



Fibre Utilization – Locally focused discussion on applicable utilization and waste policy - Interior

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Area

Outline

- Fibre supply and demand
- Interior Forest Sector Renewal
- Successes and Trends
- Residual fibre scaling systems
- New Waste Management Policy
- Fibre Recovery Process
- Fibre Recovery Tenures
- Available Resources
- Questions





Recent Initiatives

- Greater emphasis on reducing unnecessary slash burning of residual fibre (employment/air quality/CO2)
- Concurrent Residual Harvest System (CRHS)
- Interior Forest Sector Renewal
- Pulp and Paper Task Force
- Proposed Fort Nelson Pellet Plant – Peak Renewables



Interior versus Coast

Interior

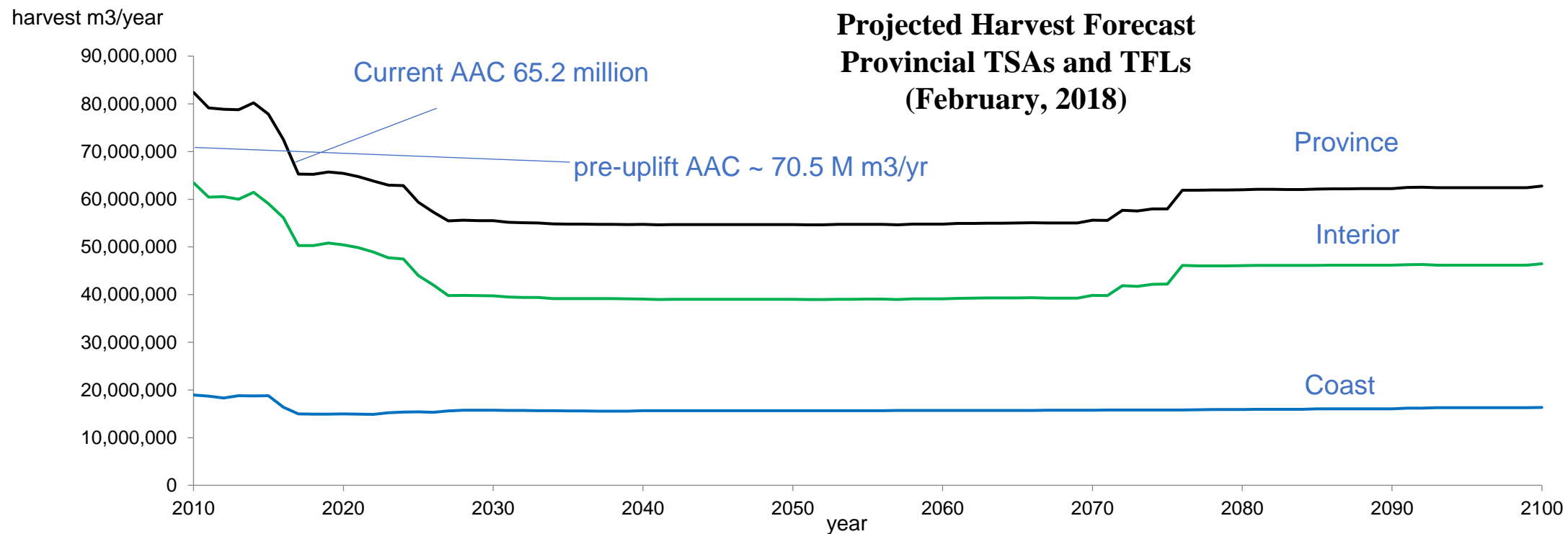
- Many commodity lumber mills – lots of residual chips/ sawdust
- Similar sized timber/ lower harvesting costs - increased efficiency
- Diverse sector using residuals – pellet facilities, pulp mills, OSB plants, bioenergy plants, etc.
- Vertical integration of large players (sawmill/plywood/pulp)

