

**Omineca Region
Joint FLNRORD and Residual Fibre/Biofuel Industry Working Group
Meeting Minutes**

Date: Wednesday, April 28, 2021, 9:00AM – 12:10PM

Location: Microsoft TEAMS meeting

Chair: Alena Charlston, Jesse Seniunas

Attendees

Proponents: Jared Taylor (Excel Transport), Bruce McLean (Premium Pellet – Sinclair Group), Gregg Koeler (Premium Pellet – Sinclair Group), Gordon Murray (Wood Pellet Assoc), Jason Mattioli (West Fraser), Aaron Nugent (Skeena Sawmills/Bioenergy), Joe Kenny (Pacific Bioenergy), Martin Deltomb (Skeena Sawmills/Bioenergy), Russ Martin (Canfor), Mat Robson (Conifex), Michael Siclari (West Fraser), Montgomery Jones (Pinnacle), Shawn Durand (Tolko), Michael Thomas (Pinnacle)

FLNRORD: Steve Henderson (Branch - Timber Tenures Forester), Andrew Tait (Omineca Region Tenures Specialist), Ljiljana Knezevic (Branch - Forest Establishment Officer), John Huybers (DPG District Manager), Alena Charlston (DPG Sr Licensed Auth Officer), Jesse Seniunas (DPG Licensed Auth Officer), Dave Van Dolah (DSN District Manager), Dan Szekely (DMK Resource Manager), Duncan Moss (DMK Sr Licensed Auth Officer), Cameron Simpson (BCTS – Stuart Nechako BA), Josh Pressey (Quesnel District DM), Brian Watson (Branch – Forest Carbon Tech Advisor), Kirby Booker (Cariboo Regional Manager), Chris Finke (Timber Tenures Specialist, Omineca), Cynthia Lidstone (Provincial Wood Measurement Specialist), Eric Long (BCTS Woodlands Supervisor, Omineca), Mary Mitchell (Provincial Waste Specialist), Jonathan Murkin (Land and Resource Specialist), Jill Park (Omineca Resource Manager), Harold Stolar (Cariboo District Manager), Katherine Upward (Timber Tenures Forester, Branch), Mark van Tassel (Resource Manager, Northeast Region), Brian Watson (Forest Carbon Technical Advisor), Kevin Wright (Interior Check Scaler), Beth Eagles (Skeena District Manager), Jacek Bankowski (LBI and Forest for Tomorrow, Stewardship Specialist, Omineca)

Regrets: Bernie Tobin (Veolia), Darryl Bokvist (Canfor), Less Butler (Tolko), Dustin Douillard (Tolko), Greg Demille (Skeena Sawmills/Bioenergy), Josh McQuillin (Pinnacle), Ray Raatz (FESBC), Kelly Favron (Conifex), Robert MacCarthy (East Fraser Fibre)

Objective: To provide a forum for the biofuel, pellet and residual fibre industry and government staff to connect at the local level (Omineca Region). An opportunity to provide relevant information to the group as it comes out from provincial levels and a forum to bring forward ideas/challenges to the regional and provincial level.

Meeting Agenda / Minutes

1. **Introductions, meeting objectives and agenda** (Alena Charlston, PG District Authorizations and John Huybers, PG District Manager)
 - John provides background to this joint working group. Intention to provide link between FLNRORD and the biofuel/residual fibre industry and a venue to present updates, challenges, and successes for the industry. Group meetings have been running since 2013.
 - Mentions a lot of unknowns associated with reconciliation and FN consultation. Will cause changes in the way we do business so be prepared for some delays. Is optimistic that changes will be positive.

- Mentions important education opportunity for public when it comes to round logs going to biofuel/residual fibre facilities. Stick to the facts.

