

# BIO-RENEWABLE ENERGY TO JUMP-START THE NORTH WEST ECONOMY



Since this is my first time contributing on behalf of the North West Loggers Association, I will start by providing a short background of my involvement with the NWLA.

I owned and operated a trucking company in the Terrace area for about 25 years with 20 years involved in log hauling and the last dozen almost exclusively in logging. During that time, I felt it was important to belong to an organization that would give a voice to our industry, and I still do, even if that voice is not listened to sometimes.

I served many terms as president and vice president of the NWLA over those years. Around 1997, I stepped back from the logging industry and by 2000 was out altogether. When I left, the north west had two sawmills in Terrace running two shifts, a sawmill in Hazelton running two shifts, and numerous smaller sawmills serving niche markets. There were two pulp mills operating 365 days a year and sawmill residuals and pulp fibre were in strong demand. In 2019, after my retirement, there was some pressure for me to fill a void in the NWLA as a part-time manager. I still had some ties to the NWLA as I had continued to serve as a director on the board.

The industry has changed significantly. Terrace now has one remaining sawmill operating one shift, both pulp mills are gone, and the logging sector is about 40 per cent of what it was. The small and medium-sized independent sawmills serving niche markets are still there and some have even expanded. The strong demand for sawmill residuals and pulp logs is gone. Some pulp logs are shipped to pulp mills on the southern Coast, and some chips are exported, but due to geography we are considered high-cost producers and as such very sensitive to small changes in demand. Skeena Sawmills has added a pellet plant that is

promising for its own residuals but supply far exceeds demand.

Meanwhile, in the rest of the province, an industry that barely existed 25 years ago has experienced major growth. Cogeneration and pellets have expanded exponentially due in part to the increased allowable annual cut (AAC) as a result of the mountain pine beetle. Sawmills expanded, creating more mill residuals feeding the industry with low-cost fibre. But now, as the beetle-affected wood dries up and AAC reductions come into effect causing mill closures, we are seeing more stress on that industry. The North West was not able to participate in that growth because of myths about the viability of making pellets out of hemlock and balsam, which Skeena's pellet operation has since debunked. A recent operation with some unique thinking about piling woody debris has shown another myth about moisture content can be overcome. The North West had some interest from European companies in developing a pellet industry, but the financial crisis of 2008/09 put the brakes on that.

All of this brings me to my point, which is that not having a dependable market for our fibre-quality logs at the cost of production has impeded our ability to fully exploit the potential of the industry in the North West. A group of individuals in our region have spent many years developing a plan that would open those opportunities. It is a simple plan to create bioenergy with unique aspects to help government fulfill some commitments to First Nations, meet its promises on clean energy, and offset carbon emissions from LNG.

A maximum annual bio-renewable energy stimulus of \$12 million would open the door to \$400 million of private capital investment, increase log processing here, while cutting the need to export, creating 500 new permanent

jobs and generating \$50 million of GDP annually. These numbers have been reviewed by experts and have been found to be sound estimates.

It is estimated that there is over 378 million cubic metres of mature timber available in this region. Unfortunately, many of those stands have up to 50 per cent pulp (fibre) log content. While it costs the same to log a pulp log as a saw log, this bio-renewable energy stimulus would bridge market differences and open the potential for our North West forests.

This proposal has been vetted and presented to government agencies at the provincial and federal level, and the bureaucrats have received it with positive interest. The GDP, jobs, and cost of each job created is better than the Site C project. By comparison, the \$220 million federal government invested into gas turbines for LNG would have funded this program for 20 years.

This program ticks off many of the current government's priorities. It helps with treaty discussions, provides more value for each log harvested, creates renewable energy, helps address carbon and climate targets and would stabilize the economy of rural communities, reducing the pressure on social programs, and providing incentive for private capital investment.

Coming out of an economy ravaged by COVID-19, this bio-renewable energy stimulus is a low-cost way to jump-start the North West economy, while allowing private capital to do the heavy lifting.

All we need now is buy-in and leadership from our elected representatives to move it forward.▲

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