



Biomass energy bottlenecks

By Jim Stirling

Supporters of a promising new chapter in British Columbia's forest industry development are becoming frustrated by bottlenecks within B.C. Hydro.

Producing green energy from wood biomass has captured the entrepreneurial spirit. The fibre required is available (if not yet universally accessible); the basic technologies required are well developed and maturing--and the market demand for green power in the province is demonstrably needed and socially acceptable.

But B.C. Hydro, the purchaser and distributor of power in the province, appears rooted in the past. It has so far been slow to re-energize its internal planning and implementation strategies to accommodate and encourage the new set of realities. The corporation has, it appears, been basing its power purchase criteria on its old model. The problem there is that model is not ideally suited and directly transferable to best accommodate the needs of non-hydro power generation initiatives.

It will all undoubtedly work itself out--it has to, there's much at stake--but in the interim, several projects are poised to take the next developmental step forward if they can just negotiate a workable deal with B.C. Hydro.

The timing is certainly right for utilizing more of the industrial forest. An upside of the mountain pine beetle epidemic in the B.C. interior, the collapse of the housing market and the subsequent credit fiasco initiated by the U.S. is the provision of a needed wake-up call.

What's been happening latterly has shocked with its speed and impact just as surely as it has shaken off lethargy. It forces us to confront the nasty fact that our familiar world has changed and continues to evolve. And when a degree of normalcy returns--which it will--there will be a new set of rules in the marketplace and, perhaps more importantly, a refreshed mind-set toward the forest economy.

An important part of that is utilizing wood that is surplus to commodity lumber production--never refer to it as waste wood--for other purposes, including the manufacture of renewable green power.

For some reason, there appears to be a misconception that the emerging situation is either lumber production or energy production as it relates to the forest industry. The reality is, of course, both in complementary partnerships and potential cost sharing agreements.

At the time of writing, B.C. Hydro's most recent call for alternate energy proposals gave the green light to only three projects which were primarily non "new" forestry. One of the parties left frustrated by that call but hoping for a more favourable result in the future is the power generation proposal of the Gitksan Hereditary Chiefs and their partners in the Hazelton region.



It is the delays to the process and inconsistencies on the part of B.C. Hydro which are the root of the frustration, according to a spokesman for one of the Gitksan's partners, Pacific Northwest Biomass. In the meantime, they were in active consultation with wood pellet fuel manufacturers about setting up plants in the region.

Another new energy enterprise supported by First Nations is the NaiKun Wind Energy Group Inc's project proposed for the waters of Hecate Strait, between the Queen Charlotte Islands and B.C.'s northwest coast. In all its phases, the proposal would utilize up to 110 wind turbines with enough power production potential for 130,000 houses.

"In (our) view, B.C. has a very good energy policy," pointed out Paul Taylor, NaiKun Wind's president, to delegates to a recent Northern Economic Summit in Prince George. "Where we have more work to do is in the execution and implementation of the energy strategy." But the company has first to navigate its way successfully through B.C. Hydro's selection process.

What does a wind farm energy application have to do with the forest industry?

Plenty, potentially. The islands' electricity needs are supplied by expensive and polluting diesel generators. Cheaper, cleaner wind power for new investments like sawmills is a catalyst for rejuvenating the islands' moribund forest sector.

Alberta-based Pristine Power is a bioenergy pioneer in B.C. One of the company's proposed projects is a partnership in the Mackenzie Green Energy bioenergy plant. Harvie Campbell, the company's executive vice-president, also participated in that northern economic summit. "The entire province should be the North American leader in clean energy," he told the audience of business leaders and politicians. "The potential for a dynamic, renewable energy sector is nearly unlimited."

But that potential has yet to be realized and other jurisdictions are jumping on the bandwagon. Campbell reckons B.C.'s forests could sustain 300 megawatts of annual generating capacity from mill surpluses and up to 1200 megawatts from roadside residues.

He calls for B.C. Hydro to invest in power capacity and transmission to bring more power proposals on stream faster. Campbell also recommends B.C. Hydro re-think its preference for relatively short term contracts with its new green energy partners. A 10 year contract is insufficient inducement to build a new plant in today's hard to acquire capital investment climate.

Another potential stumbling block to new bioenergy proposals receiving the green light to proceed is B.C. Hydro using the cheapest available power as the sole criteria.

What should also enter the equation, according to some observers, is a broader view of a project's benefits as an investment in the economy.