
INFORMATION BULLETIN

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Ministry of Environment

MACKENZIE GREEN ENERGY CENTRE PROJECT APPROVED

VICTORIA – Mackenzie Green Energy Limited Partnership (the proponent) has received an environmental assessment (EA) certificate for the construction and operation of a new biomass cogeneration facility located within the District of Mackenzie, 175 km north of Prince George.

The proponent is a partnership between Alberta-based Pristine Power Inc., Harbert Power LLC and Vancouver-based Balanced Power Inc.

The Mackenzie Green Energy Centre (the project) will burn wood residues from area sawmills to produce an average net output of 59 megawatts of clean, renewable energy for sale to BC Hydro and steam for use by the adjacent Pope & Talbot pulp mill. The provision of steam to the pulp mill will enable it to decrease the use of natural gas that would otherwise have been consumed to meet its steam requirements.

Environment Minister Barry Penner and Energy, Mines and Petroleum Resources Minister Richard Neufeld made their decision to grant the EA certificate after considering the details of a comprehensive review of the project led by B.C.'s Environmental Assessment Office (EAO).

The use of wood residue will facilitate the closure of, or the reduction of emissions from, Tier 2 beehive burners at sawmills in Fort St. James, Mackenzie, Chetwynd and Bear Lake, contributing to substantial improvements in air quality in these communities. After the project is operational and the pulp mill power boiler has been shut down, the project will result in a 77 per cent reduction in carbon dioxide emissions and a 52 per cent reduction (21,900 tonnes per year) in greenhouse gas emissions from baseline conditions in the Mackenzie area.

The project is consistent with the B.C. government's goal to reduce greenhouse gas emissions while contributing to the Energy Plan's commitment to make British Columbia self-sufficient again in electricity by 2016.

Greenhouse gas emissions from the project will be roughly 93 per cent less than those from a combined cycle natural gas-fired generation facility or 97 per cent less than the emissions from a coal-fired generation facility of comparable size.

When completed, the project will help reduce British Columbia's reliance on imported electricity by generating enough electricity in an average year to meet the needs of 50,000 homes. The project was awarded a BC Hydro Electricity Purchase Agreement in 2006 and the proponent plans to begin commercial production of electricity from renewable sources in December 2009.

Representatives of the McLeod Lake Indian Band, the West Moberly First Nations, Sauleau First Nations, Halfway River First Nation, Fort Nelson First Nation and the Treaty 8 Tribal Association participated in the review of the project.

A federal environmental assessment review of this project was triggered by the proponent's application for federal financial assistance, under the ecoEnergy for Renewable Power Program administered by Natural Resources Canada. After conducting a harmonized review of the project, the EAO and federal agencies prepared a joint Assessment Report/Screening Report for decision-makers. Based on this report, the EAO has concluded that the project will have no significant environmental, social or health effects on the surrounding area.

Before the project can proceed, the proponent will need to obtain the necessary licences, permits and other approvals from provincial and local authorities. The provincial environmental assessment certificate contains 133 commitments that the proponent must implement throughout the various phases of the project. Some key commitments include:

- Ensuring that design, operation and monitoring of emissions protects air quality.
- Conducting a screening level test of emissions of polycyclic aromatic hydrocarbons, dioxin and furan in triplicate in the first year of operation.
- Utilizing design and operating procedures to maintain noise levels below 65 decibels.
- Ensuring that design, operation and monitoring of the wood residue storage pile and ash landfill protects surface and groundwater quality.
- Designing and operating the project to maximize reuse/recycling of process water.
- Constructing up to five nesting platforms for birds.
- Requiring trucking contractors to report all collisions with large mammals, maintaining a record of all collisions and implementing changes in important areas as needed.
- Providing information on First Nations and local businesses to the general contractor.
- Providing information on potential jobs and contracts to residents and First Nations.
- Providing two "job shadowing" positions for First Nations youth during construction.
- Providing apprentice positions for two First Nations individuals during operation.

The project's capital costs are expected to be between \$200 million and \$250 million, and it is expected to create up to 260 jobs during construction and 26 permanent positions during its operational life of 30 years. Annual property taxes to be paid to the District of Mackenzie are estimated to be about \$0.5 million.

More information on the environmental assessment certificate can be found at www.eao.gov.bc.ca.

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