

# CANADIAN BIOMASS

## Where is biomass headed in Canada?

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Jan. 13, 2010 – The forest industry may be suffering, but wood-based bioenergy development is booming. In fact, bioenergy has been a mainstay of the Canadian pulp and paper business for decades. Canadian pulp mills have the capacity to produce more than 1,600 MW of power from wood residues and black liquor. Independent power producers sell another 300 MW of wood biomass-derived power to provincial utilities across Canada. In total, Canada is producing close to 2,000 MW of power from wood residue today.

This is only the tip of the iceberg. In British Columbia, the mountain pine beetle provides a huge opportunity for renewable energy development. There are over one billion cubic metres of dead pine trees that can provide fuel for new heat and power development. Even if only half of this volume is used for renewable power development, more than 1,750 MW of new capacity could be developed – enough to power 1,750,000 homes. In addition, harvesting residues that were once burned as waste are now being recovered and turned into renewable energy.

Wood-based power is cost competitive with new renewable power alternatives like wind, run-of-river options, and solar. Moreover, biomass power is a firm, reliable source of power, unlike other renewables that must be backstopped by firm energy sources. For a utility like Ontario Power Generation (OPG), which is being legislated to shut down coal-fired power plants, reliable and lasting wood power is the logical substitute.

### Keep pellets in Canada

Another opportunity is the repatriation of offshore sales of wood pellets. Today, the Canadian wood pellet industry sells in excess of 800,000 tonnes of wood pellets into European markets. Most of this production is used by utilities to produce renewable power, to satisfy renewable requirements and greenhouse gas reduction targets. If these same pellets were used to produce renewable power in Canada, it would add a further one million MWh or an additional 120 MW of capacity.

Unfortunately, Canadian governments have not put in place the same incentives as the European Union nations; as a result, we are now well on our way to solving Europe's greenhouse gas problem. Fortunately, we now have enlightened utilities such as OPG that have decided to adapt a portion of their generating capacity to wood residue fuel. OPG's decision will lead to the development of an additional one million tonnes of wood pellet capacity in Ontario.

Wood biomass energy can provide a much-needed stimulus to the Canadian forest industry, but only if we move now to provide government leadership backed up by policies that will provide incentives for capital investment in new plant and equipment. To get your voice heard, write a letter to your MP and consider joining a bioenergy association that will push for better policies to support the development of bioenergy and bring businesses together to get projects off the ground now.

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