Coast

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



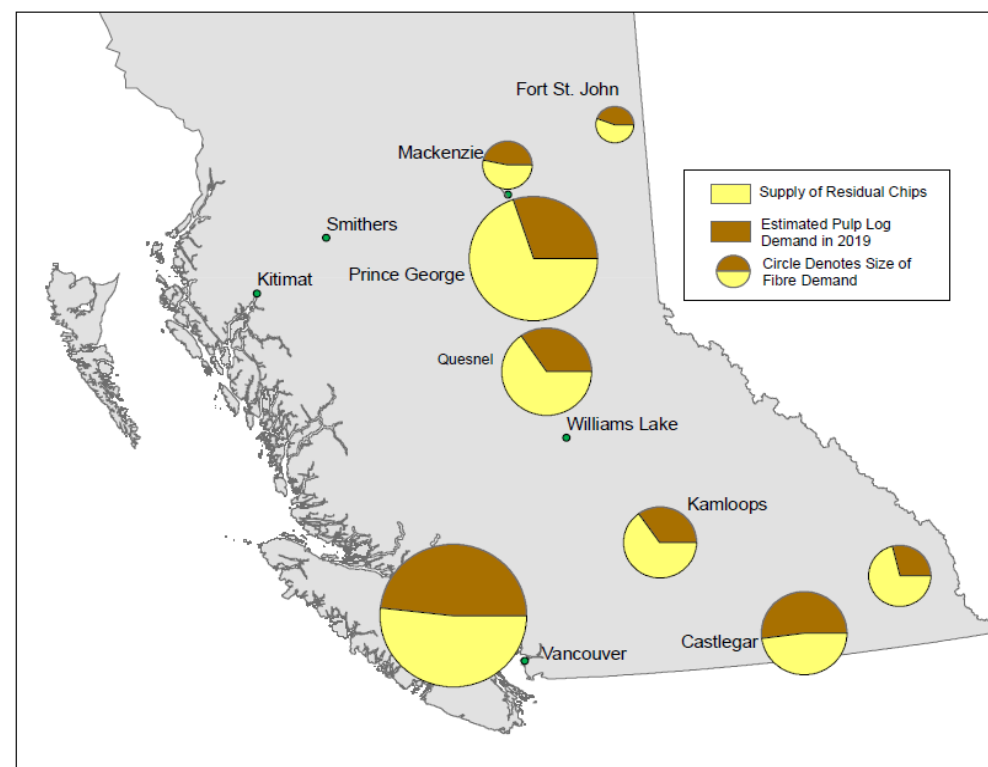
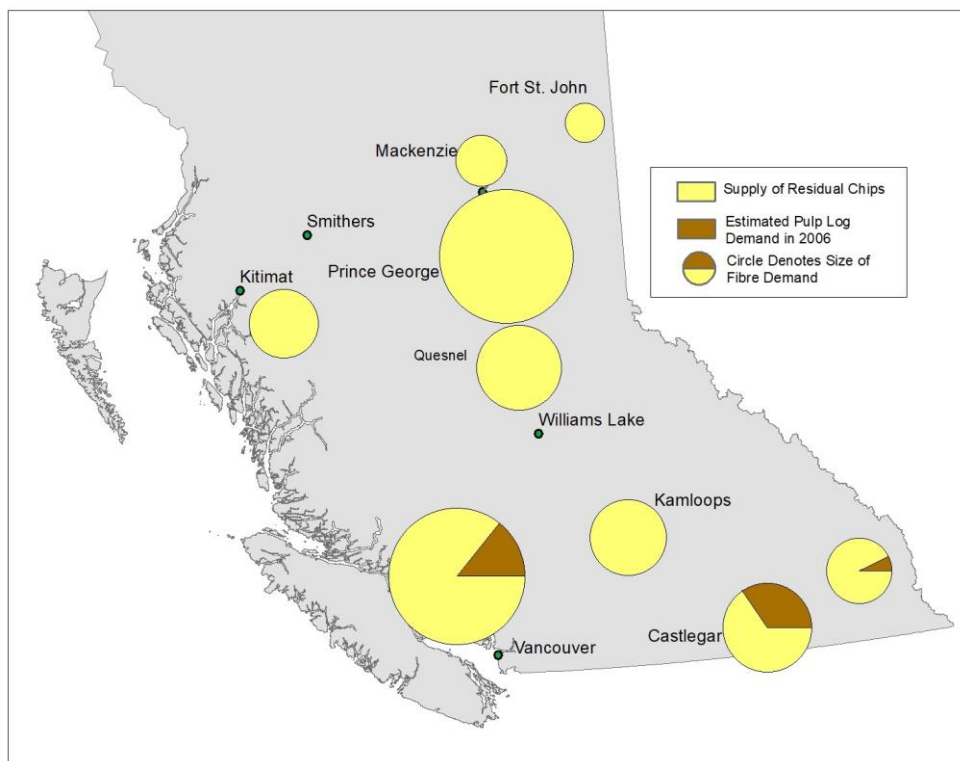
Future Timber Supply



