and chip vans are currently available to haul feedstocks. The tighter constraint is on log trucks and drivers for pulpwood, given the aging, contracting workforce and the experience barriers to new drivers, so spare hauling capacity for the primary feedstock is limited. Overall transport redundancy supports a low-medium rating.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 24 out of 100.	**24**
Mitigation/Notching	**Notch**

[21] ASCE, "Infrastructure Report Cards Reveal Similar Challenges in California, Florida, Texas," 2026. (www.asce.org/publications-and-news/civil-engineering-source/article/2026/01/30/infrastructure-report-cards-reveal-similar-challenges-in-california-florida-texas)
[22] ASCE Arkansas Section Report Card. (arasce.org/ASCE_Infrastructure_Report_Cards)
[23] ASCE, "Louisiana's Infrastructure Graded at 'C-'," 2025. (www.asce.org/publications-and-news/civil-engineering-source/society-news/article/2025/11/12/louisiana-section-releases-2025-report-card)

No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 24 out of 100.	**24**

1.5 Risk Factor: Risks Related to Supply Chain Resiliency

1.5.1 Size, Number, and Location of Suppliers

Rationale: In general, a supply portfolio involving multiple suppliers of various sizes (and from multiple BDO Zones) is important for ensuring steady and uninterrupted feedstock supply with minimal price fluctuations. If a small number of large suppliers provides a high proportion of total feedstock, a disruption or supplier breach will have greater impact on the supply chain. In such cases the risk of disruption is lower, but the impact of those disruptions is higher. Conversely, many small suppliers are less likely to have the capacity to withstand internal disruptions and thus may be more likely to breach. Here, risk of disruption is higher, but their likely impact is lower. The number of suppliers as well as the ratio of small to large suppliers should be optimized. There is no pre-determined number or optimal ratio of suppliers, although having too many or too few can both pose higher degrees of risk.

Risk Information: Supply is broadly diversified, drawing on roughly 4.5 million acres of mostly private timberland and a large pool of independent loggers, brokers, and landowners spread across three states. With no single supplier accounting for a meaningful share of volume, the loss of any one participant would have little effect on total deliveries, giving the supply chain strong resilience. This deep, diversified base offers ample room to build a robust, multi-supplier portfolio through established brokers and consulting foresters, providing a dependable and flexible path to securing committed volume.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

1.5.2 Suppliers Subject to Same External Risk Factors

Rationale: When a single risk event can impact the feedstock production ability of all (or most) suppliers, then feedstock risk is higher and supply chain resiliency is lower. Resilience is maximized when biomass supply chains exhibit diversity in spatial location (i.e., geography), production practices, and other elements of supply chain structures such that the impact of single high-risk events has varying impacts on suppliers.

Risk Information: The Supply Zone spans three states and twenty-eight counties, which provides geographic diversity and limits the reach of any single localized disruption. However, loggers in the region are exposed to the same underlying market conditions, including significant housing and hardwood lumber market challenges, as well as shared wet-season access, diesel, and equipment cost pressures. These drivers can affect multiple suppliers at the same time, which, over a longer time horizon, suggests that this indicator represents a low-medium risk.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**

The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI) The Gross Risk Indicator (RRL X RRI) is 24 out of 100.	**Score** **24**
Mitigation/Notching No adjustment.	**Notch** **NN**
Loaded RI Score The Loaded RI Score ((1-Total Notch) X GRI Score) is 24 out of 100.	**Score** **24**

1.6 Risk Factor: Biomass Feedstock Scale-up

1.6.1 Capacity of Supply Chain Components and Infrastructure to Scale

Rationale: Scale-up risk increases if supply chain components or underlying feedstock infrastructure necessary for these components cannot scale to handle Issuer feedstock requirements and throughput capacity. Capacity to scale should be demonstrated.

Risk Information: Scale-up readiness differs by feedstock. Pulpwood can scale with relative confidence, since the harvesting and hauling base already exists and the conservative availability multiple (BAM of 1.5) applied to pulpwood reflects that maturity. Forest residue availability however is constrained by the lack of local grinding capacity, and meeting the rated residue volume would require adding grinders and associated handling equipment, which is why residues carry a higher availability multiple (BAM of 4). With pulpwood scalable but residues dependent on new processing infrastructure and supporting supply-chain investment before reliable throughput can be expected, the combined indicator represents a medium risk.

Raw Risk Likelihood (RRL) The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**Score** **6**
Raw Risk Impact (RRI) The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**Score** **6**
Gross Risk Indicator (GRI) The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**Score** **36**
Mitigation/Notching Phase plant ramp-up starting with pulpwood, and invest early in the main bottleneck — residue grinding and handling equipment.	**Notch** **25%**
Loaded RI Score The Loaded RI Score ((1-Total Notch) X GRI Score) is 27 out of 100.	**Score** **27**

1.6.2 Availability of Labor for Biomass Feedstock Production

Rationale: Skilled labor shortages can be difficult to remedy in the short term. The availability of suitable labor in an area can impact the ability to procure sufficient feedstock quantities on required schedules. Labor risks are higher where supply chains are not yet active or for Issuers for whom large feedstock requirements or the development of new (or expanded) supply chains demand significant additions to the local labor force.

Risk Information: Outreach describes an aging logging workforce, lost crews, and high equipment and insurance costs, while a new project would need added logging and grinding crews. This is partly offset by younger entrants—family successors and immigrants — and by active logger training pathways in all three states: the Texas Professional Logger program,[24] the Arkansas Logger Training and Education ("ArkPRO Logger") program,[25] and the Louisiana Master Logger

[24] Texas Forestry Association, Logger Training (www.texasforestry.org/programs/logger-training)
[25] Arkansas Logger Training & Education Program (ArkPRO Logger) (arkloggers.com)

program.[26] With labor a real constraint but offset by new entrants and established training infrastructure, this indicator represents a medium risk.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**36**
Mitigation/Notching	**Notch**
Offer steady, predictable quotas so crews can run near full capacity, help finance equipment, and partner with the state logger-training programs (Texas, Arkansas, Louisiana) to widen the workforce pipeline.	**25%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 27 out of 100.	**27**

1.6.3 Low Historical Demand for Biomass Feedstock in the Supply Zone

Rationale: If Issuer BDO Zone does not have a history of developed large-scale feedstock procurement, suppliers may not have sufficient expertise in feedstock production to ensure reliable supply, especially in the early years. This can be particularly true for forest residues, where, typically, the infrastructure for collection, processing, and delivery is immature.

Where supply chains are not well-established, risk can be mitigated when new bio-based plants control a higher degree of feedstock processing. For example, if a BDO Zone rating is issued for clean wood chips and the historical demand in the Zone has been exclusively for pulpwood, then supply chain risk will be decreased for new bio-based plants that intake pulpwood and manage log debarking and chipping internally, rather than requiring inexperienced suppliers to deliver debarked wood chips.

Risk Information: Pulpwood has a long, steady market in the region and suppliers are used to producing and delivering it reliably, which keeps risk low for this feedstock. However, forest residues (tops, limbs, and other harvest leftovers) are currently piled and burned or left on site. As a result, there is no local grinding capacity and little track record of gathering this material at scale, so early residue supply will be less dependable. This weak history for residues, set against a strong pulpwood market, makes this a medium risk.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**36**
Mitigation/Notching	**Notch**
Establish the residue supply chains before start-up through trial purchases and standing offtake commitments.	**25%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 27 out of 100.	**27**

[26] Louisiana Forestry Association, Master Logger Training Program (www.laforestry.com/training-program)

1.7 Risk Factor: Climate and Natural Risks

1.7.1 Seasonal Weather Impacts on Biomass Feedstock Supply

Rationale: Seasonal weather impacts are defined as those deriving from natural weather variations (e.g., spring thaws, rainy seasons, or dry seasons—as opposed to singular weather events like fires, droughts, or hurricanes). Seasonal weather changes can be a significant risk factor affecting feedstock availability, quality, and price.

Given the significant influence that weather has on multiple aspects of growing, harvesting, and transporting biomass, it is difficult to predict the availability of biomass at a specific location at different points in the future with a high degree of certainty. However, it is still possible, using past data and statistical models, to generate reasonable upper/lower bound estimates of biomass production in any given year in a wider supply zone. Such estimates are essential in assessing feedstock risk and enable accurate assessment of the efficacy of the Issuer's mitigation methods.

Risk Information: The Supply Zone is characterized by a humid subtropical climate with heavy, year-round rainfall that drives a seasonal access pattern. Rainfall peaks in spring and winters are cold and wet, while late summer and early fall are much drier. The wet winter-to-spring stretch softens ground and limits access to bottomland tracts, slowing harvest and haul. This is a predictable, recurring swing rather than an unusual hazard, but it requires some inventory buffering to keep deliveries steady, supporting a medium risk.[27]

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**36**
Mitigation/Notching	**Notch**
Hold covered inventory against a standing stock target and diversify tracts between all-weather upland sites and seasonally restricted bottomlands, so harvesting can shift with ground conditions.	**50%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 18 out of 100.	**18**

1.7.2 Long-Term Weather and Climate Trends

Rationale: In certain BDO Zones, climatic trends and significant potential changes to future weather patterns can create feedstock risk.

Risk Information: Over the long-term feedstock supply, the regional climate trend is mixed. Standing inventory has grown since 2015 and Southern pine plantations remain highly productive, and projections generally show stable-to-rising annual precipitation, both favorable. However, the same outlooks point to offsetting stressors: extreme heat and extreme precipitation events are projected to grow more frequent and intense across the region, drought (including short, severe "flash droughts") is becoming more common, and heavy-rainfall events have been rising, increasing flooding and soil-erosion pressure. Heavier downpours worsen wet-ground access while more frequent heat and drought raise fire and pest stress, so over this indicator's long horizon the balance of trends supports a medium risk.[28]

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**

[27] Weather U.S., Texarkana Climate. https://www.weather-us.com/en/arkansas-usa/texarkana-climate; Weather Spark, Average Weather in Texarkana. https://weatherspark.com/y/9696/Average-Weather-in-Texarkana-Arkansas-United-States-Year-Round

[28] NOAA/NCICS, Arkansas State Climate Summary 2022. statesummaries.ncics.org/chapter/ar/; Encyclopedia of Arkansas, "Climate Change." encyclopediaofarkansas.net/entries/climate-change-14564/, USDA Southeast Regional Climate Hub Vulnerability Assessment. www.climatehubs.usda.gov/sites/default/files/Southeast%20Vulnerability%20Assessment%20Final_0.pdf

Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**36**
Mitigation/Notching	**Notch**
Favor upland pine sources less exposed to extreme rainfall and flooding, and build climate factors — heat, flash drought, heavy-rain events — into supply forecasting.	**50%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 18 out of 100.	**18**

1.7.3 Forest Fire

Rationale: Forest fires, especially when occurring on a large scale, destroy feedstock and create shortages. Fire-prone conditions are predicted to increase across North America. This could potentially result in a doubling of the amount of area burned by the end of this century compared with amounts burned in recent decades.

