

Dennis F. Dunne, Esq. (admitted *pro hac vice*)
 Evan R. Fleck, Esq. (admitted *pro hac vice*)
 Andrew C. Harmeyer, Esq. (admitted *pro hac vice*)
MILBANK LLP
 55 Hudson Yards
 New York, New York 10001
 Telephone: (212) 530-5000
 Facsimile: (212) 530-5219

Michael D. Mueller, Esq. (VSB No. 38216)
 Jennifer M. McLemore, Esq. (VSB No. 47164)
 Gabrielle E. Brill, Esq. (VSB No. 98115)
WILLIAMS MULLEN
 200 South 10th Street, Suite 1600
 Richmond, Virginia 23219
 Telephone: (804) 420-6000
 Facsimile: (804) 420-6507

Andrew M. Leblanc, Esq. (admitted *pro hac vice*)
 Erin E. Dexter, Esq. (admitted *pro hac vice*)
 S. Robert Marsters, Jr., Esq. (admitted *pro hac vice*)
MILBANK LLP
 1850 K Street, NW, Suite 1100
 Washington, DC 20006
 Telephone: (202) 835-7500
 Facsimile: (202) 263-7586

*Co-Counsel to the Ad Hoc Committee of
 Unsecured Claimants*

**IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE EASTERN DISTRICT OF VIRGINIA
 ALEXANDRIA DIVISION**

| | | |
|------------------------------|---|-------------------------|
| In re: |) | |
| |) | Chapter 11 |
| |) | |
| ENVIVA INC., <i>et al.</i> , |) | Case No. 24-10453 (BFK) |
| |) | |
| Debtors. ¹ |) | (Jointly Administered) |
| |) | |

**STATEMENT OF AD HOC COMMITTEE
 IN CONNECTION WITH DEBTORS' MOTION FOR ENTRY
 OF AN ORDER EXTENDING THE EXCLUSIVITY PERIODS
TO FILE AND SOLICIT ACCEPTANCES OF A CHAPTER 11 PLAN**

¹ Due to the large number of Debtors in these jointly administered chapter 11 cases, a complete list of the Debtor entities and the last four digits of their federal tax identification numbers is not provided herein. A complete list may be obtained on the website of the Debtors' claims and noticing agent at <https://veritaglobal.net/enviva>. The location of the Debtors' corporate headquarters is: 7272 Wisconsin Avenue, Suite 1800, Bethesda, MD 20814.



The *ad hoc* committee of holders of interests in claims acquired from RWE Supply and Trading GmbH (the “Ad Hoc Committee”) submits this statement in connection with the Debtors’ *Motion for Entry of an Order Extending the Exclusivity Periods to File and Solicit Acceptances of a Chapter 11 Plan* [Docket No. 805] (the “Motion”)² and respectfully states as follows:

1. The Ad Hoc Committee does not object to the Debtors’ request for a 120-day extension of the Exclusivity Periods. But the Court should not interpret the Ad Hoc Committee’s non-objection as support for the Debtors’ plan process. The Ad Hoc Committee has significant concerns regarding the Debtors’ lack of engagement with the Ad Hoc Committee concerning the formulation of a chapter 11 plan. It is in the best interests of all parties for the Debtors to involve the Ad Hoc Committee in plan discussions *now* to foster consensus *before* a chapter 11 plan is filed.

2. The Ad Hoc Committee is one of the largest, if not the single largest, economic constituent in these cases that is not a party to either of the Debtors’ restructuring support agreements (the “RSAs”). The Ad Hoc Committee, through its members, holds more than \$300 million in undisputed unsecured claims across three Debtors: Enviva Inc., Enviva, LP, and Enviva Pellets Waycross, LLC. Given its holdings, the Ad Hoc Committee has a substantial interest in the plan formulation process, and it intends to participate actively and constructively therein.

3. Unfortunately, the Debtors’ plan process thus far has been deficient in at least two respects:

4. *First*, the Debtors have not meaningfully engaged with the Ad Hoc Committee regarding any plan issues notwithstanding the Ad Hoc Committee’s diligent efforts to engage with

² Capitalized terms used but not defined herein have the meanings ascribed to them in the Motion.

the Debtors and other major stakeholders, including the Ad Hoc Group. The Debtors are due to file their proposed chapter 11 plan within days. Yet the Ad Hoc Committee currently lacks visibility into numerous critical chapter 11 plan issues that were left unresolved by the RSAs, including, to name a few:

- the Debtors’ proposed allocation of value and case costs among the various Debtors;
- the proposed backstop fee and discount relating to the contemplated equity rights offering; and
- the proposed eligibility criteria for participation in the equity rights offering.