Pulp mill Demand and Supply

2006

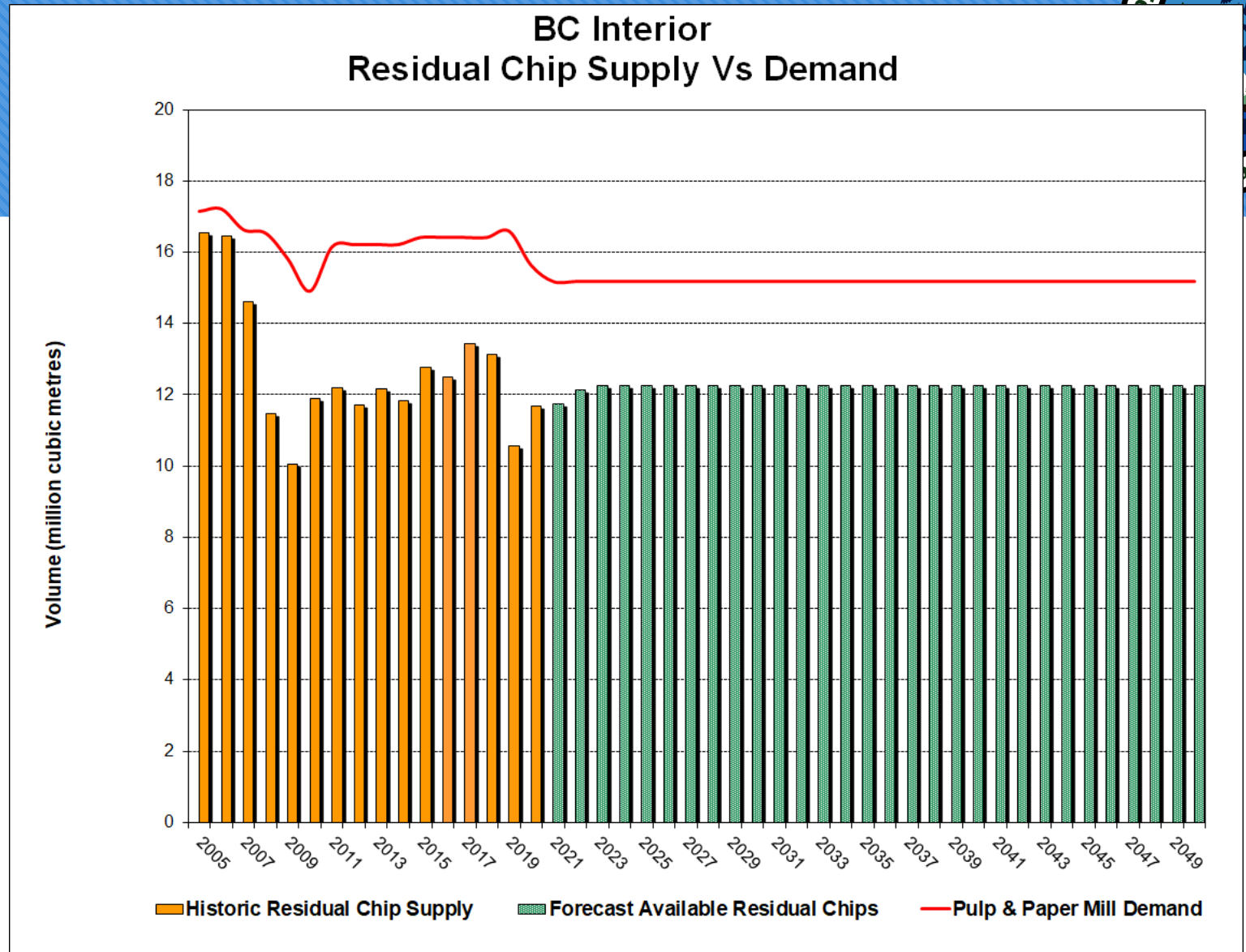
2019



Source: R. Schutz, RPF, Industrial Forestry Service Ltd.