Other climate change impacts that could add damaged or dead wood to the forest fuel load (e.g., as a result of insect outbreaks, ice storms, or high winds) may increase the risk of fire activity. New research is aimed at refining these climate change estimates of fire activity and investigating adaptation strategies and options to deal with future fire occurrences. There is growing consensus that as wildfire activity increases, fire agency suppression efforts will be increasingly strained. However, analyses of fire history suggest that the effect of climate variability on precipitation regimes is the primary reason for the decreasing fire activity.

Risk Information: Routine prescribed burning (roughly every three years) keeps wildfire fuel loads low in this humid Southern pine region, and large stand-replacing fires are uncommon.[29] Risk is deemed low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**16**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 16 out of 100.	**16**

1.7.4 Risk of Infestation

Rationale: Risk of future infestation, including its estimated consequences on feedstock supply, should be calculated into the overall risk profile.

Since forest insect populations are influenced by environmental conditions, future changes in climate can be expected to significantly alter the outbreak dynamics of certain forest insect species. In some cases, larger and more frequent insect outbreaks may occur, but in other cases, recurring outbreaks may be disrupted or diminished. As the climate continues to change, we can expect more situations, particularly at the margins of tree ranges, where sub-optimal conditions for tree growth and reduced tree vigor can lead to outbreaks of forest insects.

[29] FEMA National Risk Index (county-level natural-hazard ratings). https://hazards.fema.gov/nri/

Risk Information: The region's signature pest, the southern pine beetle, has been largely dormant locally—in Arkansas it has not been a problem since the mid-1990s—and the worst recent outbreak pressure sits well to the east rather than in the Texarkana basin, even as region-wide activity has lately run the highest in over two decades. The more relevant local threat is drought-driven, as engraver beetles periodically kill pines after drought, and recent "hot drought" conditions triggered substantial pine mortality across nearby states. Pests are actively monitored and managed through trapping, thinning, and salvage, but with drought becoming more frequent and regional beetle pressure elevated, this indicator represents a medium risk.[30]

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 36 out of 100.	**36**
Mitigation/Notching	**Notch**
Have suppliers take part in pest monitoring and salvage at-risk stands quickly, diversify sourcing so a local outbreak does not concentrate losses, and give priority to taking up salvage wood.	**25%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 27 out of 100.	**27**

1.7.5 Risk of Hail

Rationale: There is much uncertainty about the effects of anthropogenic climate change on the frequency and severity of extreme weather events like hailstorms and their subsequent economic losses. Some studies indicate a strong positive relationship between hailstorm activity and hailstorm damage, as predicted by minimum temperatures using simple correlations. This relationship suggests that hailstorm damage may increase in the future if global warming leads to further temperature increases.

Risk Information: Hail is common in the broader region—Texas leads the nation in hail frequency and damage, sitting within "Hail Alley," and radar has detected hail near Texarkana on dozens of occasions, several in the past year alone. However, hail damage concentrates on buildings, vehicles, and row crops rather than standing timber, which is resilient to it, so the impact on pulpwood and forest-residue supply is minimal. Hail is most common in spring and early summer and may grow more frequent with climate change, but because merchantable trees are not materially harmed, this indicator remains a very low risk.[31]

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**

[30] Arkansas Department of Agriculture, Forest Health. agriculture.arkansas.gov/forests/forest-health/, Southern Pine Beetle Information Center, Current Outbreak Status. spb.clemson.edu/current-outbreak-status/, Southern Group of State Foresters, "The Frightful Four," 2024. southernforests.org/2024/07/10/the-frightful-four-the-top-forest-health-threats-in-the-south-today/

[31] YPA Public Adjusters, "Texas Hail Damage Statistics," 2025. www.ypapublicadjusters.com/texas-hail-damage-statistics/; Interactive Hail Maps, Texarkana, AR. www.interactivehailmaps.com/local-hail-map/texarkana-ar/; Germania Insurance, "Hailstorms in Texas: Trends and Future Predictions." www.germaniainsurance.com/about/blogs-and-news/blogs/hailstorms-in-texas-analyzing-trends-and-future-predictions

Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

1.7.6 Risk of Flood

Rationale: Floods can cause catastrophic disruption and delay in feedstock supply. Where there is a high risk of flood and thus a negative impact on feedstock supply, the BDO Zone rating should account for this risk.

Risk Information: The Zone is drained by the Red and Sulphur rivers, whose bottomlands flood often enough to interrupt access and haul. The Sulphur River forms part of the zone's county boundaries and its bottomland hardwood areas experience documented frequent flooding, while major Red River flooding can inundate large acreages and close highway bridges, cutting off tracts and routes. Upland pine is far less exposed, so the main effect is delayed harvest and hauling in low-lying areas rather than loss of the resource, supporting a low-medium risk.[32]

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 24 out of 100.	**24**
Mitigation/Notching	**Notch**
Prioritize upland pine for the base supply and use bottomland tracts as fair-weather supplements, plan alternate haul routes around flood-prone bridges, and buffer inventory while monitoring river forecasts.	**25%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 18 out of 100.	**18**

1.7.7 Risk of Drought

Rationale: Droughts can cause significant disruptions to feedstock supplies across entire BDO Zones for extended periods of time. Tree species are adapted to specific moisture conditions. Having less water available through drought has a range of negative impacts on the health of forest ecosystems. Direct impacts include reduced growth, increased tree mortality, and failure to regenerate. Indirect impacts include reduced ability to defend against insects and disease and increased fire risk. These impacts can affect the availability of wood fiber for an Issuer.

Risk Information: Drought can slow growth and stress stands, yet in the near-term drier conditions tend to improve site access and allow crews to sustain or increase output, which supports feedstock supply rather than constraining it. The region experiences recurring drought, with much of Arkansas affected during recent dry periods, and a prolonged, severe event would elevate fire and pest risk. On balance, however, drought's net effect on feedstock availability is limited, supporting a low-risk rating.[33]

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**

[32] Texas Water Development Board, Region 2 Lower Red-Sulphur-Cypress Flood Planning Region. www.twdb.texas.gov/flood/planning/regions/2/index.asp; Texas Parks & Wildlife, Sulphur River bottomland hardwood assessment. tpwd.texas.gov/publications/pwdpubs/pwd_rp_t3200_1059b/media/sulfure.pdf; Texarkana Today, "Major River Flooding Forecasted." txktoday.com/news/major-river-flooding-forecasted/

[33] PlantMaps, Current Drought Conditions for Arkansas. https://www.plantmaps.com/en/us/state/arkansas/current-drought-conditions; Drought.gov, Drought Status Update for Arkansas, Louisiana, and Mississippi, May 2026. https://www.drought.gov/drought-status-updates/drought-status-update-arkansas-louisiana-and-mississippi-2026-05-21

Gross Risk Indicator (GRI)	Score
The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	16
Mitigation/Notching	**Notch**
No adjustment.	NN
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 16 out of 100.	16

1.7.8 Risk of Hurricanes, Tornadoes, and Strong Winds

Rationale: Hurricanes, tornadoes, and strong winds can destroy timber stands and feedstock piles. They can also delay forestry operations. Hurricanes and tornadoes can indirectly cause temporary shortages of available transportation as available trucking moves to handle higher-value disaster-related contracts. For example, Katrina cleanup limited the availability of live-bottom trailers in the North and South East of the US for several months as truckers shifted operations to handle more lucrative government contracts.

Although scientists are uncertain whether climate change will lead to an increase in the number of hurricanes, warmer ocean temperatures and higher sea levels are expected to intensify their impacts. Recent analyses conclude that the strongest hurricanes occurring in some BDO Zones have increased in intensity over the past two to three decades.

Risk Information: Due to the fact that Texarkana is located more than 200 miles from the coast, tropical systems reach the area only in substantially weakened form. The remnants of Hurricane Ike in 2008 downed trees and power lines but did not materially deplete the timber resource. Tornadoes and severe thunderstorm winds do occur, and east Texas through Alabama experiences among the shorter tornado return intervals in the nation, yet their damage is confined to narrow, localized paths rather than distributed across the Supply Zone. Because wind events affect only a small share of standing timber at any given time, their impact on overall feedstock availability is limited, supporting a very low risk rating.[34]

Raw Risk Likelihood (RRL)	Score
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	2
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	2
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	4
Mitigation/Notching	**Notch**
No adjustment.	NN
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	4

1.7.9 Low Temperatures

Rationale: Low temperatures can have adverse impacts on the operations of feedstock processing equipment in Northern BDO Zones.

Risk Information: Consistent with the region's humid subtropical climate described under Indicator 1.7.1, winters are short and mild, so sustained low temperatures rarely affect equipment or operations. The main cold-weather hazard is the occasional ice storm, which can down limbs and trees and temporarily disrupt logging and hauling. For example, a

[34] KKYR, "Most Significant Weather Events in Recent Memory." https://kkyr.com/our-list-of-the-most-significant-weather-events-in-recent-memory/; "Catastrophic storms, forest disturbance, and the natural history of Swainson's warbler," PMC. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10937492/

severe 1994 ice storm caused widespread tree and power-line damage across Bowie and Miller counties. Such events are infrequent and episodic, and in line with the long-term climate trends discussed under Indicator 1.7.2. Also, the intensity of extreme cold is projected to decline, so cold-weather risk to the resource is limited and not increasing, granting a very low risk rating.[35]

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

1.8 Risk Factor: Non-Weather Based Externalities

1.8.1 Diesel Price, Oil Price, and Producer Price Index (PPI)

Rationale: CPI and PPI can impact feedstock cost of harvest and collection over time. Sensitivities to worst-case scenarios should be run.