2. **Wood Pellet Association of Canada** (Gordon Murray, Executive Director, Wood Pellet Assoc of Canada) – see presentation

- Overview of the Pellet industry and some current barriers the industry is facing.
- Pellet industry is among the largest user of residual fibre.
- Describes history of pellet production from the 1990's and where pellet plants are located in BC and Alberta.
- Reiterates that pellet production is complimentary to the forest industry. Each forest sector is integrated with each other and essential for one another.
- Describes how much of a log is generally utilized at each stage of a log's life and the products that are typically used from each.
- Describes growing demand for wood pellets and pellet industry and a subsequent decline in pulp production overtime.
- Export most of the pellets that are produced domestically in Canada. Majority of export to the UK and 20% Japan
 - BC's share is ~90% of this production
- Describes which are the main international markets for pellets produced in Canada
- Describes traditional wood pellet uses to replace coal produced electricity or to provide as a heating option.
- Describes process of producing electricity from pellets – see presentation diagram.
- Describes process of a heating system using wood pellets – see presentation diagram.
- Describes how trees must go to their highest and best use. Intention is to have only dead, damaged, diseased or low-quality trees that lumber industry doesn't want.
 - Mentions they will be reaching out to have a third party review the kinds of timber/grades going into pellet plants.
- Mentions free Maritime Bioheat Conference on June 2, 2021
- Brian Watson – what's holding us back from selling in Canadian Markets
 - Gordon
 - In western Canada, we're competing against low cost natural gas and most people have natural gas systems installed
 - In eastern Canada, making some headways
 - Don't have boiler manufacturing in Canada
 - Mainly regulatory barriers in Canada.

3. **Concurrent Residual Harvest System** (Cynthia Lidstone, Provincial Wood Measurement Specialist, and Mary Mitchell, Provincial Waste Specialist)

- Branch Update
 - Describes history of CRHS system and how it is enacted through legislation.
 - Uses fixed ratio, doesn't require sampling.
 - CRHS document is intended to be a living document.
 - New strata are developed by data mining HBS to find similar strata and use those strata to create a fixed ratio and a grade profile.
 - Currently working on developing a strata for small tops.
 - With utilization of trees from recent wildfire, have added some different grade profiles for hog fuel and wood chips

- Shows Timber Pricing Branch website that shows all the approved methods of scale. <https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/timber-scaling/alternate-methods-of-scale>
- Shows the process document describing CRHS and quickly discusses each of the delivery ratio and grade profile tables. Refer to the 'Interior CRHS process document' on this website.
- Describes how each tenure and timbermark needs an authorization.
 - Describes some typical conditions set out in this authorization. The application form has conditions in which the tenure holder must sign off before submitting to the District, and the DM signs the CRHS approval.
 - Each Timber Mark needs a separate application. The Tenure holder must complete and sign off the application form.
- Mentions update to CHRS for pellet producers to be able to use unmanned weigh scale sites.
- Shawn Trottier – does CHRS policy prevent licenses from re-selling sawlogs?
 - Cynthia – mentions the conditions do prevent re-selling of sawlogs.
- Q&A with Branch and District (Local DPG reps – Kevin Wright)
 - Kevin Wright
 - CRHS application has to be signed by the tenure holder (not by the secondary fibre user).
 - Re-iterates no re-sale of logs. Volume must be manufactured into it's intended product.
 - Describes how some secondary manufacturers can produce 2 different products (in the case of post and rail, and a bi-product of mulch).
 - District needs to know species profile and mark an "X" on the chart/table for which rate to apply in their application.
 - If facility doesn't have a weight facility, can do a primary departure to a nearby facility instead.
 - Michael Thomas – asks about updates to CHRS policy for field visits when chipping entire blocks.
 - Cynthia – had to develop new strata with new grade profiles to account for tenures with greater sawlog component.
 - Kevin – mentions that field visits are needed when chipping entire block and grade profile estimates are signed off by a forest professional.
 - Joe Kenny – asks if there was a solution to Smithers canting mill fibre shortage.
 - Cynthia – this was a one-off circumstance where it was authorized but authorized with a time period and max volume condition.
 - Gordon Murray – Pinnacle was fully complying with regulation.

