

Initiatives to Utilize Post-Harvest Residual Fibre



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Outline

- History
- Coast vs Interior
- Fibre Recovery Process
- Fibre Recovery Zone
- Fibre Recovery Tenures
- Legislative Tools
- Timber Pricing
- Additional Resources
- Questions?

Recent Initiatives

- 2014 – Forest Fibre Working Group
- 2016 – Forest Carbon Initiative
- 2018 – Greater emphasis on reducing unnecessary slash burning of residual fibre (employment/ air quality/ CO₂)

Coast versus Interior

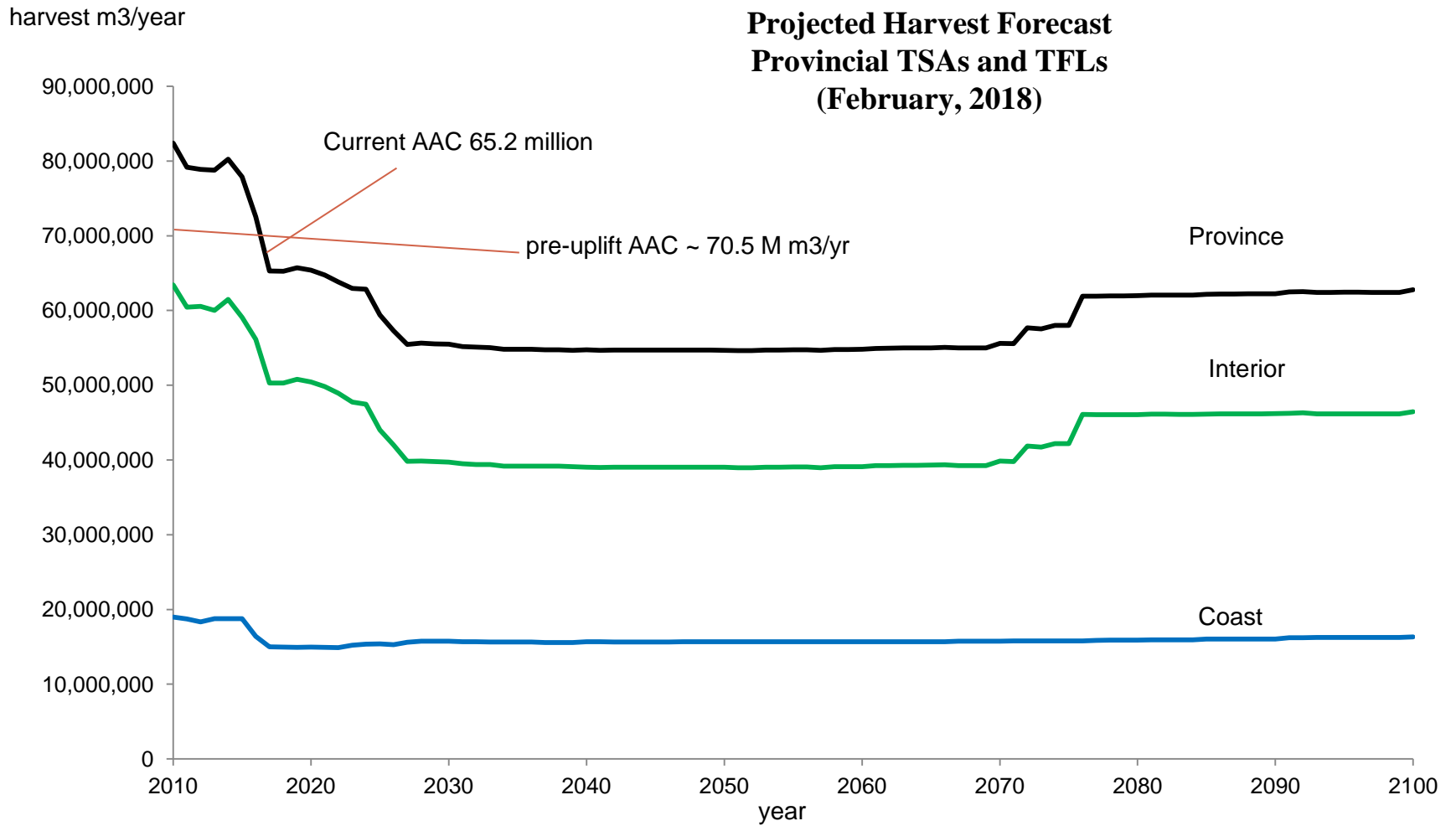
Interior

- Many commodity lumber mills – lots of residual chips/ sawdust
- Similar sized timber/ lower harvesting costs - increased efficiency
- Diverse sector using residuals – pellet facilities, pulp facilities, OSB plants, bioenergy plants, etc.
- Vertical integration of large players (sawmill/plywood/pulp)

Coast

- More expensive harvesting/ larger, higher value logs
- Fewer sawmills – less residuals from sawmilling
- Transportation issues (salt water) – difficult to make pellets and use in bioenergy facilities
- Pulp sector not as integrated with sawmills and therefore in need of residuals

Future Timber Supply



Fibre Recovery Process (FRP)

- District Manager (DM) or BC Timber Sales Manager (TSM) leads the process
- Implement where economics allow and demand exists for residual fibre
- Encourages Business to Business (B2B) between Primary Harvesters (PH) and Secondary Users (SU)
- DM/TSM has tools to further encourage utilization if necessary