Risk Information: Diesel is a major cost component, since transport runs about a third of delivered feedstock cost, and prices have been both high and volatile. Figure E-7 shows Gulf Coast diesel ranging widely over the period with a rising trend, and current data confirm elevated levels: as of June 2026 Gulf Coast on-highway diesel was around $4.79–5.12/gal, with prices pushed up in 2026 by higher crude oil costs tied to Strait of Hormuz supply disruptions. However, the Gulf Coast remains the lowest-cost U.S. region for diesel, which favors a project sited here, and the EIA expects diesel prices to ease somewhat through 2026 and into 2027.[36] Because fuel volatility flows directly into delivered cost and the near-term trend is high and uncertain, worst-case sensitivities are warranted, supporting a medium-high risk.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed high, therefore the RRI is 8 out of 10.	**8**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 48 out of 100.	**48**
Mitigation/Notching	**Notch**
Use fuel-indexed haul and harvest contracts, minimize exposure through short-haul siting, and consider fuel hedging or forward buying; Gulf Coast siting also captures the lowest-cost diesel region in the country.	**50%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 24 out of 100.	**24**

[35] Ibid.

[36] "US Diesel Prices 2026: Regional Guide," citing EIA weekly data (June 8, 2026). https://blog.hyvndacademy.com/us-diesel-prices-2026/; EIA, June 2026 Short-Term Energy Outlook. https://www.eia.gov/outlooks/steo/report/petro_prod.php; Rigzone, "EIA Reveals Latest USA Diesel Price Forecast for 2026," May 2026. https://www.rigzone.com/news/usa_eia_reveals_latest_usa_diesel_price_forecast_for_2026-21-may-2026-183750-article/

1.8.2 Currency Risk

Rationale: Where feedstock is purchased in a currency different than that which a new bio-based plant will locate in a BDO Zone, currency exchange rates and volatility can constitute risk exposure. BDO Zones that cross the US-Canada border, for example, which intake feedstock from both countries, are exposed to such currency risk.

Risk Information: Feedstock is sourced and priced domestically in U.S. dollars within Texas, Arkansas, and Louisiana, so there is no cross-currency exposure.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed not relevant, therefore the RRL is not rated (NR).	**NR**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed not relevant, therefore the RRI is not rated (NR).	**NR**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is not rated (NR).	**NR**
Mitigation/Notching	**Notch**
No adjustment.	**NR**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is not rated (NR).	**NR**

1.8.3 Border Risk

Rationale: Where feedstock is transported cross-border to another country, risk exposure to border closures and crossing delays becomes present. The availability of trucks willing to do cross-border runs is limited, which can decrease supply chain flexibility and resilience. Plants near the US-Canada border, which intake feedstock from both countries, are exposed to these risks.

Risk Information: Supply is entirely domestic.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed not relevant, therefore the RRL is not rated (NR).	**NR**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed not relevant, therefore the RRI is not rated (NR).	**NR**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is not rated (NR).	**NR**
Mitigation/Notching	**Notch**
No adjustment.	**NR**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is not rated (NR).	**NR**

1.9 Risk Factor: Political and Social

1.9.1 Government Subsidies for Biomass Feedstock Production or Utilization

Rationale: Feedstock that is directly subsidized through government programs can pose greater long-term risk than feedstock that is not. Subsidies may be subject to amendment or repeal, sometimes with minimal notice.

NOTE: This risk indicator refers to direct feedstock subsidies only; it does not apply to government subsidies that pertain indirectly to the Issuer's operations, such as Loan Guarantees, or to the markets for products produced by the Issuer.

Risk Information: The rated feedstocks—pulpwood and forest residues—are not dependent on direct production subsidies. Policy is in fact supportive of using this low-value material: Arkansas recently amended its Wood Energy Products and Forest Maintenance Income Tax Credit to expand qualifying projects and explicitly encourage energy use

of low-value wood, thinnings, and wood byproducts. Because supply rests on commercial harvesting rather than subsidies, this indicator is a very low risk.[37]

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

1.9.2 Local, Provincial, and National Laws, Regulations, and Permitting Pertaining to Biomass Feedstock

Rationale: Feedstock whose production is directly dependent on local, provincial, or national laws or government regulations can pose greater long-term risk than feedstock which is not, since laws and regulations may be subject to amendment or repeal.

If biomass utilization requires specific permits (e.g., percentage removal of forest residues, allowable cut limits, air emission, storage permits, rights-of-way, overweight permits for trucks, cross-border permitting for shipment of biomass, chain of custody, or certification of sustainability), the likelihood of obtaining such permits and/or complying with permitting requirements should be examined.

Risk Information: All three states are strongly pro-forestry, and harvesting is a well-established, well-regulated activity with no unusual feedstock-permitting barriers; standard BMP, air, and storage permits apply. Arkansas is the second most timber-dependent economy in the nation, with timber a third of agricultural income and an explicit "working forest is a healthy forest" policy stance.[38] This favorable regulatory environment supports a very low risk.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

1.9.3 Backlash Against Biomass Feedstock Development, Procurement, or Usage in the BDO Zone

Rationale: Public backlash against biomass development in the Issuer BDO Zone can directly impact the Issuer's ability to procure, transport, trans-load, store, or utilize feedstock by affecting local policies, regulations, and the Issuer's ability to obtain necessary permitting.

[37] BillTrack50, https://www.billtrack50.com/billdetail/1873392; Bloomberg Tax, https://news.bloombergtax.com/daily-tax-report-state/arkansas-amends-wood-energy-products-forest-maintenance-income-tax-credit-1

[38] Arkansas Economic Development Commission, https://www.arkansasedc.com/why-arkansas/key-industries/forest-products

Risk Information: Forestry is a long-standing and economically central activity that enjoys broad public and political support across the region, making organized opposition to biomass feedstock procurement unlikely. With tens of thousands of workers employed in timber and related industries, the sector is woven into the regional economy. Site-specific zoning and community sentiment should still be confirmed, but development-backlash risk is very low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

1.9.4 Consent of, and Co-operation with, Indigenous Communities

Rationale: Where new project development on or near Indigenous land, or where near Indigenous communities exert influence over feedstock producing areas, consent of, and cooperation with, Indigenous communities decrease Issuer risk.
Risk Information: There are no federally recognized reservations in Bowie County or the immediate Supply Zone; Texas's three reservations are far away (Polk, Maverick, and El Paso counties), and the nearest tribal jurisdictions (the Choctaw and Chickasaw Nations) lie in southeastern Oklahoma.[39] With no reservation land in or adjacent to the procurement area, the risk of tribal-consent or land-rights conflict affecting feedstock is very low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

1.9.5 Food Security Concerns

Rationale: Despite the fact that any significant correlation between food prices and biofuel production is unclear, claims that biofuel production has driven up food prices, taken food from communities or had a negative impact on land use can fuel public backlash. For example, the removal of biomass may raise public concerns relating to food security if Issuer feedstock requires the use of land that would otherwise be used for growing food.
Risk Information: Feedstock is woody biomass from timberland rather than food cropland, so competition with food production and related social-license is irrelevant.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed not relevant, therefore the RRL is not rated (NR).	**NR**

[39] FamilySearch, https://www.familysearch.org/en/wiki/Texas_Indigenous_Peoples

Raw Risk Impact (RRI)	Score
The risk impact is deemed not relevant, therefore the RRI is not rated (NR).	NR
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is not rated (NR).	NR
Mitigation/Notching	**Notch**
No adjustment.	NR
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is not rated (NR).	NR

1.10 Risk Factor: Sustainability and Environmental Concern

1.10.1 Biomass Feedstock Sustainability

Rationale: Public concerns about the sustainability of feedstock production can jeopardize biomass feedstock operations. Sustainability certification schemes should be utilized where applicable to ensure that feedstock comes from sustainable sources.

Risk Information: Forest resources in the Supply Zone are harvested sustainably, well below the net growth (growth-to-drain of 1.6-1.7). SFI/FSC certification is already established and expected by regional mills, supporting credible sustainability claims; for export markets, residues must qualify as genuinely unutilized material. Certification programs require third-party audits and drive regional BMPs, and millions of hectares in the Southeast are certified.[40] These conditions support a very low risk.

Raw Risk Likelihood (RRL)	Score
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	2
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	2
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	4
Mitigation/Notching	**Notch**
No adjustment.	NN
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	4

1.10.2 Risk to Soil Quality

Rationale: Soil sustainability can be defined as the management of soil in a way that does not exert any negative or irreparable effects either on the soil itself or any other systems. There is a diversity of approaches to soil sustainability in jurisdictional guidelines for forest biomass harvesting and production. For different feedstock types, there are also different thresholds at which feedstock removal causes significant negative consequences on the soil.

Poor soil quality that negatively impacts the long-term sustainability of the feedstock can entail long-term feedstock risk. Sub-optimal soil management can leave exposed soil post residue-harvest, which can lead to soil wash-off and soil carbon loss from precipitation and wind. Over-harvesting of biomass also depletes the carbon stock in the soil and creates a negative feedback loop that can degrade the soil and its nutrients.

Risk Information: Removing forest residues can affect soil nutrients and organic matter if done intensively, but established BMPs directly govern soil protection during harvesting. Arkansas forestry BMPs include specific soil-stabilization and erosion-control practices applied before, during, and after silvicultural activities, and regional BMP

[40] Water (MDPI), https://www.mdpi.com/2073-4441/13/19/2611; Congress.gov CRS, https://www.congress.gov/crs-product/R41992

implementation averages roughly 94%, reinforced by certification and fiber-sourcing audits.[41] With these practices routinely applied and pulpwood thinning posing little soil disturbance, soil-quality risk is very low.
Raw Risk Likelihood (RRL) **Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10. **2**
Raw Risk Impact (RRI) **Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10. **2**
Gross Risk Indicator (GRI) **Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100. **4**
Mitigation/Notching **Notch**
No adjustment. **NN**
Loaded RI Score **Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100. **4**

1.10.3 Risk to Surface and Groundwater

Rationale: Excessive nutrient runoff from biomass feedstock production can accumulate in surface waters and result in algal blooms and hypoxia, which can lead to habitat loss for aquatic species higher up the food chain and alter aquatic ecosystem food webs. Damage to aquatic ecosystems can cause social and regulatory backlash. Water intake issues can also increase risk.
Risk Information: Established forestry BMPs, including streamside management zones, are well developed in both core states and effectively limit sediment and nutrient runoff from harvesting. Implementation across the southeastern U.S. averages roughly 94%, and certified lands and fiber-sourcing audits reinforce continued compliance.[42] Routine BMP use keeps surface- and groundwater risk very low.
Raw Risk Likelihood (RRL) **Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10. **2**
Raw Risk Impact (RRI) **Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10. **2**
Gross Risk Indicator (GRI) **Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100. **4**
Mitigation/Notching **Notch**
No adjustment. **NN**
Loaded RI Score **Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100. **4**

1.10.4 Water Use

Rationale: Biomass feedstock operations can have significant impacts on the hydrological flux (infiltration, groundwater recharge, interception, and transpiration) of ecosystems. This can lead to water shortages, lower yields, and backlash from regulatory bodies if management plans are not properly instituted.