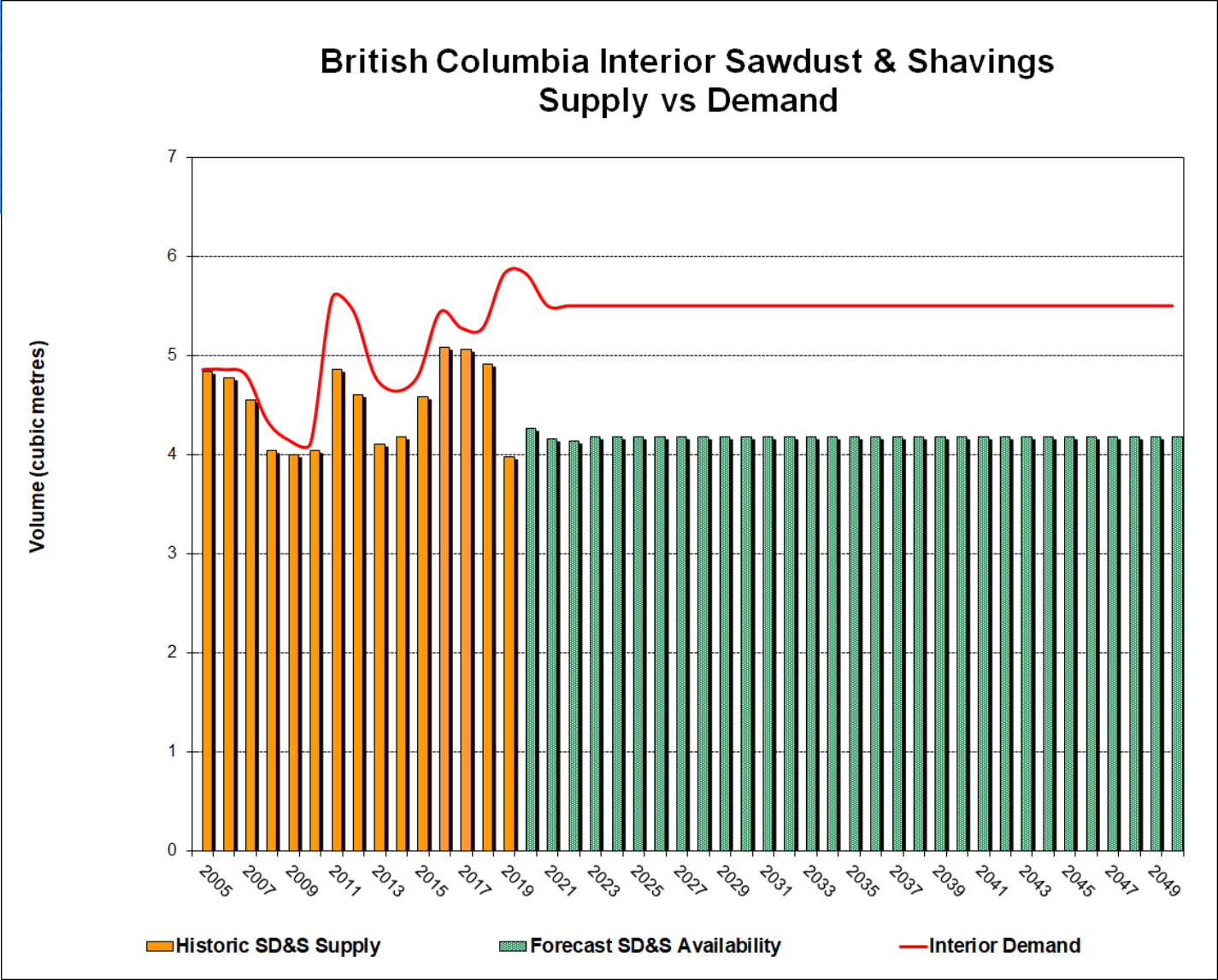


BC Interior Pulp Chip Demand and Supply



Source: R. Schutz, RPF, Industrial Forestry Service Ltd.

BC Interior Sawdust and Shavings Supply and Demand



Source: R. Schutz, RPF, Industrial Forestry Service Ltd



Interior Forest Sector Renewal

- Process established Spring 2019
- What We Heard Report released February 2020
 - 468 online survey responses
 - 92 written submissions
 - 36 community engagements
- Government currently reviewing report and considering next steps
- Interior Forest Sector Renewal process included in Minister's Mandate Letter



Interior Forest Sector Renewal

Examples of other Government Public engagement with Communities on Policy Initiatives

- Forest and Range Practices Act
- CleanBC
- Climate Adaptation
- Private Managed Forest Land program
- Improving wildlife management and habitat conservation

Forest policy



Interior Fibre Utilization

- Improve utilization of fibre and increase fibre available for Pulp mills, pellet and energy plants
- The ministry encourages fibre utilization through take or pay policy resulting in B2B agreement and where necessary, the use of fibre recovery process.
- Alternative scaling methods available to promote concurrent harvesting
- FESBC and LCEF – provided funding for fibre utilization projects

Pulp Fibre Task Force

Purpose:

Identify immediate pulpwood opportunities in beetle salvage and fire damaged stands that can be harvest ready in the short-term





