

## NEWS RELEASE

### **BC Bioenergy Network Invests with Terasen Gas in Two Innovative Clean Energy Biomass-Fuelled Projects**

Vancouver, B.C. – November 23, 2010 – The BC Bioenergy Network (“BCBN”), a provincially-funded, industry led network supporting the growing bioenergy sector in British Columbia, is providing funding of \$200,000 for each of two Terasen Gas (“Terasen”) led bioenergy projects in the province. These projects follow the October 2009 Memorandum of Understanding between BCBN and Terasen to work together to further the development and commercialization of bioenergy technologies in British Columbia.

The first investment provided up to \$200,000 or half the costs of a Terasen-led feasibility study for the establishment of an innovative community energy system in partnership with the City of Quesnel. The project involves using an existing hog fuel-fired energy system at a West Fraser Timber (WFT) sawmill; a proven low grade heat recovering system to generate electricity and heat; sale of electricity to BC Hydro, a hot water distribution system for heat sales to 14 client including the City; and back-up natural gas boilers. The feasibility study will be focused on establishment of investment grade financial forecasts, confirmation of ownership and operating structure, and creation of legal agreements. Should the project proceed, the grant will be repaid to BCBN.

The second project is for a \$200,000 grant for a proposed biogas project, currently pending British Columbia Utilities Commission (BCUC) approval, which would capture waste methane at the Columbia Shuswap Regional District’s (CSRD) Salmon Arm landfill, upgrade it to pipeline quality natural gas, and deliver it into the existing Terasen Gas distribution system. If approved by the BCUC, the project will be implemented with full cooperation of the CSRD, who will have an operational landfill gas capture system in place by the end of 2010. The facility would produce approximately 26,000 gigajoules of natural gas per year, enough to heat and provide hot water to almost 300 homes. It will also replace a portion of Terasen Gas’ traditional natural gas with biogas, a renewable alternative energy source.

The BCBN funding will also leverage Terasen’s investment in an upgrade system based on technology developed in British Columbia by Xebec Technologies Inc. Total project costs for the upgrading portion of the project are \$1.35 million. When plant commissioning, site work, and system main re-enforcement are included, the overall project costs total \$1.97 million.

Terasen, in cooperation with their project partners, have also agreed to work with the BC Bioenergy Network to share the environmental and economic results of the Salmon Arm project by establishing Collaborative Development and Demonstration Centres. Stakeholders will be encouraged to participate in the projects to advance best-in-class solutions and improve and strengthen these projects over time. The final business arrangements for the Salmon Arm project will be subject to an application currently being reviewed by BCUC.

“Innovative, community-based projects like these bring real benefits to B.C. communities by using waste to produce energy,” said Steve Thomson, Minister of Energy. “These projects support our Clean Energy Act objective to reduce waste by encouraging the use of waste heat, biogas and biomass.”

“We are delighted to be working with a visionary energy utility like Terasen, to demonstrate the commercial viability of developing clean energy sources as an alternative to traditional natural gas fossil fuel offerings,” says Michael Weedon, Executive Director of BC Bioenergy Network. “These projects further support BC’s efforts to become energy self-sufficient and clean energy focused.”

“As one of the first utility companies in Canada to include alternative energy solutions as part of its regulated energy service offerings, providing British Columbians with biogas makes good sense and is a natural extension of the piped energy services we’ve delivered for over a century,” says Doug Stout, Vice President, Energy Solutions and External Relations at Terasen Gas and FortisBC. “Terasen Gas is also committed to helping communities address the Government of BC’s climate action goals, while also meeting our customers’ energy needs for today and tomorrow through innovative energy solutions such as district energy systems and waste heat recovery.”

### **About the BC Bioenergy Network**

Established in April 2008 with a \$25 million grant from the BC government, the BC Bioenergy Network is an industry-led association that acts as a catalyst for deploying near-term bioenergy technologies and organizing mission-driven research for the development and demonstration of sustainable to build a world class bioenergy capability in BC. For more information about the BCBN, visit [www.bcbioenergy.ca](http://www.bcbioenergy.ca)

### **About Terasen Gas**

Terasen Gas is composed of the operations of Terasen Gas Inc., Terasen Gas (Vancouver Island) Inc., and Terasen Gas (Whistler) Inc. Terasen Gas is a leading integrated energy solutions provider, focused on the safe and reliable provision of natural gas, propane and alternative energy solutions. Terasen Gas serves approximately 939,000 residential and commercial customers in more than 125 B.C. communities. Terasen Gas employs more than 1,280 people in British Columbia and is indirectly wholly owned by Fortis Inc., the largest investor-owned distribution utility in Canada. Fortis Inc. shares are listed on the Toronto Stock Exchange and trade under the symbol FTS. Additional information can be accessed at [www.fortisinc.com](http://www.fortisinc.com) or [www.sedar.com](http://www.sedar.com).

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