[41] Arkansas Forestry BMPs for Water Quality Protection, https://www.sos.arkansas.gov/uploads/rulesRegs/Arkansas%20Register/2002/mar_2002/128.00.02-001.pdf; Water (MDPI), https://www.mdpi.com/2073-4441/13/19/2611

[42] Water (MDPI), https://www.mdpi.com/2073-4441/13/19/2611; Arkansas Department of Agriculture, https://agriculture.arkansas.gov/forests/forest-management/best-management-practices-water-quality/

Risk Information: Feedstock production and harvesting and residue collection do not materially alter hydrology, especially when BMPs are followed.[43] Maintaining forest and streamside cover protects water quality and runoff, so water-use risk is very low.
Raw Risk Likelihood (RRL) — **Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10. — **2**
Raw Risk Impact (RRI) — **Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10. — **2**
Gross Risk Indicator (GRI) — **Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100. — **4**
Mitigation/Notching — **Notch**
No adjustment. — **NN**
Loaded RI Score — **Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100. — **4**

1.10.5 Pesticide Risk to Human and Ecosystem Health

Rationale: Application of pesticides (i.e., herbicides, fungicides, and insecticides) on forest landscapes can result in adverse health effects for humans and ecosystems. If pesticide application is required in feedstock production, the impact must be considered in the BDO Zone rating.
Risk Information: Plantation establishment uses herbicides for site preparation and competition control, but applications are intermittent and regulated, and thinning and residue collection themselves involve no pesticide use.[44] BMPs and certification standards specifically address herbicide handling to limit runoff, keeping pesticide-related risk very low.
Raw Risk Likelihood (RRL) — **Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10. — **2**
Raw Risk Impact (RRI) — **Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10. — **2**
Gross Risk Indicator (GRI) — **Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100. — **4**
Mitigation/Notching — **Notch**
No adjustment. — **NN**
Loaded RI Score — **Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100. — **4**

1.10.6 Risk to Wildlife and Landscape

Rationale: Biomass production and supply chain operations with negative impacts on wildlife and landscape are at a greater long-term risk of encountering project setbacks and disruptions.
Risk Information: Harvesting on established plantations under BMPs and replanting regimes poses limited additional wildlife or landscape risk, though residue removal slightly reduces coarse woody debris habitat. SFI and FSC certification require measures to conserve biodiversity and high-value forests, and fiber-sourcing audits extend these protections to non-certified suppliers.[45] Presence of protected species at specific tracts should be screened, but overall risk is very low.
Raw Risk Likelihood (RRL) — **Score**

[43] University of Arkansas Cooperative Extension, https://www.uaex.uada.edu/environment-nature/water/quality/forest-bmps.aspx
[44] Water (MDPI), https://www.mdpi.com/2073-4441/13/19/2611
[45] Water (MDPI), https://www.mdpi.com/2073-4441/13/19/2611; Congress.gov CRS, https://www.congress.gov/crs-product/R41992

The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

CATEGORY 2.0: INFRASTRUCTURE RISKS

2.1 Risk Factor: Physical Infrastructure

2.1.1 Land Parcel/Industrial District

Risk Information: The Boone-Copeland Site encompasses approximately 140 acres of greenfield development land (subdividable into the Boone parcel at approximately 80 acres and the Copeland parcel at approximately 58 acres) situated on the TexAmericas Center East Campus (TAC East) in Hooks, Bowie County, Texas. TAC is one of the largest mixed-use industrial parks in the Americas, recently ranked 3rd nationally by Business Facilities, encompassing 12,000 acres and 3.5 million square feet of former military property. The site is shovel-ready, is zoned light and heavy industrial, and has both federal opportunity zone and foreign trade zone designations. This results in a very low risk score.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

2.1.2 Ownership of Land

Risk Information: TexAmericas Center owns the property outright. TAC is a State of Texas-sanctioned Local Redevelopment Authority that operates as a hybrid economic development organization and industrial real estate developer. TAC offers custom real estate solutions including lease, build-to-suit, and build-out-to-suit services. The clear public ownership by a state-sanctioned authority with $70+ million in infrastructure investments eliminates private acquisition uncertainties. The risk is assessed as very low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**

Loaded RI Score	Score
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	4

2.1.3 Permitting

Risk Information: TexAmericas Center is located outside any city municipal boundaries and controls its own land use (zoning) regulations and permitting. TAC has designated its property for light and heavy industrial uses. Depending on size and complexity, plan review and approval may be completed in less than five business days. The site has historically maintained active industrial permits including an NPDES permit and a RCRA hazardous waste ID from the former Lone Star Army Ammunition Plant operations. Texas also offers TCEQ Expedited Permitting Programs for qualifying projects, with permitting processes under three months. The elimination of municipal zoning requirements and TAC's streamlined, in-house permitting process dramatically accelerate the development timeline. The risk is assessed as very low.

Raw Risk Likelihood (RRL)	Score
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	2
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	2
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	4
Mitigation/Notching	**Notch**
No adjustment.	NN
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	4

2.1.4 Environmental Issues

Risk Information: A Final Environmental Condition of Property Report for TAC East Campus (Former Lone Star Army Ammunition Plant) was prepared by URS in November 2006. The Boone-Copeland Site falls into ECP Category 1, defined as areas where no release or disposal of hazardous substances or petroleum products has occurred and no migration from adjacent areas has taken place. The report characterizes ECP Category 1 parcels as uncontaminated property consisting primarily of undeveloped land outside production areas. A jurisdictional determination by the U.S. Army Corps of Engineers confirmed the site contains only three non-jurisdictional waters not subject to Section 404 regulation. No federal-listed threatened or endangered species were found on the property. Phase II Archaeological Investigations confirmed no sites eligible for the National Register of Historic Places. Bowie County meets acceptable air quality levels per NAAQS. The comprehensive environmental clearances position this as a very low risk factor.

Raw Risk Likelihood (RRL)	Score
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	2
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	2
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	4
Mitigation/Notching	**Notch**
No adjustment.	NN
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	4

2.2 Risk Factor: Utilities

2.2.1 Natural Gas Availability

Risk Information: Natural gas is provided by Navitas Utility Corporation, which contracts through Enable. An Enable Interstate 10-inch, 220 psi high-pressure transmission pipeline runs adjacent to TexAmericas Center north of the HWY 82 right-of-way. Dual 4-inch gas lines on TAC East deliver 130 MCF/hour, expandable to 170 MCF/hour. However, the Boone-Copeland Site does not currently have natural gas adjacent to the property; the lines are approximately 4,000 feet from the site. TAC has committed to extending natural gas to the site via a common utility corridor. The interstate pipeline can be upgraded substantially to at least 10,000 MCF/hour for large-scale demand. While the committed extension reduces risk, the current 4,000 feet distance and need for construction elevate this to a low-to-moderate risk until completed.

Raw Risk Likelihood (RRL) The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**Score** **6**
Raw Risk Impact (RRI) The risk impact is deemed low, therefore the RRI is 4 out of 10.	**Score** **4**
Gross Risk Indicator (GRI) The Gross Risk Indicator (RRL X RRI) is 24 out of 100.	**Score** **24**
Mitigation/Notching TAC has completed a Preliminary Engineering Report (PER) for a proposed 9,000-foot natural gas extension on the East Campus property as part of grant submissions to the EDA and others. The PER includes route identification, surveying, design, budget, and construction planning. This demonstrates that the service extension is planned and engineered, with potential funding solutions identified, rather than merely conceptual. A 50% notch is applied.	**Notch** **50%**
Loaded RI Score The Loaded RI Score ((1-Total Notch) X GRI Score) is 12 out of 100.	**Score** **12**

2.2.2 Electric Availability

Risk Information: TexAmericas Center is served by AEP/SWEPCO, with a 12 kV, 3-phase overhead distribution line situated immediately adjacent to the south boundary of the Boone-Copeland Site on Cypress Street. Four substations serve TAC property, each connected to a 69 kV transmission line with design capacity of 20 MW and existing excess capacity of approximately 10 MW per substation. The TAC East substation on Bowie Parkway is undergoing upgrades to allow up to 30 MW. Additionally, 138 kV and two 345 kV transmission lines are near and adjacent to TAC, making dual feeds and upgrades to 350 MW possible. TAC and AEP are discussing placement of an additional substation on TAC East near the Boone-Copeland Site. AEP/SWEPCO offers an Economic Development Rider and Large Load Fuel Cell Technology Program as utility incentives. The immediately adjacent 3-phase power, massive upgrade potential (up to 350 MW), and below-average rates position electric availability as a very low risk factor.