Successes and Trends

- Where an economic supply and demand exists – fibre is moving and investments are being made
- Interior Forest Sector Renewal public engagement initiative
- Long term contracts to supply power plants in Japan and UK with pellets
- Diversification and investment in the Secondary Fibre Industry (Pulp, Pellet and Energy)
- Interior pulp mills continued to operate through the down turn



FESBC Utilization Support

Enhanced utilization of residual fibre to avoid forest carbon emissions:

- 2018/19 Actual **233,610 m3**
- 2019/20 Actual **864,660 m3**
- 2020/21 Forecast **1,436,000 m3,**

Future years:

- 2021/22 target **862,000m3**
- 2022/23 target **159,000m3**

Non carbon eligible rehabilitation, fibre recovery and utilization projects:

- **486,740m3** in total over the last 3 years



FFT Support

BCTS sold and volume harvested on behalf of FFT.

Volume harvested by calendar year based on areas with harvest start.

2019 **403,863 m³**

2020 **279,834 m³**

Volume Sold by fiscal year sold.

2019/20 **376,000 m³**

District volume sold

2019/20 114,102m³

Most of this volume is in PG, some in Burns Lake.

Concurrent Residual Harvest System (CRHS) – Interior

- Introduced April 1, 2019
- Allows low-quality fibre to move with sawlog
- Default Vol/Wt ratios & grade profiles in place by stratum type
- Licensee applies to District and must fit requirements
- Living document
- Not available for BC Timber Sales licenses