4. **Residual fibre tenure options and Q&A session** (Katherine Upward, Branch Timber Tenures Forester, and Chris Finke, North Area Timber Tenures Specialist) – see presentation

- Describes what Decked Timber Sales are and they are only for the removal.
 - DM discretion to approve.
 - Intention of Decked Timber Sale to remove decks that were on Crown land.
 - Generally >2000m³ is competitive bid based (\$/m³ based) and waste is required.
 - Understand that waste was already completed by the primary CP holder, but want waste completed after by the secondary user to ensure that all decks are removed.

- Describes other options including:
 - TSLs for volumes > 500m3.
 - Cutting permits and B2B arrangements with CRHS.
 - Fibre recovery tenures - FFLTC and FSLTC.
 - Describes advantages and disadvantages of different options.
- Chris Finke to cover fibre recovery tenure options.
 - Defines residual fibre (as defined in the Forest Act).
 - Fibre Supply Licences to Cut
 - Are area based, encompasses removal of decked timber along roadsides and landings.
 - They are longer term, have larger volumes, and cover a larger area.
 - Max term is 10 years
 - 2 have been issued in Omineca Region so far – 1 in PG and 1 in Mackenzie each for 5-year terms.
 - FSLTCs are competitively awarded, there's no annual rent, no volume limit, there is hazard abatement and waste and residue obligations. The company that the FSLTC was awarded to has first right of refusal. Must be scaled.
 - Can take over the CP if primary 'abandons' the residual fibre and notifies the DM. Need notification to DM if use. DM can put a DND order on primary holder.
 - Describes ability to establish Fibre Recovery Zones.
 - Describes other conditions and provisions of fibre recovery tenures.
 - FFLTC – intended to be small, one off operations (like cut blocks).
 - Utilized when direct award where quick turn around required, limited to small areas, can be issued on an active CP if waste abandoned by CP holder
- Jonathan Murkin – what's the benefit of Fibre Recovery Zones?
 - Katherine – if DM sets up that zone, there's extra penalties on waste. Only put a zone if the waste is valuable and there's a market for it.
 - Steve Henderson – isn't aware of any do not destroy orders under Forest Act s79.1 in BC.
- John Huybers – mentions some fibre recovery tools haven't been used yet (like Fibre Recovery Zones), but that it is evolving.

5. Forest Tenures Branch Updates (Steve Henderson, Branch Timber Tenures Forester)

- Biomass webinars, updated FTB website
 - <https://www2.gov.bc.ca/gov/content/industry/forestry/forest-tenures/forest-tenure-administration/residual-fibre-recovery>
 - <https://www2.gov.bc.ca/gov/content/industry/forestry/forest-tenures/forest-tenure-administration/residual-fibre-recovery/residual-fibre-utilization-training-workshops>
 - The presentations from Woody Fibre Management Webinar series that occurred Feb-March 2021, are posed on the Fibre Recovery website, under the Training and Workshop link. and ability to access series through the Play Store.
 - The presentations from Woody Fibre Management Webinar series that occurred Feb-March 2021, are posed on the Fibre Recovery website, under the Training and Workshop link. and ability to access series through the Play Store.
 - Mentions some international presence at the webinar series.
 - Mentions that BC is much further ahead in residual fibre management than many other places.

- Looking at possibility of doing next round of workshops (likely be webinar based at this point) with some topics including things like:
 - Satellite yards
 - Fibre utilization in a post FESBC (theme) environment
 - Success stories – Ominica Residual Fibre/Bio-Fuel working group, industry

6. Regional Tenures Updates (Andrew Tait, North Area Timber Tenures Specialist)

- Interior Forest Sector Revitalization Update
 - Involved some public engagement sessions, written submissions and an online portal which occurred in Fall 2019.
 - Public engagement sessions focused on 4 key areas for discussion.
 - Outcome was the published “What we heard report” and available online: <https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/interior-forest-sector-renewal>
 - There were some delays with the issuance of an intentions paper due to the interregnum period and elections.
 - An intentions paper should be provided in the next few weeks
- Gordon Murray – mentions the “What we heard report” which mentioned advocating for do not destroy orders.
 - Andrew – mentions proper fibre utilization, making sure fibre went to the right facilities. Can’t say much more than that until more information is released.

