

**JOINT MEETING OF THE
VANCOUVER ISLAND NORTH WOODLANDS ADVISORY GROUP
(VINWAG)
AND
NIMPKISH WOODLANDS ADVISORY COMMITTEE
(NWAC)
Western Forest Products Inc.
Community Advisory Group
At Black Bear Resort
Minutes of Meeting September 12, 2013**

Attendance:

VINWAG

Jon Flintoft, WFP
Dave Trebett, Tourism and Recreation
Ray Harper, Labour
Janet Dorward, Local Government
Fred Robertson, Education
Ian Burdikin, WFP
Dale Dorward, Small Business
Lisa Lenarduzzi, Small Contractors
Gaby Wickstrom, Port McNeill Chamber
Ione Brown, NICFLP
Paula Galloway, Aquaculture
Brian Smith, Operations Manager, Port McNeill, WFP
Patrick Donaghy, Local Government

NWAC

Gaby Wickstrom, Town of Port McNeill
Jack Miller, Labour
Stu Abernathy, Recreation, Mount Cain
Bill Nelson, Logging Contractor
Trevor Egley, WFP

Presenters: Dominik Roser, FP Innovations and Brendan Mohan, WFP, Dr. Marian Marinescu, FP Innovations

Regrets: Tom Doak-Dunelly, Member at Large, Pat English, Local Government, Jeff Houle, Small Contractors,

Observers: Ralph Wallas,

Advisors:

Chairperson and Facilitator: Annemarie Koch

Minutes taken by: Jon Flintoft and Annemarie Koch

1.0 SAFETY AND INTRODUCTIONS

Annemarie welcomed everyone to the meeting, stressed the importance of safety in WFP's operations, and reviewed the procedures to follow in the event of an emergency. Annemarie reviewed the objectives of the meeting, namely to give VINWAG and NWAC members a chance to meet one another and talk about issues of common interest, hear a presentation by Dominik Roser, Dr. Marian Marinescu and Brendan Mohan on biofuels (including mandatory Criterion Four mandatory discussion item, carbon emissions from fossil fuels used in forest operations), review and provide input on a new northern Vancouver Island public advisory group website, see a demonstration of the new CSA Communities of Interest website, and confirm the date and potential topics of the October 24th VINWAG meeting and the December 12th NWAC meeting.

Annemarie invited everyone to introduce themselves for the benefit of the presenters, and all public advisory group members attending the meeting.

2.0 BIOMASS ENERGY INITIATIVES: DOMINIK ROSER, AND DR. MARIAN MARINESCU, FP INNOVATIONS AND BRENDAN MOHAN, WFP

Annemarie introduced FP Innovations presenters Dominik Roser and Dr. Marian Marinescu, and WFP representative Brendan Mohan and invited them to proceed with their presentation on biofuel energy initiatives.

The following is a very brief overview of the presentation. Details of the presentation are in the pdf on biofuels that was circulated to VINWAG members prior to the meeting.

Brendan thanked the representatives of FP Innovations for assisting him with the presentation on Biomass and Bioenergy. He noted that he would be addressing some of the challenges and opportunities related to biomass utilization in the region. Brendan began by identifying biomass and what serves as biomass feedstock.

Brendan reviewed the definition of biomass energy as bioenergy. There was a discussion of confusion experienced currently by producers around units of energy production, eg. green tonnes versus gigajoules and megawatt hours.

It was noted that some projects have moved ahead in Europe because of the production and sale of heat as well as electricity (CHP).

Fred asked how wood waste compared in efficiency to coal or other sources of energy. It was noted that efficiency relates to the technology of conversion of the biomass, be it coal or wood waste.

It was noted the efficiency is key to the success of a project.

Brenda pointed to some of the critical factors related to biomass fuel, including moisture, size, shape, source, chemical composition and contaminants. Brendan noted that salt has a major influence on the conversion of wood biomass, so the challenges on the coast are different from those in the Interior.

Brendan noted that FP Innovations is looking at ways of solving the desalinization of chips and hog.

Patrick asked about challenges related to cedar. Brendan noted that, depending on the technology being used, cedar can be an issue. Jack asked whether salt would be an issue if the wood waste being used would be coming largely from the woods in this region.

Brendan explored some of the options for biomass, including electricity, pellets, heat, additives, transportation fuels, textiles and torrefaction products (which are hydrophobic).

It was noted that the investment costs for developing products such as torrefied wood are very high and the technology is yet to be proven.

Fred asked how clean the biomass is in relation to other fuels. It was noted that wood is considered carbon neutral and so carries some 'green' advantages.

Patrick asked about competition from the natural gas markets in North America. Brendan noted that the object was to consider wood as a fuel replacement. He reviewed the price of oil and natural gas in comparison to wood products and noted that price points were potentially close, depending on location and quality of wood waste, for example. He added that the North Island does not have access to the natural gas line currently serving Vancouver Island.

Brendan pointed to the challenges of capitalization and scaling the project, in relation to return on investment.

Brendan reviewed some of the 'best bets' in bio-products, using a risk and reward analysis, including essential oils, food additives, methane, ethanol, and combined heat and power.

Dominik pointed to the challenges around developing technology and markets in wood waste products.

Brendan reviewed issues around value versus volume in relation to wood waste products. He noted that, while prices were high for some products, the technology and markets weren't there yet.

Brendan stressed that feedstock cost is key to competitiveness, eg 40%-60% of costs is in delivering wood to the mill. He added that the supply chain is critical, and high value products need to be developed in order to bring up the value of biomass.

He noted that European sales are currently working because the EU is subsidizing acquisition.