Raw Risk Likelihood (RRL) The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**Score** **2**
Raw Risk Impact (RRI) The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**Score** **2**
Gross Risk Indicator (GRI) The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**Score** **4**
Mitigation/Notching No adjustment.	**Notch** **NN**
Loaded RI Score The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**Score** **4**

2.2.3 Water Availability

Risk Information: Water is provided by Riverbend Water Resource District (RWRD) via two 16-inch water supply lines, one along the eastern boundary and the other along the southern boundary. These supply lines ultimately connect to a 30-inch transmission line located in the U.S. Highway 82 right-of-way adjacent to TexAmericas Center, north of the East Campus. Available system pressure is approximately 40 PSI.. RWRD contracts with Texarkana Water Utilities (TWU), which has a treatment capacity of approximately 36 MGD with average daily use of 16 MGD, leaving 20 MGD excess capacity. A 30-inch transmission line delivers over 4 MGD to RWRD's system on TAC, with approximately 2.3 MGD of current excess capacity. RWRD has announced a transformative $200 million investment in a new 30 MGD regional water treatment facility to be located on TAC East Campus, with long-term expansion capacity to 90 MGD. This will provide both potable and non-potable (raw) water directly on-site. The immediately adjacent water main, substantial existing excess capacity, and the planned $200M on-campus treatment facility position water availability as a very low risk factor.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

2.2.4 Drainage, Stormwater Management, and Sewage

Risk Information: The Boone-Copeland Site does not currently have a sewer main immediately adjacent. TAC has committed to extending a sanitary sewer main to serve the Boone-Copeland Site via a common corridor capable of containing both domestic and industrial wastewater mains, with a planned 8-inch line. The wastewater treatment plant has an average daily discharge limitation of 1.5 MGD and daily maximum of 3.0 MGD. RWRD has committed to constructing a new Industrial Treatment Plant on TAC East, with planning underway and construction targeted for 2027. The site is in Flood Zone X with three non-jurisdictional waters that are not subject to regulation and do not require permits. While the current sewer gap requires extension, TAC's commitment to the extension and RWRD's planned industrial treatment plant substantially reduce the risk. The risk is assessed as low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**16**
Mitigation/Notching	**Notch**
TAC has completed a Preliminary Engineering Report (PER) that includes approximately 11,000 feet of proposed sanitary sewer improvements, including surveying, alignment, plans/profiles, budget, and construction planning. This demonstrates a defined, engineered path for extending service, with potential funding solutions identified, as development occurs. A 50% notch is applied.	**50%**
Loaded RI Score	**Score**

The Loaded RI Score ((1-Total Notch) X GRI Score) is 8 out of 100.	**8**

2.2.5 Waste Disposal

Risk Information: The Boone-Copeland site is located approximately 7 miles from the New Boston Landfill (WM), with an annual waste intake of approximately 158,899 tons per year, and an anticipated closure year of 2059. Additionally, the Pleasant Oaks Landfill (Republic Services) is located approximately 51 miles from the site, with an annual intake of approximately 223,977 tons per year and an anticipated closure year of 2118. The significant remaining capacity of landfills located within approximately 50 miles from the site represents a very low risk for future projects.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

2.2.6 Information and Communication Technology (ICT) Services

Risk Information: Conterra Networks provides data center-quality internet service to TexAmericas Center with a 144-strand fiber line on the TAC East Campus along Oak Street. Conterra offers high bandwidth at competitive rates with 100+ gigabyte upload and download speeds available. However, the Boone-Copeland Site does not currently have fiber immediately adjacent; the Conterra network is approximately 4,000 feet away on North Ellis Street and would need to be extended via the common utility corridor along Cypress Street. A CBRE Level 2 IT Assessment rated TAC a 4 out of 5 for feasibility to support hyperscale, corporate, and data center applications. While the extension is needed, the high-quality fiber infrastructure on the broader campus and the strong feasibility rating position ICT as a medium to low risk factor pending extension completion.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**6**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 24 out of 100.	**24**
Mitigation/Notching	**Notch**
TAC has completed a Preliminary Engineering Report (PER) that includes a proposed 9,000-foot fiber extension to underserved East Campus property, with route selection, design, budget, and construction planning already contemplated. This demonstrates a defined, engineered path for extending service, with potential funding solutions identified, as development occurs. A 50% notch is applied.	**50%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 12 out of 100.	**12**

2.3 Risk Factor: Transportation/Logistics

2.3.1 Roads/Highway Access

Risk Information: TexAmericas Center has excellent interstate and highway access. The Boone-Copeland site is located less than two miles from US Hwy 82 and Interstate 30, and approximately 10 miles from US Hwy 59 and Interstate 369. The site is accessible by Cypress Street, a two-lane road and the nearest truck route is on-site and adjacent. The exceptional multi-directional highway connectivity positions road access as a very low risk factor.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

2.3.2 Rail Access

Risk Information: TexAmericas Center operates approximately 38 miles of rail infrastructure across the property, supported by two locomotives. A rail siding currently runs along the east boundary of the Boone-Copeland Site, with capability to add additional switches for rail-served activities. The siding connects to a mainline running from a 350-car classification yard to the eastern limits of TAC East, approximately 2 miles from the Boone-Copeland Site. Rail service is provided through Union Pacific (Class I), Kansas City Southern (Class I), and Texas Northeastern (short-line) operators, with TNER delivering cars from the UP yard to TAC. Texas Northeastern Railroad (TNER) is owned by Genesee & Wyoming. To accommodate 286,000-pound loads at the Boone-Copeland Site, rail upgrades from 85# to 115# rail are needed, along with tie and switch replacements. The on-site rail infrastructure with Class I connections is a significant asset, though the needed track upgrades result in a low rather than very low risk assessment.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**16**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 16 out of 100.	**16**

2.3.3 Airport Access

Risk Information: The Boone-Copeland site is located 20 miles from the Texarkana Regional Airport (TXK), a domestic airport, and 186 miles from the Dallas/Fort Worth International Airport (DFW), the closest international airport. Additionally, the site is located 94 miles from the Shreveport Regional Airport. The convenient access to TXK with direct DFW connections, supplemented by a regional airport in Shreveport, positions airport access as a very low risk factor.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**

Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

2.3.4 Water Freight Access

Risk Information: The Port of Caddo-Bossier in northwest Louisiana is approximately 100 miles away and is commercially navigable via the Red River, which connects to the Mississippi River, the coastal waterway system, and the central U.S. waterway system. The Port of Little Rock is approximately 160 miles northeast on the Arkansas River, and the Port of Houston is approximately 295 miles south on the Gulf of Mexico. While TAC is not directly on navigable water, the relatively close proximity to the Port of Caddo-Bossier (100 miles) combined with the on-site rail and highway infrastructure, this represents a low risk factor.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**16**
Mitigation/Notching	**Notch**
TexAmericas Center, in partnership with the New Orleans Public Belt Railroad (NOPB), is evaluating TexAmericas Center as a potential inland port e.g. freight, transload, and future intermodal location, serving the Port of New Orleans. Initial planning is focused on a quick-start transload operation, with a mutual agreed to target startup of operations date of Q2 2027. Efforts are currently focused on evaluating freight volumes, infrastructure needs, operating costs, revenue potential, identifying a contract operator, and to a lesser degree the longer-term feasibility of a permanent intermodal facility. A 50% notch is applied.	**50%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 8 out of 100.	**8**

2.4 Risk Factor: Social Infrastructure

2.4.1 Healthcare (Local)

Risk Information: The industrial site is located close to various healthcare facilities, including pharmacies, clinics, and hospitals. The CHRISTUS St. Michael Health System operates a major hospital campus in Texarkana with emergency, surgical, cardiac, cancer, and specialty care services. Wadley Regional Medical Center (CHRISTUS Health Pine Street) also provides acute care services in the Texarkana area. Both facilities are within approximately 18 miles of the Boone-Copeland Site on the TAC East Campus. The proximity to multiple full-service hospital systems in the Texarkana metropolitan area positions healthcare as a very low risk factor.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**

The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching No adjustment.	**Notch** **NN**
Loaded RI Score The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**Score** **4**

2.4.2 Education (Schools)

Risk Information: The Texarkana MSA offers comprehensive educational infrastructure, with 12 schools (including elementary, middle, and high schools) located within a 30 mile drive from the site. Post-secondary education is provided by Texarkana College (community college) located only 16 miles from the site, and Texas A&M University-Texarkana. There are multiple workforce training programs such as the Texas Skills Development Fund, Texas Industry Partnership Program, and local on-the-job training contracts. The Come Home to Texarkana program and Economic Development & Diversification In-State Tuition for Employees further support workforce recruitment. Texarkana is expanding its role in applied research and technology commercialization, with growing activity in areas including energy storage and advanced battery technologies, as well as healthcare and construction technology. Texas A&M University also maintains a strategic relationship with Japan's National Institute of Advanced Industrial Science and Technology (AIST), a leading public research and commercialization organization. Through AIST Solutions' presence in the Texarkana region via AIST Solutions - America, the partnership supports research collaboration, technology commercialization, and assistance for Japanese and other international companies seeking to enter or expand in the U.S. market. The combination of local K-12 schools, community college, a regional university, and extensive state-funded workforce training programs positions education as a very low risk factor.

Raw Risk Likelihood (RRL) The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**Score** **2**
Raw Risk Impact (RRI) The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**Score** **2**
Gross Risk Indicator (GRI) The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**Score** **4**
Mitigation/Notching No adjustment.	**Notch** **NN**
Loaded RI Score The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**Score** **4**

2.4.3 Local Transportation

Risk Information: The industrial site is located in the Texarkana MSA, one of the lowest aggregate mile locations in Texas to the geographic and population centers of the US, providing a substantial commuter base. Personal vehicle travel is the predominant transportation mode. The excellent I-30 corridor and multiple highway connections facilitate efficient commuting from surrounding communities in both Texas and Arkansas. Public transportation options are limited, consistent with mid-size Southern metropolitan areas. The strong highway infrastructure and cross-state MSA positioning partially offset the lack of robust public transit. The risk is assessed as medium-low.

Raw Risk Likelihood (RRL) The risk likelihood is deemed medium, therefore the RRL is 6 out of 10.	**Score** **6**
Raw Risk Impact (RRI) The risk impact is deemed low, therefore the RRI is 4 out of 10.	**Score** **4**
Gross Risk Indicator (GRI) The Gross Risk Indicator (RRL X RRI) is 24 out of 100.	**Score** **24**

Mitigation/Notching	**Notch**
Public transportation is available in Bowie and Cass Counties, Texas and other counties in the region through the Arkansas-Texas Council of Governments (ATCOG), which operates a countywide bus system called TRAX. The system does not currently include a stop at TexAmericas Center located in Bowie County, because there has not been demonstrated demand; however, ATCOG leadership has indicated that service to the property could/would be added if an employer or tenant identified a need for it. Therefore, a 25% notch is applied.	**25%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 18 out of 100.	**18**

2.4.4 Public Safety (Local)

Risk Information: In 2025, Bowie County reported a crime rate of 35.6 per 1,000 residents (according to the Texas Department of Public Safety, *Crime in Texas*), which elevates the likelihood of loss events at an outdoor feedstock yard. Emergency response capacity, however, is materially stronger than is typical for a rural site of this type. The Hooks Volunteer Fire Department holds an ISO rating of 6, and the Red River Army Depot (RRAD) provides emergency response services from a fire department located three miles from the site with an ISO rating of 2; a level of fire protection uncommon outside urban centers. Police protection is provided by the Bowie County Sheriff's Department. Elevated crime rates increase the frequency of likely loss events, while the proximity of ISO 2 rated fire response materially limits the severity of the most consequential scenario, a fire at feedstock storage.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed high, therefore the RRL is 8 out of 10.	**8**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed medium, therefore the RRI is 6 out of 10.	**6**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 48 out of 100.	**48**
Mitigation/Notching	**Notch**
While the proposed site is located in Bowie County, the nearby county, Cass County, TX has a significantly lower crime rate of 9.6 per 1,000 residents. A 25% notch is applied.	**25%**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 36 out of 100.	**36**

