

News Release

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Day: Government Boosting Forestry Sector through Environmental Improvements at Howe Sound Pulp and Paper

GIBSONS, B.C. — The Government of Canada is investing in the Howe Sound Pulp and Paper Limited Partnership to improve the company's environmental performance and help to drive the evolution of Canada's forest sector, the Honourable Stockwell Day, President of the Treasury Board of Canada and Minister for the Asia-Pacific Gateway, announced today.

Located in Port Mellon, B.C., the Howe Sound Pulp and Paper mill will receive \$36.7 million in funding under the Pulp and Paper Green Transformation Program to invest in technology that will improve the energy efficiency of the mill's boiler. Through a series of adjustments, the mill will be able to operate the boiler at full power and increase its capacity to burn wood waste.

These modifications to the power boiler will result in more than 127,000 additional mega-watt hours of renewable electricity a year — enough green power for 10,654 homes. This increase will revolutionize the mill's current business model, as it will be able to sell its surplus of renewable energy to BC Hydro.

"This investment will position Howe Sound Pulp and Paper at the forefront of clean energy production from wood biomass in British Columbia," said Minister Day. "The Green Transformation Program is helping to drive the renewal of the country's pulp and paper sector by supporting smart investments that enhance a mill's energy efficiency and the production of renewable energy."

The refurbished boiler will also reduce natural gas consumption by 6.5 million cubic metres a year and significantly reduce the mill's greenhouse gas emissions by 12,000 tonnes per year — the equivalent volume of emissions released by more than 3,000 cars annually.

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“As a result of this investment in our boiler, we will become one of the largest independent producers of renewable electricity in British Columbia,” said Mac Palmiere, President and Chief Executive Officer of Howe Sound Pulp and Paper. “The addition of this third product line will enhance the mill’s future viability and help to secure the jobs that depend on our success. The Green Transformation Program has provided us with this opportunity and enabled us to transform our business.”

Today’s PPGTP project announcement is the second one this year for Howe Sound Pulp and Paper and represents a major step toward diversifying the company’s product line to include clean energy. Excess energy will be sold to the grid through a purchase agreement with BC Hydro.

“On behalf of the Province of British Columbia, I would like to commend Howe Sound Pulp and Paper for taking the necessary steps to become a clean energy generator and the Government of Canada for its continuing constructive partnership with B.C.,” said Bill Bennett, B.C. Minister of Energy, Mines and Petroleum Resources. “Their leadership will give B.C. more clean power, save energy and provide much needed investment in the regional economy.”

Howe Sound Pulp and Paper is one of 24 pulp and paper companies across Canada that qualified for credits under the \$1-billion program, based on their 2009 production levels of black liquor, a liquid by-product of the pulping process used to generate heat and power.

The Pulp and Paper Green Transformation Program complements initiatives that are being delivered under Canada’s Economic Action Plan to sustain and improve the forest industry in Canada. Budget 2010: Leading the Way on Jobs and Growth established the \$100-million Investments in Forest Industry Transformation program to promote the development, commercialization and implementation of advanced technologies in the forest sector — helping create a world-class industry able to compete in the clean energy economy of tomorrow.

In addition, the Government of Canada has committed \$170 million to assist the development of next-generation forest products and expand global markets for Canadian forest products. This funding includes \$40 million to develop pilot-scale demonstrations under the Transformative Technologies Program.

FOR BROADCAST USE:

Asia-Pacific Gateway Minister Stockwell Day today announced that the Howe Sound Pulp and Paper mill in Port Mellon, B.C., will receive more than \$36 million under the Pulp and Paper Green Transformation Program. The funding will increase the mill's renewable electricity production from wood waste and establish the mill at the forefront of renewable energy in British Columbia.

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**The following media backgrounder is available at
www.nrcan.gc.ca/media:**

Government of Canada Supporting Forest Industry Renewal and
Environmental Performance

Federal Assistance for Canada's Forest Sector and Communities

**NRCan's news releases and backgrounders are available at
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