There was a discussion of how woodwaste might meet local needs and markets. It was noted that one of the objectives was to offset carbon.

It was noted that use of wood could leave more money in the community. Dominik noted that there were some great success stories in Finland using small woodwaste projects in communities about the size of Port McNeill.

Dominik noted that the end users for the heat and energy were usually bigger consumers and not single family homes, for example.

Brendan reviewed the success of developing district heating plants in Finland between 2000 and 2008, using small scale municipal heating plants, serving populations of 3,000-5,000.

There was a discussion of supply of wood in Finland. Dominik noted that thinning is used extensively in Finland and that the products of thinning are used for energy production, and thinning is subsidized in order to encourage development over the long term of high value sawlogs and other wood products.

He noted that Finland's goal in 2030 was to be oil-free.

Jack asked how critical subsidies are to the success of this initiative in Finland. There was a discussion of the role of subsidies.

Fred asked if WFP was actively considering a biofuels project at this time. Brendan noted that biofuels were currently 'on the radar screen' because of advancing knowledge in technology and interest in the markets.

He noted that WFP was willing to look at projects with return on investment and improvements to the company's ongoing capitalization.

Brendan pointed to the value of partnerships in this process.

Ralph asked whether there was enough debris out there, with current logging practices being what they are.

Brendan said it depended on how much a purchaser was willing and able to pay.

Ralph asked how feedstock prices are set. There was a discussion on the prices, especially in relation to transportation costs.

It was noted that government policy around stumpage was a whole other conversation but that, in relation to other challenges, it wasn't a huge issue.

Stu asked about the supply chain to the small plants in Finland. Dominik noted that it was small scale production and shipment of woodwaste product, with just in time supply. Stu asked how many cubic metres would support a municipal supply for a community the size of Port McNeill. It was noted that 1,000 bone dry tonnes a year would support a medium-sized hospital.

Patrick asked about cedar waste from mills on the North Island. He noted that producers here might pay to get rid of their cedar waste. There was a discussion of the possibility of putting a heating plant in the area to serve, for example, Port McNeill. It was noted that a good feasibility study would be required to support this.

Brenda noted that low hydro rates make it very challenging to develop alternate energy sources in B.C.

It was noted that successful projects require good leaders, and cooperation.

Ray asked about the average size of the plants. It was noted that the system generally takes a fairly small footprint, plus storage and distribution. It was noted that the plant could be run by less than one FTE, and there were no high skill sets required, eg for a steam engineer.

It was noted that the presence of a community forest might be part of the supply and success of an initiative.

It was noted that low energy costs in B.C. make this type of initiative very challenging.

3.0 REVIEW AND INPUT ON NORTHERN VANCOUVER ISLAND PUBLIC ADVISORY GROUP WEBSITE: JON FLINTOFT

Jon noted that both public advisory groups on the North Island had expressed an interest in having a dedicated website for public advisory group members. He added that the site that had been prepared was simple to use and update. He noted that the site could be used to access information such as meeting schedules and agendas.

Jon showed the newly drafted North Island public advisory group website to VINWAG and NWAC members, featuring meeting schedules, minutes, terms of reference, SFMP documents and annual reports, links and a photo gallery. He asked public advisory group members for their input on content and layout of the website. He noted that Kelly did most of the work on the website.

Jon noted that members could access the draft SFMP off the website and provide comments at meetings, rather than refer to bulky copies of the drafts at meetings. Jon invited members to contribute photos for the photo gallery.

Members were invited to take a look at the website at <http://www.northislandpag.com>

The following input from members will be passed on to the webmaster for integration in the website:

Dale asked about a search function for the site. It was noted there was a search engine on the site.

Annemarie invited public advisory group members to take a look at the site and to provide input on an ongoing basis, to improve the content and access to this website tool.

Annemarie thanked Kelly McMahon, Jon and webmaster Ivana MacDougall for preparing the website for joint review by members of VINWAG and NWAC at this meeting.

4.0 DEMONSTRATION OF CSA COMMUNITIES OF INTEREST WEBSITE: JON FLINTOFT AND ANNEMARIE KOCH

Annemarie noted that the purpose of the CSA COI website was to provide an opportunity for public advisory group members to learn more about and provide input to CSA standard development in Canada.

Jon gave a brief demonstration of how to join and log into the website, and how to follow items of interest. Annemarie noted that, while some members might find this Facebook-like medium useful as a learning and communications tool, others might not, and she encouraged public advisory group members

to make their own decisions about this. She added that members could let her know whether they would like further information about the use of the site at a future meeting in 2014.

5.0 NEXT MEETING AND CONCLUDING REMARKS: JON FLINTOFT, WFP AND ANNEMARIE KOCH

It was agreed that the next VINWAG meeting would take place on Thursday, October 24 at WFP's marshalling yard. Annemarie noted that Mike Davis had been invited to talk about TFL 39 and the implications of the proposed transfer of Block 4. Annemarie added that action items and minutes from the June 27th meeting, a preliminary discussion of the 2014 meeting schedule and associated presentations, and recommendation of a new representative for large contractors (now that Vadim Stavrikov is working for WFP) would be dealt with also at the October 24th meeting.

It was agreed that the next NWAC meeting would take place on December 12th at Black Bear Resort.

Annemarie also reminded VINWAG members of the annual field trip the following morning.

Annemarie, Jon and Trevor thanked everyone for coming.

When: OCTOBER 24, 2013 (VINWAG) and DECEMBER 12,2013 (NWAC)
Dinner: 6:30 p.m.
Meeting: 7:00 p.m.