2.4.5 Housing/Cost of Living

Risk Information: The BDO Zone falls within six counties, the most significant being Bowie County, TX (62% of the population) and Miller County, AR (31% of the population). Bowie County has a very favorable cost of living score of 76.9, which is 23.1% lower than the US average and 18.4% lower than the Texas average. Bowie County and Miller County have a combined average rental vacancy rate of 7.05% and a homeowner vacancy rate of 1.2%, indicating great housing availability for new workforce. Additionally, the two counties have a combined affordability ratio of 3, with the median home value in Bowie County of $173,000 and in Miller County $153,900. The affordable and available housing and the low cost of living are attractive for employer recruitment. The risk is assessed as very low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**

No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

2.5 Risk Factor: Labor

2.5.1 Workforce

Risk Information: The BDO Zone has a population of approximately 124,871, with 62% of the population from Bowie County, TX and 31% from Miller County, AR. Bowie County has an unemployment rate of 4.17%, and Miller County 4.76%, indicating good workforce availability. The average median age for both counties is fairly young at 38.9 years, however, the average population growth over the past five years is -0.08%, indicating a declining/stable population. In Bowie and Miller, 89.95% of the population over 25 years old has a high school education or higher, and 19.05% have a Bachelor's degree or higher, relatively consistent with national averages. TAC is currently home to 33 manufacturing and commercial businesses, demonstrating an established industrial employment base. There are extensive workforce incentive programs including the Texas Skills Development Fund, Texas Industry Partnership Program, Come Home to Texarkana program, and multiple OJT contract opportunities. The substantial MSA population base, cross-state labor market access, existing manufacturing employment base, and extensive workforce incentive programs position the workforce as a low risk factor.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed low, therefore the RRL is 4 out of 10.	**4**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed low, therefore the RRI is 4 out of 10.	**4**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 16 out of 100.	**16**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**
The Loaded RI Score ((1-Total Notch) X GRI Score) is 16 out of 100.	**16**

2.5.2 Labor Costs

Risk Information: As of 2026, Texas's minimum wage is $7.25/hour, mirroring the federal minimum wage. Texas has no state income tax, which effectively increases take-home pay for workers compared to states with income taxes. In Q4 2025, the average weekly wage in Bowie County was $1,105, which is substantially lower than the national average of $1,569. Additionally, the median household income in Bowie County is $59,803, which represents 76.2% of the state median ($78,476) and 74.1% of the national median ($80,734). From an employer standpoint, the combination of the federal minimum wage floor, no state income tax, and below-national-average wages, creates a very competitive cost structure. The risk is assessed as very low.

Raw Risk Likelihood (RRL)	**Score**
The risk likelihood is deemed very low, therefore the RRL is 2 out of 10.	**2**
Raw Risk Impact (RRI)	**Score**
The risk impact is deemed very low, therefore the RRI is 2 out of 10.	**2**
Gross Risk Indicator (GRI)	**Score**
The Gross Risk Indicator (RRL X RRI) is 4 out of 100.	**4**
Mitigation/Notching	**Notch**
No adjustment.	**NN**
Loaded RI Score	**Score**

The Loaded RI Score ((1-Total Notch) X GRI Score) is 4 out of 100.	**4**

SECTION E: TABLES AND FIGURES

Figure E-1. Above Ground Biomass of All Live Trees in the Supply Zone (2015-2024)[46]

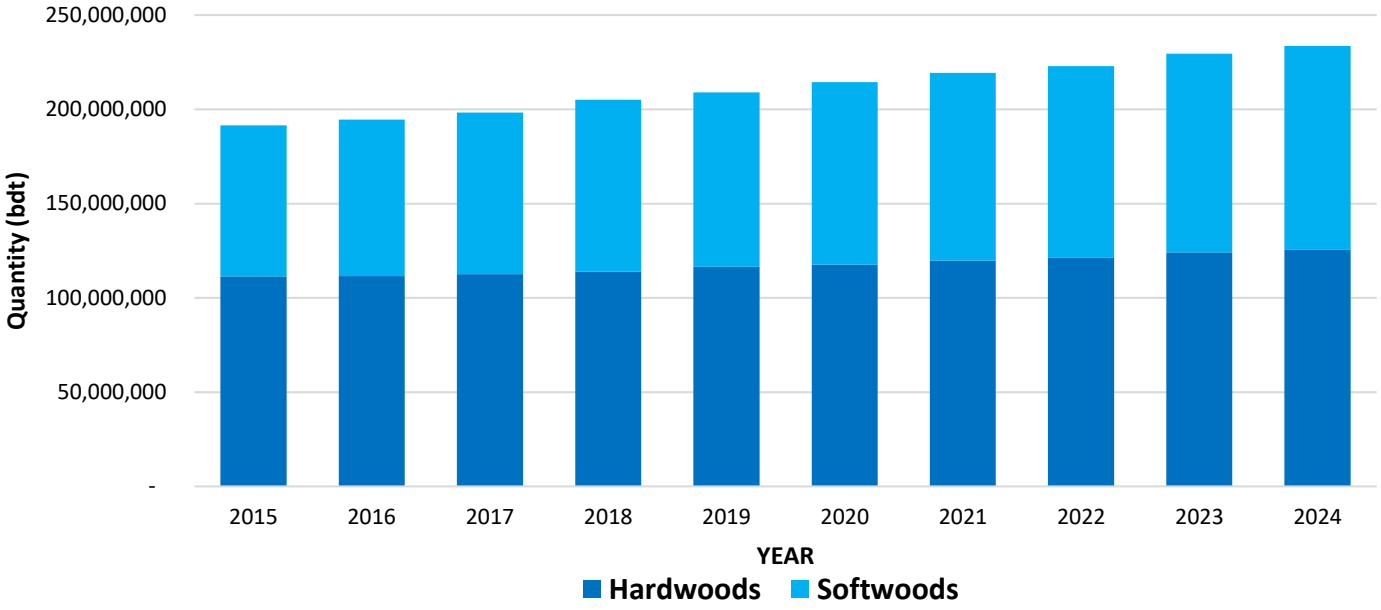
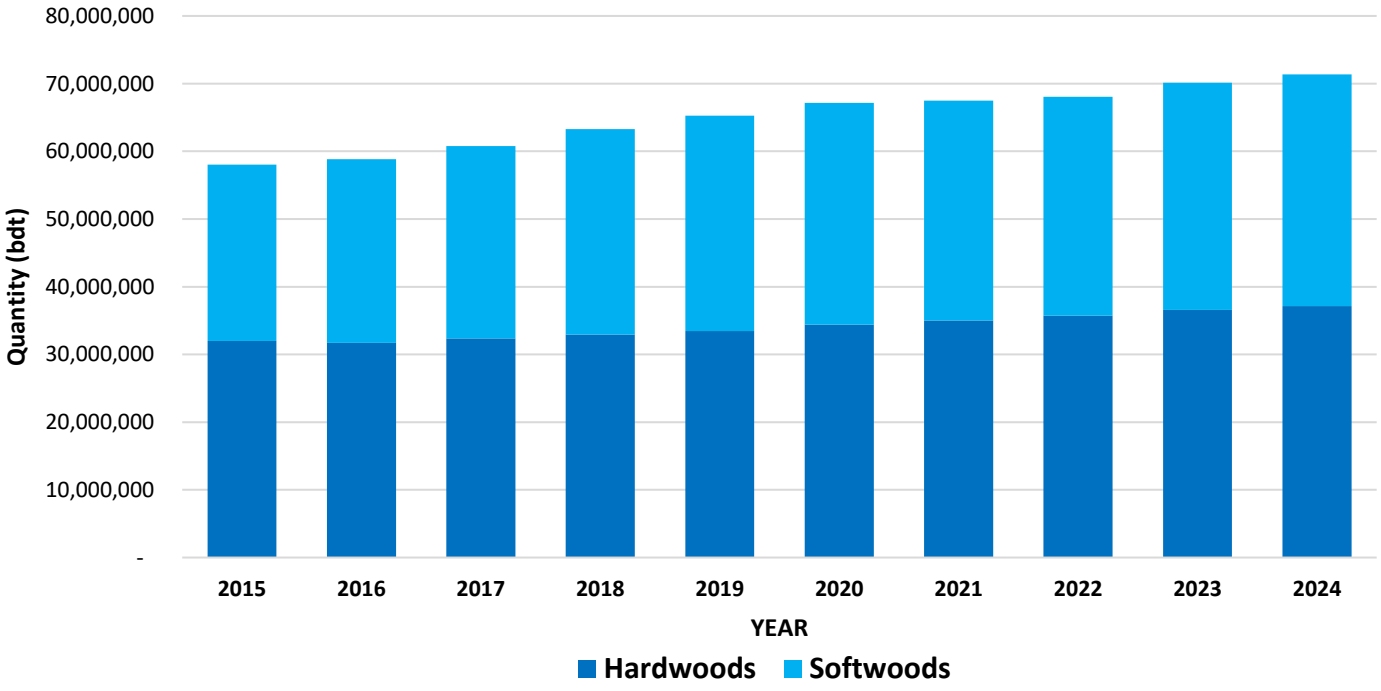


Figure E-2: Above Ground Biomass of Live Pulpwood Size Trees in the Supply Zone (2015-2024)[47]



[46] apps.fs.usda.gov/fiadb-api/evalidator
[47] Ibid.