These issues are likely to have significant implications for the Ad Hoc Committee and its views with respect to an acceptable plan of reorganization for the Debtors. To that end, the Ad Hoc Committee asked the Debtors for a meeting to discuss plan-related issues, but the Debtors have yet to commit to such a meeting, instead preferring to adhere to a perceived hierarchy among estate stakeholders that has left the Ad Hoc Committee “waiting its turn” for months on end. This is counterproductive and only increases the likelihood for unnecessary conflict.

5. *Second*, the Debtors have failed to share information with the Ad Hoc Committee that is readily available and pertinent to the Ad Hoc Committee’s evaluation of any proposed chapter 11 plan, including information relating to the potential allocation of value among the various Debtors and the Debtors’ investigation of prepetition transactions. There is no reason to withhold this information: the Ad Hoc Committee is comprised of financial creditors interested only in resolving these cases and is not a commercial counterparty that might have other interests. Moreover, providing this information and access to the Ad Hoc Committee is critical to moving the plan process and these cases forward efficiently and productively.

6. The Ad Hoc Committee recognizes that a degree of delay is attributable to the change in the Debtors' lead counsel, and was likely unavoidable given the transition. But the Debtors' new and eminently capable lead counsel has now represented the Debtors in these cases for weeks, and has had ample time to get up to speed. Moreover, the Debtors' other advisors, including Lazard Frères & Co. LLC and Alvarez & Marsal North America, LLC, have been advising the Debtors in connection with these cases since before the petition date without interruption. The appropriate infrastructure is firmly in place to facilitate basic information-sharing and dialogue.

7. Time is of the essence. The Debtors' request to extend the Exclusivity Periods by a considerable time is set against a backdrop of potential business challenges, to which the Ad Hoc Committee is particularly attuned. Given this, it is all the more necessary to move quickly and transparently, and all the more concerning when efforts to engage cooperatively are cut off at the pass.

8. The Ad Hoc Committee desires to avoid the unnecessary cost and uncertainty of plan confirmation litigation if possible. The Debtors should encourage engagement among the various major stakeholders and provide the Ad Hoc Committee the information all other significant parties are receiving. That informed engagement will be beneficial to all stakeholders in these cases.

9. The Ad Hoc Committee is ready to roll up its sleeves and engage constructively with the Debtors and other parties in interest, and it expects the Debtors to be prepared to do the same. With an extension of the Exclusivity Periods, the Ad Hoc Committee is hopeful that the Debtors will use the additional time wisely, working together with all their major stakeholders, including the Ad Hoc Committee, to reach a consensual and value maximizing plan.

Dated: August 8, 2024

Respectfully submitted,

/s/ Michael D. Mueller

Michael D. Mueller, Esq. (VSB No. 38216)
Jennifer M. McLemore, Esq. (VSB No. 47164)
Gabrielle E. Brill, Esq. (VSB No. 98115)
WILLIAMS MULLEN
200 South 10th Street, Suite 1600
Richmond, Virginia 23219
Telephone: (804) 420-6000
Facsimile: (804) 420-6507
Email: mmueller@williamsmullen.com
jmclemore@williamsmullen.com
gbrill@williamsmullen.com

- and -

Dennis F. Dunne, Esq. (admitted *pro hac vice*)
Evan R. Fleck, Esq. (admitted *pro hac vice*)
Andrew C. Harmeyer, Esq. (admitted *pro hac vice*)
MILBANK LLP
55 Hudson Yards
New York, New York 10001
Telephone: (212) 530-5000
Facsimile: (212) 530-5219
Email: ddunne@milbank.com
efleck@milbank.com
aharmeyer@milbank.com

Andrew M. Leblanc, Esq. (admitted *pro hac vice*)
Erin E. Dexter, Esq. (admitted *pro hac vice*)
S. Robert Marsters, Jr., Esq. (admitted *pro hac vice*)
MILBANK LLP
1850 K Street, NW, Suite 1100
Washington, DC 20006
Telephone: (202) 835-7500
Facsimile: (202) 263-7586
Email: aleblanc@milbank.com
edexter@milbank.com
rmarsters@milbank.com

*Co-Counsel to the Ad Hoc Committee of
Unsecured Claimants*

CERTIFICATE OF SERVICE

I, Michael D. Mueller, hereby certify that, on this 8th day of August 2024, I caused a true and correct copy of the foregoing to be served via CM/ECF notice on all parties who have registered for electronic service in these cases.

/s/ Michael D. Mueller

Michael D. Mueller