CRHS - activity

Volume Delivered since April 1, 2019

Southern Interior

- 737,210 m³

Northern Interior

- 596,378m³

Appendix 1

Pulp Volume/Weight Ratio and Grade Profile Tables

Stratum Description	Vol/Wt Ratio	Grade 1 %	Grade 2 %	Grade 4 %	Grade 6 %	Grade Z %
Green HE Pulp <15% (G1&2) >70% Green	0.99	1.02	8.73	88.84	0.13	1.28
Green FI/LA Pulp < 15% (G1&2) >70% Green	1.26	1.28	13.13	76.27	5.18	4.14
Green Whitewood Pulp < 15% (G1&2)>70% Green	1.31	0.51	9.04	83.46	1.67	5.32
Dry Pulp < 15% (G1&2) >50% Dry	1.51	1.35	6.21	90.29	0.54	1.61
Cedar Pulp <20% (G1&2)	1.32	0.70	16.08	76.78	1.83	4.61

Unattended Weigh Scales

- Applications must first be submitted to the local district manager.
- Can be used with CRHS
- 3 sets of procedures



New Waste Measurement Procedures



Goal:
Improve measurement of waste





Waste Measurement Details

- Based on a joint industry/government Technical Waste Working Group (TWWG)
- Designed to improve the accuracy and consistency of waste measurements
- Utilizes ratio adjustment sampling principles to improve sampling efficiency
- Important dates: April 1, 2021 & April 1, 2022
- Eforwaste and HRC applications have been developed





Fibre Recovery Process (FRP)

- District Manager (DM) or BC Timber Sales Manager (TSM) leads the process
- Implement where economics allow and demand for residual fibre exists
- Encourages Business to Business (B2B) between Primary Harvesters (PH) and Secondary Users (SU)
- Last resort approach – when B2B cannot be worked out
- DM/TSM has tools to further encourage utilization if necessary



Fibre Recovery Process (FRP) con't

- Informal process to encourage B2B:
 - Preliminary Review
 - Letter of Expectation to PH(s)
 - Greater emphasis on utilization
 - Information Sharing and planning
 - Identification of blocks or piles
 - Goal - integrated harvesting while cutting permit is active





Fibre Recovery Process (FRP) con't

- If B2B not working out:
 - Formal request to provide information on any residual fibre that may remain (mandatory PH reporting)
 - If economic, Do Not Damage Orders on PH cutting permit
 - Fibre Recovery Tenures on abandoned residual fibre
- Handling Regulation – ability for Government to provide direction on handling of residual fibre for efficient harvest

Special Forest Products

- Available for use on blocks with completed waste surveys
- Allows for the option to manufacture product on block
- Reduced effort to scale volume
- Products Include: Chips, Hog, and Firewood



Fibre Recovery Tenures

Fibre Forestry Licence to Cut

- Short term opportunity for specific site (months)

Fibre Supply Licence to Cut with cutting permits

- Terms up to 10 years for a geographic area
- 1st right of refusal to any residual fibre abandoned

Decked Timber FLTC

- To remove decked merchantable from a specific site





Fibre Recovery Tenures – When to use

Forestry Fibre License to Cut

- Provide access to abandoned residual fibre on individual Cutting Permits/blocks
- Ideal for small/short term volume requirements (commercial Firewood, pulp wood)

Fibre Supply License to Cut

- Provide longer term fibre security for an established secondary facility

Decked Timber License to Cut

- Provide access to abandoned decked timber on individual Cutting Permits/blocks

Tenures to be used for situations where the fibre cannot be harvested under a B2B agreement and the Primary Harvester's harvest rights have expired.



Tenure Obligations

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



Upcoming Tools

- Additional Biomass Inventories – Remaining Timber Supply Areas and potentially some Tree Farm Licenses
- Heat maps of Biomass Inventories
- BC Forest BioGIS tool
- BIOS App



Available 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
 - FPInnovations Biomass Inventories
 - Information about residual fibre policies
- CRHS
 - <https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/timber-scaling/alternate-methods-of-scale>
- Unattended weigh scales
 - <https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/timber-scaling/unattended-weigh-scales>



Available Resources con't.

- Waste Measurement Procedures
 - <https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/forest-residue-waste>
- Questions: ForestTenuresBranch@gov.bc.ca
- For opportunities to access residual fibre contact your local Natural Resource District or Front Counter BC

Questions?