7. District Manager Updates in the Omineca Region (District Managers: John Huybers, DPG, Dave Van Dolah, DSN, Ryan Bichon, DMK)

- **Prince George District** (John Huybers, PG DM)
 - Re-iterates the intention of this working group is to communicate in open discussion. Identifying problems and working through solutions.
 - Fibre utilization tools can keep evolving, changing and finding out what works and what doesn’t.
- **Stuart Nechako District** (Dave Van Dolah, Stuart Nechako DM)
 - Continuing to issue fibre recovery licences to support Veolia plant.
 - Recent issuance of a few licences for fence posts.
 - Have been working with Pacific Bioenergy with the West Fraser FSP and stocking standards on the Bobtail Fire Tenure held by West Fraser (harvested by PacBio).
 - Provided FG exemption along private land interface to help address biodiversity and moose concerns.
 - Veolia appears to be selling interest in Fort St. James facility.
- **Mackenzie District** (Dan Szekely, Mackenzie Resource Manager)
 - Market for residuals in Mackenzie has been minimal (going to get worse with the closure of Pulp and Paper Excellence)
 - There is fibre, it’s a long way out, on gravel roads and not a lot of interest.
 - Conifex has been utilizing CRHS
- **Nadina District** (Beth Eagles, Nadina District Manager)
 - Nothing to update.
- **Quesnel District** (Josh Pressey, Quesnel District Manager)
 - Nothing to update.
- **Peace District** (Mark von Tassel, Peace District Manager)

- Facilities producing pellets are tied to conventional lumber mills – using mill waste at the moment.
 - Biggest challenge is utilization of mixed wood profile, deciduous waste.
 - Using fibre recovery tenures a little bit.
 - **Williams Lake District** (Harold Stolar, Williams Lake District Manager)
 - Major licensees are shifting more to a green profile.
 - Have a large WRR program providing rehab in lower quality stands.
8. **LBI/FFT Regional Program Update** (Ljiljana Knezevic, Forest Establishment Officer) – see presentation
- Introduction and objective of Forest for Tomorrow Program.
 - Target to reforest NSR areas caused by fire, MPB.
 - Partner with BCTS for low cost sales.
 - About half of budget is spent on planting.
 - FFT uses FFLTCs to target stands that no one else wants.
 - Successful bidder get's FLTCs.
 - Describes where volume is planned to be advertised in North Area Districts over the next fiscal year (refer to presentation) Important to communicate with District Contacts with information on what is coming. Action: send contacts
 - FLTCs in 2021/22
 - DND - Chinook Community Forest 332ha
 - DND - Silvicon Services Inc 300ha
 - DND - Silvicon Services Inc (for Cheslatta Community Forest) 200Ha
 - DSN- District Office 40ha
 - DPG - District Office 700ha
 - DQU - District Office 250ha
 - DCC - District Office 250ha
 - Partners with BCTS sale (mostly with planting) and describes planned projects.
 - Mentions that bids are remaining the same.
 - Mentions that all government programs are based on fiscal year which makes it difficult to advertise and award FFT contracts within fiscal year.
 - FFT Contacts:
 - DSN -**Sheri Baker**, Licensed Resource Specialist, Stuart-Nechako Resource District (250-570-0417)
 - DPG - **Jacek Bankowski** Jacek.Bankowski@gov.bc.ca Stewardship Specialist (250) 649-4309
 - DMK - **Doug Ambedian** Doug.Ambedian@gov.bc.ca Silviculture Specialist, Mackenzie Resource District (250-997-2225)
 - DQU - Kim Scott, RPF, Stewardship Officer Kimberly.Scott@gov.bc.ca, Quesnel Natural Resource District 236-713-2269
 - DQU – Dominique Bailee, Sr. Authorizations Tech Dominique.Bailey@gov.bc.ca, Quesnel Natural Resource District, 236 713-2277
9. **BCTS Program - Prince George and Stuart Nechako Business Areas**
https://www.for.gov.bc.ca/ftp/TPG/external/!publish/Sales_Schedule/
- Cameron Simpson, BCTS Stuart Nechako BA Timber Sales Manager
 - Some volume South of Vanderhoof and Ft St James going out under FFT program.