Figure E-3. Percent Merchantable Biomass of Standing Live Trees by Ownership [48]

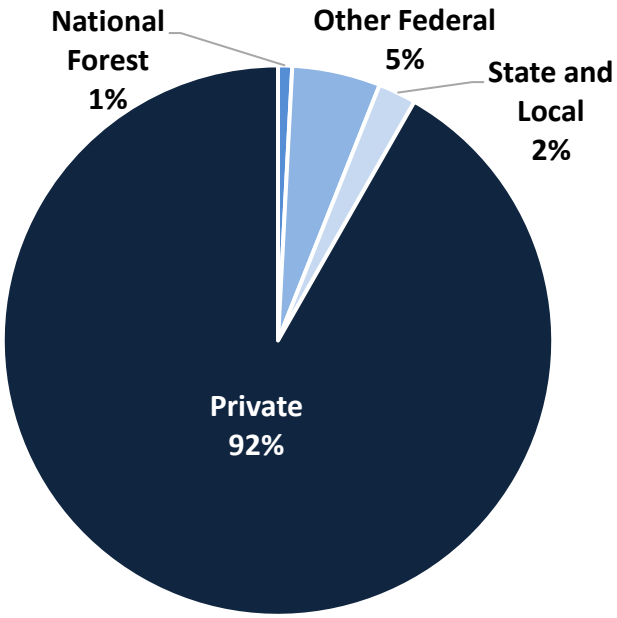
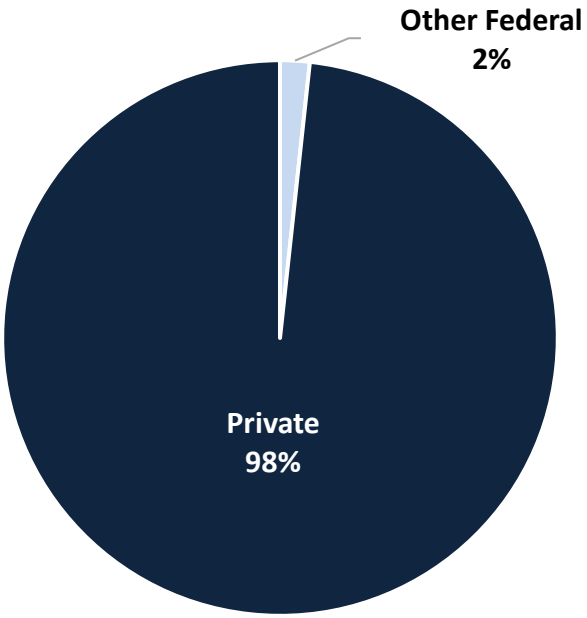
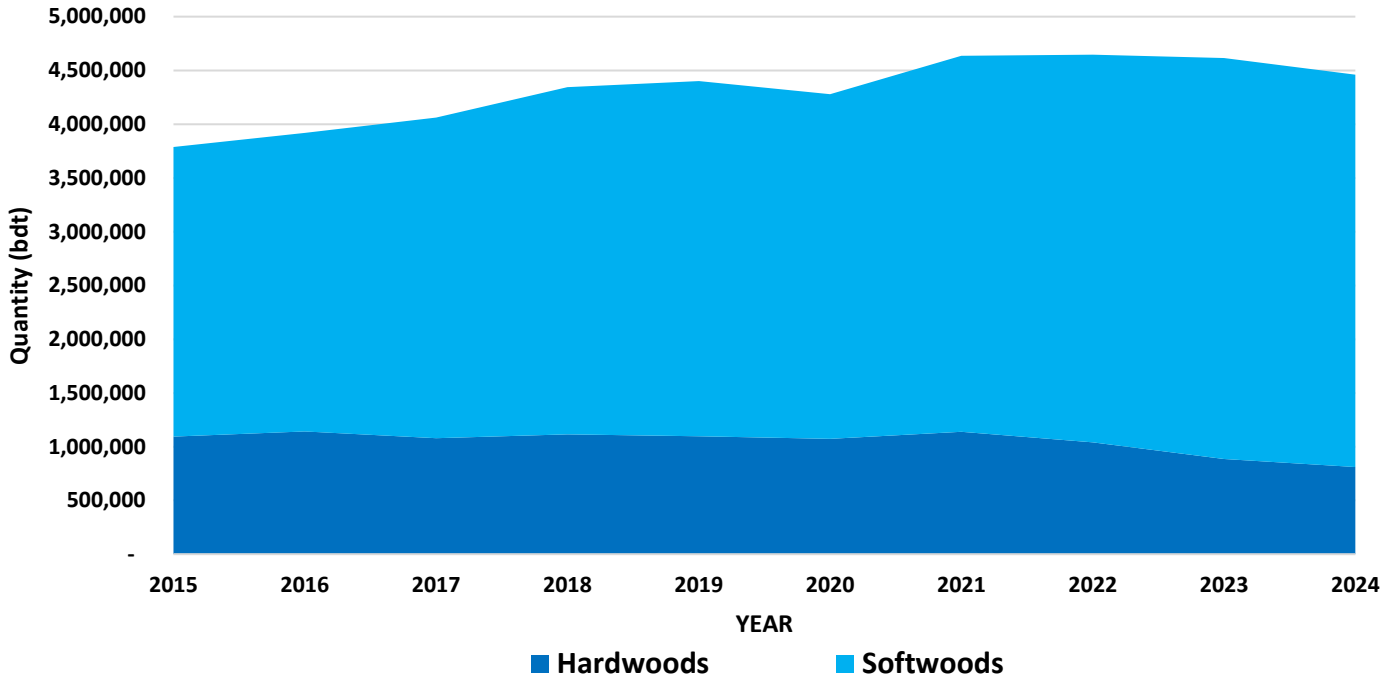


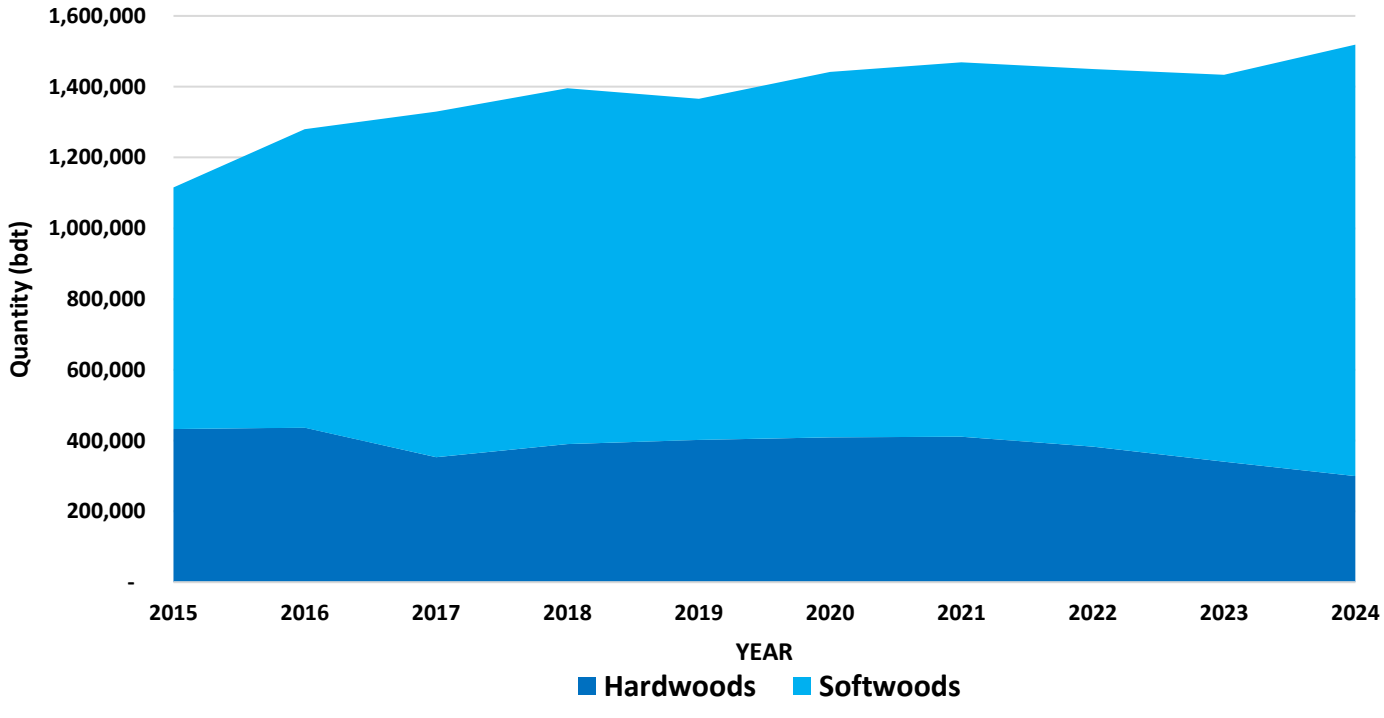
Figure E-4. Percent Timber Removal by Ownership[49]



[48] Ibid.
[49] Ibid.

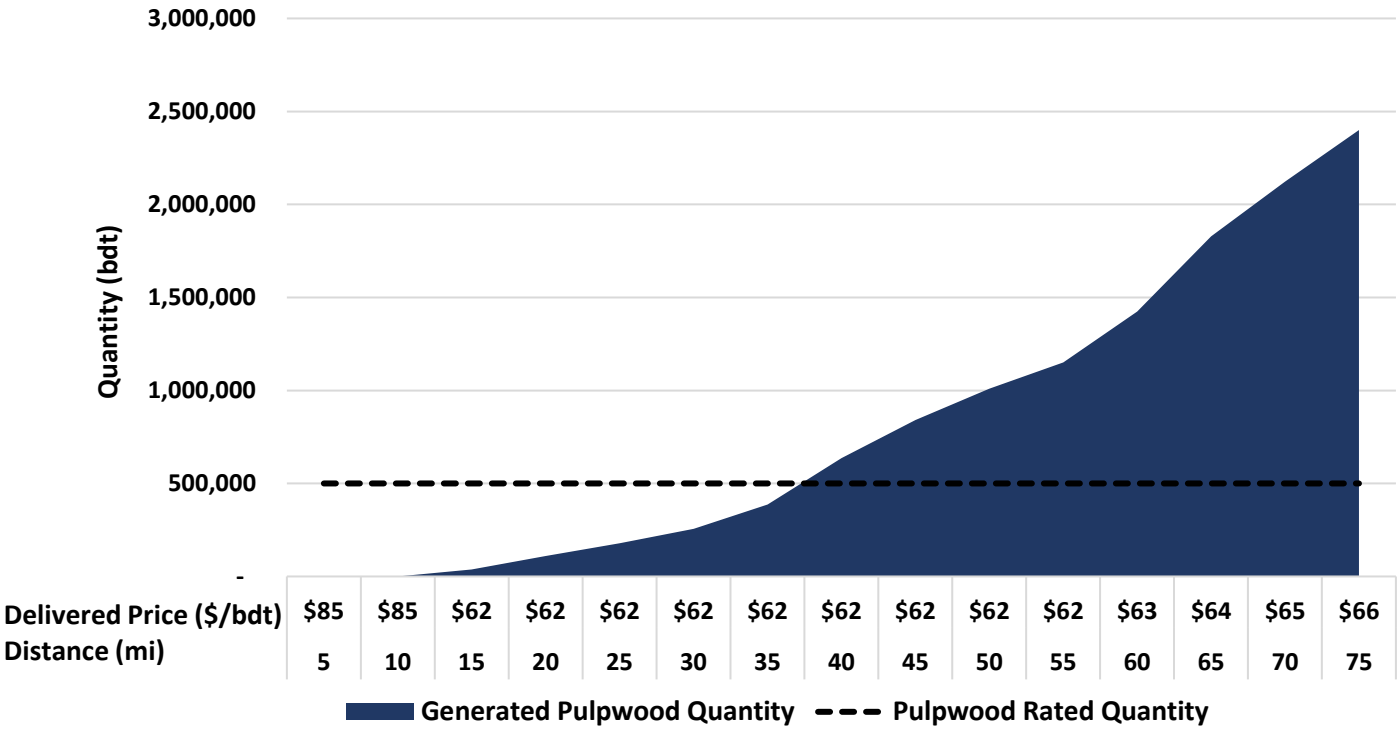
Figure E-5. Average Annual Removals of Timber (top)and Pulpwood (bottom) in the Supply Zone [50]