Fibre Recovery Process (FRP) cont.⁷

- Informal process to encourage B2B:
 - Preliminary Review
 - Letter of Expectation to PH(s)
 - ✦ Fibre Recovery Zone
 - ✦ Information Sharing
 - Goal - integrated harvesting while cutting permit is active
- If B2B not working out:
 - Formal Fibre Recovery Zone (mandatory PH reporting)
 - If economic, Do Not Damage Orders on PH cutting permit
 - Fibre Recovery Tenures on abandoned residual fibre

Fibre Recovery Zones (FRZ)

- Represents the area where it would be feasible to access residual fibre and demand exists.
- Concept founded in policy, not regulation
- Requires applicable PHs within FRZ to begin providing notice (s. 79.1 of the Forest Act)
- Source of information can be TSA Biomass Inventories (FPInnovation)

Fibre Recovery Zones continued

- 11 TSA Biomass Inventory Analysis completed by FPInnovations:
 - available biomass at various cost thresholds are estimated and mapped
 - \$60/ ODT is considered economic
 - better sorting/ piling can increase yields (50 to 100 % more)
 - predicted annual yields over next 20 years – see table below:

TSA	Annual Yield at \$60/ ODT	Annual Yield at \$75/ ODT	Annual Yield at \$90/ ODT
Prince George	150,000 ODT/yr.	355,000 ODT/yr.	440,000 ODT/yr.
Kamloops	118,000 ODT/yr.	170,000 ODT/yr.	230,000 ODT/yr.
Strathcona	15, 000 ODT/ yr.	25,000 ODT/yr.	36, 000 ODT/ yr.

Legislative Tools

- The licence holder/ cutting permit (CP) holder has the rights to cut and remove all Crown timber within the permit area
- Where B2B can not lead to an arrangement, the DM may issue rights to the residual fibre but only through the formal provisions set out in S. 79.1

Legislative Tools

Section 79.1 allows the DM or TSM to:

- obtain information residual fibre volumes on current and future harvesting opportunities
- request PHs to declare their intent to use or abandon residuals
- issue Do Not Damage Orders (DND) for residual fibre PH does not intend to use
- allow PH to abandon residual fibre that is subject to a DND
- sets 60 day timeline for
 - ✦ PH not to deal with residual fibre without DM consent
 - ✦ For DM to deem PH's rights are abandoned
 - ✦ For DM to issue a fibre recovery tenure to remove fibre residual
- Orders can be rescinded

Future Regulation

- Specific methodology for PH to provide estimates of residual fibre
- Requirement for PH to handle residual fibre
- These provisions give additional flexibility to government if required in the future

Fibre Recovery Tenures

Fibre Forestry Licence to Cut

- Short term opportunity for specific site (months)
- Direct awarded or competitive
- No volume limits

Fibre Supply Licence to Cut with cutting permits

- Terms up to 10 years for a geographic area
- Competitively awarded or direct to First Nation
- 1st right of refusal to any residual fibre abandoned

Fibre Recovery Tenures

- PH required to complete waste assessment before issuance
- Grant rights to grind; chip and remove post harvest residual fibre from roadside and landing
- Works in conjunction with all forest tenure types
- Licence area restricted to roads and landings
- Security deposit requirements
- Does not grant right to cut timber (fall trees)

Tenure Obligations

- Hazard abatement for roadside and landing residual fibre automatically transfers to holder of fibre recovery tenure upon issuance
- No impact on free-growing obligations
- Forest Planning and Practices Regulation speaks to road maintenance requirements outside licence area
- Can use clauses in tenure to deal with road deactivation within licence area
- Manage soil disturbance limits along roadside

Business to Business (While Cutting Permit is Active)

- Represents free market approach
- Reduces hazard abatement obligations
- Allows for the integration fibre recovery at the strategic level
- Reduces administration on all parties
- Provides certainty
- Potential to lower costs through improved coordination
- More control over other licence obligations (road maintenance and deactivation)

Timber Pricing

- While Cutting Permit is active:
 - Timber Pricing Branch (TPB) has developed a Pre Harvest Waste Assessment (PHWA) process using Special Forest Products rates for the interior of BC
 - PHWA procedure will expire April 30, 2019
 - TPB is examining the results of the PHWA pilot and will review policy options to address concurrent harvesting.
- Fibre Recovery Tenures:
 - Log grade timber - per the [Interior Appraisal Manual](#) or [Coast Appraisal Manual](#)
 - Wood chips or hogged tree material – Special Forest Product rates

Additional Resources

- Additional information on Resource Tenures Branch website

<https://www2.gov.bc.ca/gov/content/industry/forestry/forest-tenures/forest-tenure-administration/residual-fibre-recovery>

- Fibre Recovery Process
 - Biomass Handling Guidelines
 - FPInnovation's Biomass Inventories
- Information about residual fibre policies:
ForestTenuresBranch@gov.bc.ca
 - For opportunities to access residual fibre contact your [natural resource district office](#) or [FrontCounterBC](#).

Upcoming Tools

- Additional Biomass Inventories – remaining Timber Supply Areas and potentially some Tree Farm Licences
- Maps of Biomass Inventories
- BC Forest BioGIS tool
- BIOS App

Questions?

