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BC Bioenergy Network Invests in Nanaimo bioenergy project and Creates a Collaborative Development and Demonstration Centre

BC Bioenergy Network Support

The BC Bioenergy Network, a provincially-funded leader supporting the growing bioenergy sector in British Columbia, has made a \$400,000 investment in Nanaimo-based Cedar Road LFG Inc (“Cedar Road”).

The Project

The investment will enable Cedar Road to complete, fully optimize performance, and expand the commercial applications of its \$3 million dollar landfill-gas-to-electricity conversion facility at the Regional District of Nanaimo (RDN) landfill site on Vancouver Island. Cedar Road initially responded to the RDN’s 2004 RFP inviting companies to submit proposals to use the landfill gas to reduce greenhouse gas emissions and odour and improve air quality. Cedar Road was awarded the project to finance, construct and operate an initial demonstration pilot project and now has a 20 year agreement with the RDN to generate electricity from the landfill gas for sale on a commercial basis.

Collaborative Development and Demonstration Centre (CDDC)

Concurrent with the investment, the BCBN and Cedar Road agree to create a Collaborative Development and Demonstration Centre (CDDC) in Nanaimo for the purpose of showcasing and the further development of this technology. The goal of the centre is to bring together technology suppliers, innovators, and small and medium sized municipalities (SMSM) to observe, test, and demonstrate technologies and solutions to advanced commercialization. The demonstration centre and bioenergy showcase anticipates significant process improvements and will share the economic and environmental results for the benefit of small and medium sized municipalities across British Columbia, Canada, and internationally. The RDN has been invited to join the CDDC and it is anticipated that this will come into effect by summer 2009.

Benefits of the Project

Substantive methane emissions are taking place at small and medium sized municipal (SMSM) landfills in Canada. There are few fully optimized gas collection and utilization facilities installed in BC. The expected return to long term high fossil fuel prices, environmental concerns, and economic opportunities from carbon emission reduction and sales of electricity is now driving the economic feasibility and social justification of waste to energy at the SMSM level. This project is the first time in BC that a gas utilization facility has been installed at a medium sized municipality with a private sector partner. The project has a number of significant benefits for the province. Overall, bioenergy projects have the significant benefit of providing firm, reliable power while increasing the diversity of energy options available in the province. They create new opportunities for jobs, new revenue streams, and new reliable carbon neutral electricity generation. This project will contribute to the BC government’s commitment to increase green energy utilization by participating in the BC Hydro Standing Offer Program for Green, Clean, and Co-generation under 10 MW which enables small operators to sell directly to BC Hydro on long term stable contracts.

Greenhouse Gas Reduction Impacts

Methane Gas, a large component of landfill gas, is a serious greenhouse gas contributor that is 21 times worse than CO₂ emissions. While the existing gas collection and flaring system reduces the

high levels of greenhouse gas, there are significant economic benefits generated by further utilizing this renewable gas from waste to produce non-fossil fuel electricity sold to BC Hydro grid and potentially for thermal heating.

The establishment of the CDDC is an innovative approach to providing and disseminating economic and environmental best practices to small and medium sized municipalities across BC. This is a timely initiative as recent legislation has been enacted in BC that requires landfills of the approximate size of RDN to undertake an assessment of landfill gas generation and to install landfill gas collection and destruction (flare) systems by 2016.

Cedar Road LFG Inc.

Cedar Road, a Nanaimo based bioenergy solutions company and wholly owned subsidiary of Suncurrent Industries, is working with the RDN to provide best in class landfill management systems for small and medium sized municipalities. The facility will produce 1.5 megawatts of green power sufficient to supply 1,200 homes.

BC Waste Management

In BC, Regional Districts are mandated by the Provincial Environmental Management Act to develop Solid Waste Management Plans (SWMP) that are long term visions of how each regional district would like to manage their solid wastes, including waste diversion and disposal activities. The activities of the Cedar Road gas utilization facility and the Collaborative Development and Demonstration Centre are consistent with the vision of the SWMP.