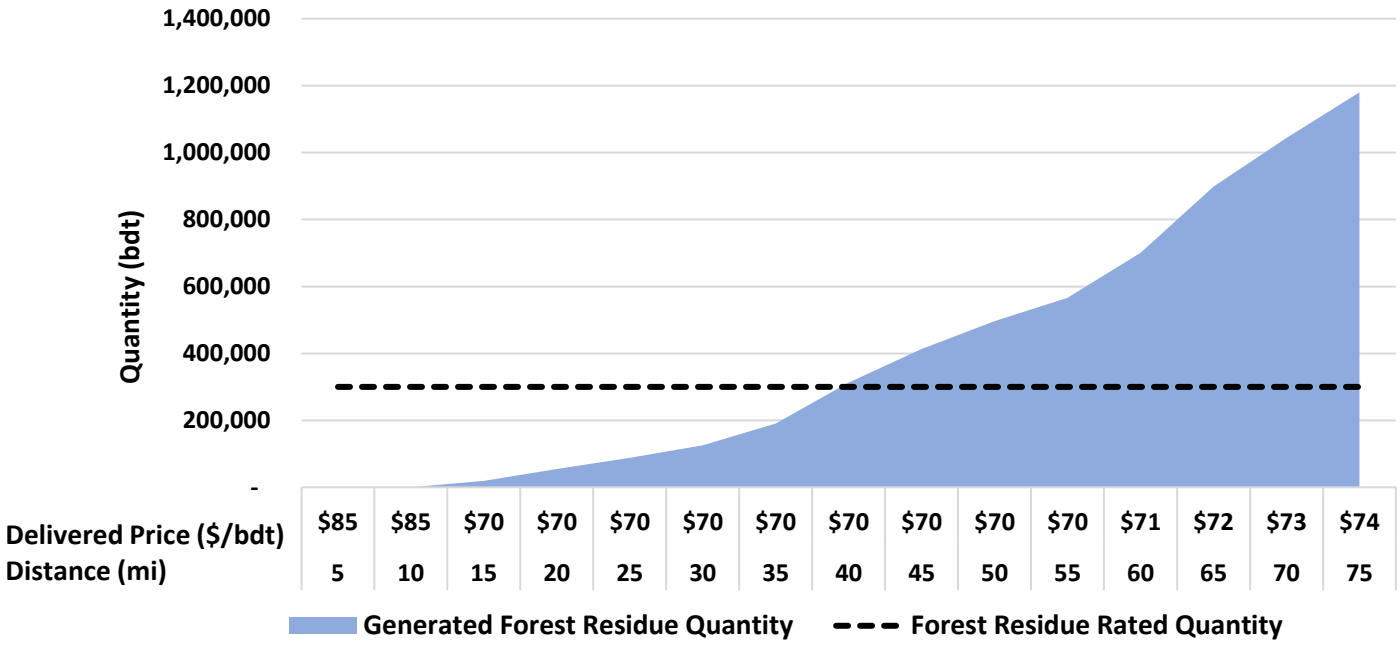




[50] Ibid.

Figure E-6. Supply/Marginal Cost Curves for Pulpwood (top) and Forest Residues (bottom) in the Supply Zone [51]





[51] Ibid.

Figure E-7. Historical Diesel Prices ($/gal) and Trendline - Gulf Coast Region

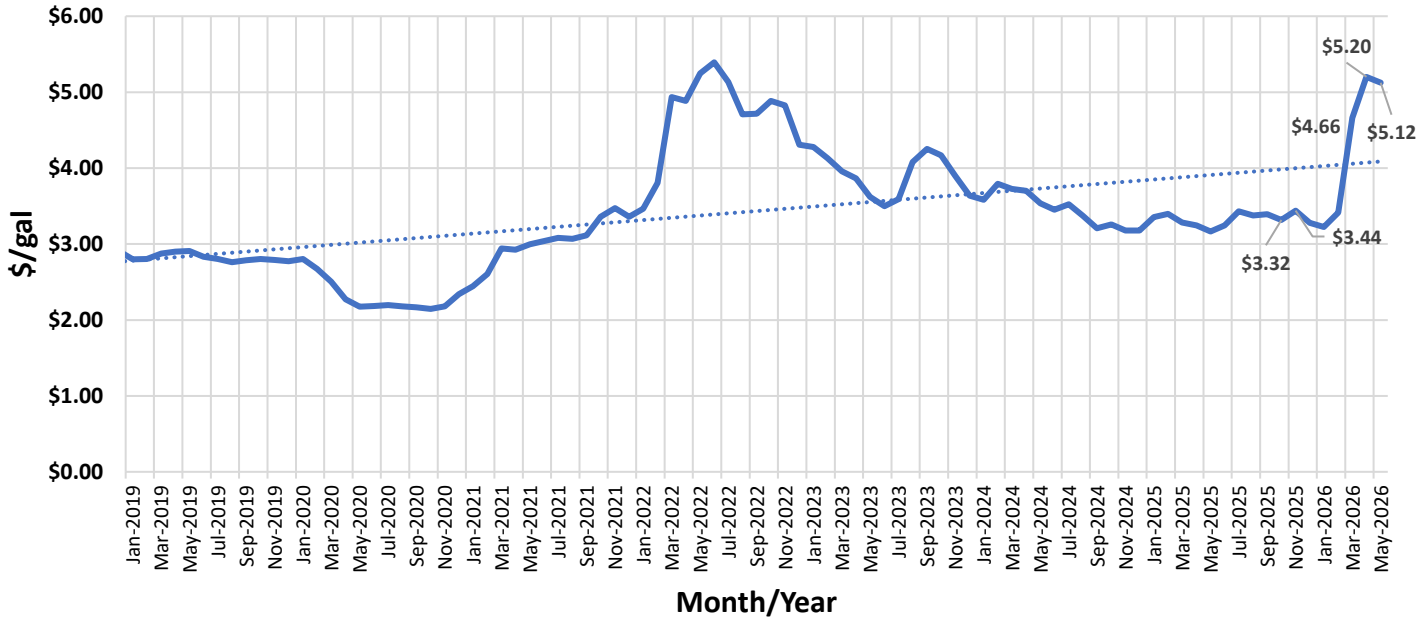
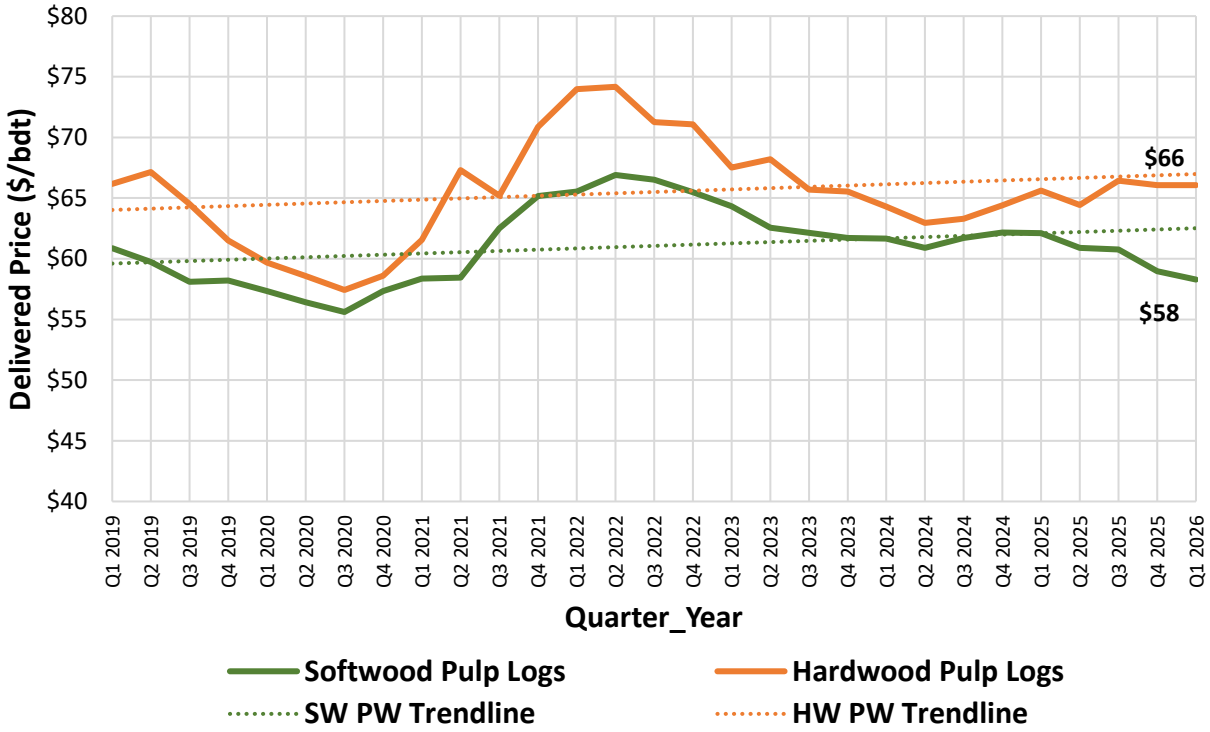


Figure E-8. Pulpwood Market Prices (Timber Mart South Q1 2026 Data, US Southeast)



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