- Still targeting dead pine volume, but stands are getting to be more mixed.
- Starting to get into stands with higher components of dead balsam – looking to test the market for that.
- Basic profile information is online. If more detail is required, can contact Carole Byers, BCTS Stuart Nechako BA Woodlands Manager Carol.Byers@gov.bc.ca.
- Outside of the 1 year sales schedule, reach out to Eric Anderson, BCTS Stuart Nechako BA Operations Manager (Eric.D.Anderson@gov.bc.ca) who's responsible for planning and engagement, future tenures opportunities with recce'd stands and bioenergy opportunities.
- Increased public concern with the amount of roadside burning going on. Trying to address the concerns as best they can, but limited tools available.
- Eric Long, BCTS PG BA Woodlands Supervisor Eric.Long@gov.bc.ca
 - Sales schedule has recently been posted for PG on the external FTP site.
 - Going through cell-reallocation so expect some change.
 - Focusing on Spruce beetle in North PG and South Mackenzie.
 - Small pine opportunities are pretty limited in PG District.
 - Some pine opportunities in SW of Mackenzie District, but working on FN agreements for that volume.

10. Biofuel, Pellet and Residual Fibre Industry - Updates, Issues, Fibre Access (Industry Reps)

- **Pacific BioEnergy** (Joe Kenny)
 - Appreciates FFT updates.
 - Struggles with CN and service, some COVID cases at facility.
 - CRHS has been working fairly well for them, just that the application process seems a bit clunky.
 - Alena – mentions that there's no funding certainty for FES at the moment but should know more by the fall. Will be focusing on the completion of current projects.
- **Pinnacle** (Michael Thomas)
 - Pinnacle Renewable Energy is now part of the Drax group.
 - Challenge with high market prices and trying to get access to fibre
- **Conifex** (Mat Robson)
 - First round of CRHS program in Mackenzie and mentioned that it's run well so far.
 - Challenge with transportation costs for blocks further out.
- **Sinclar and Premium Pellet** (Bruce McLean, Greg Kohler)
 - Greg Kohler
 - Critical to the industry that this meeting is happening.
 - Extraordinary lumber markets due to high demands and shorter supply.
 - Anticipates a bit of a correction, but still expects a higher than average price for lumber over next 10 years.
 - Doesn't expect any curtailments from lumber side in near term so supply should be fairly stable.
 - Producers rely on take or pay contracts at this time (primary).
 - Excited about opportunities for local heating market.
 - Premium Pellet is investing back into facility to produce more.
 - Can support the community through local employment, helps improve social licence.
 - Battling congestion with CN rail service.

- See pellets as a way to tackle climate change.
 - Bruce McLean
 - Building hog piles Ft St James as Veolia hasn't been taking as much lately.
 - Challenge is maintaining consistent fibre supply with different clients.
- **Canfor** (Russ Martin)
 - Mentions different partnerships and agreements that help use forest residuals.
 - Will be re-negotiating agreements soon.
 - Unforeseen issue with Canfor Pulp caused a temporary shutdown which impacted the supply chains.
 - Challenges for access to competitively priced timber, longer cycle times with blocks further out, uncertainty with FES, etc.

11. FLNRORD Wildfire Risk Reduction Program (Warren Neuvonen, PG District Stewardship Forester and Jonathan Murkin, Land and Resource Specialist) – see presentation

- Describes background and goals of WRR program
 - i. Identify candidate treatment areas using remote sensing imagery and then ground verified to confirm.
- Describes how program works with regards to bids, FLTCs and prescription objectives for fuel loading.
- Describes projects planned for the next fiscal year.
- Mentions that small scale salvage program is another opportunity. Action – send out SSS district contacts (note Actions below).
- Ljiljana – wondering when the Pilot Mountain project is expected to be completed
 - i. Warren – hopes for project to be complete this summer, but depends on fire season priorities for BCWS
- Joe Kenny – what is the size of the budget for the DPG program?
 - i. Warren – can't say as these projects are going out for competitive bid.
- Jonathan Murkin
 - i. Describes how the crown land WRR program is allocated
 - ii. Mentions there has been confusion with the correct tenures to be using for these projects and he will be helping to assist Districts in guidance for tenures and policy.

12. FLNRORD Forest Carbon program update (and Brian Watson, Forest Carbon Technical Advisor)

- Mentions the important work that FES BC has done in the past.
 - FES BC helps utilize a lot of fibre that would otherwise be burned which helps reduce the amount of carbon dioxide going into the atmosphere.
- Mentions tools that Climate Change branch has that can help to estimate the amount of carbon in a given area. If interested in this, contact Brian.Watson@gov.bc.ca or Garrett.McLaughlin@gov.bc.ca. They are also looking for suggestions from the users for improving the tool.
- Gordon Murray - WPAC highly supports FESBC and we are anxious to see it continue. We've expressed our support to Minister Conroy and others in government. We believe all sectors need to advocate on behalf of FESBC to government.
 - Brian – mentions that FES BC still has a lot of utility in the province.
- BC province will be entering agreement with Federal Canada's Growing Canada's Forests plan intended specifically for planting trees.
- Joe Kenny - were any of those carbon credits sold in in any of the carbon markets?

- Brian – no, not sold as credits.

13. Next meeting

- Planning on another meeting fall 2021. Will send out an email to the group in the fall to gather ideas on relevant topics for discussion or can email Alena.Charlston@gov.bc.ca or Jesse.Seniunas@gov.bc.ca anytime for suggestions

14. Summary of Actions

Action Item	Person Responsible	Date Required
1) Provide contact list for WRR and SSS program District leads	Warren Neuvonen	Provided below
2) Provide contact list for LBI program District leads	Ljiljana Knezevic	Provided below
3) Provide BCTS contacts for upcoming sales for Stuart Nechako and Prince George Business Area		Provided below

1) All district contacts for SSS can be found here:

<https://www2.gov.bc.ca/gov/content/industry/forestry/forest-tenures/timber-harvesting-rights/licence-to-cut/small-scale-salvage>

District	Small Scale Salvage	Wildfire Risk Reduction
DPG	Tammy.baerg@gov.bc.ca	Warren.neuvonen@gov.bc.ca
DMK	N/A	Ravdeep.Brar@gov.bc.ca
DCC	Jason.kerley@gov.bc.ca	
DSN	Nathan.voth@gov.bc.ca	Shane.Goretzky@gov.bc.ca
DQU	N/A	Robert.Taylor@gov.bc.ca

2) FFT Contacts:

- DSN - **Sheri Baker**, Licensed Resource Specialist, Stuart-Nechako Resource District (250-570-0417)
- DPG - **Jacek Bankowski** Jacek.Bankowski@gov.bc.ca Stewardship Specialist (250) 649-4309
- DMK - **Doug Ambedian** Doug.Ambedian@gov.bc.ca Silviculture Specialist, Mackenzie Resource District (250-997-2225)
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- DQU – **Dominique Bailee**, Sr. Authorizations Tech Dominique.Bailey@gov.bc.ca , Quesnel Natural Resource District, 236 713-2277

3) BCTS Contacts for local sales schedule:

https://www.for.gov.bc.ca/ftp/TPG/external/!publish/Sales_Schedule/

- Eric Long, BCTS PG BA Woodlands Supervisor (Eric.Long@gov.bc.ca)
- Carole Byers, BCTS Stuart Nechako BA Woodlands Manager Carol.Byers@gov.bc.ca.