

January 18, 2020

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RE: Ontario Low-Carbon Hydrogen Strategy - Discussion Paper, ERO #0129-2709

The Ontario Forest Industries Association (OFIA) would like to thank the Ministry of the Environment, Conservation and Parks (MECP) for the opportunity to comment on the Environmental Registry of Ontario (ERO) number 019-2709: *Ontario Low-Carbon Hydrogen Strategy - discussion paper* posted on November 19, 2020. The OFIA believes there is an opportunity through this initiative to support the goals and objectives of the Ministry of Natural Resources and Forestry's (MNR) *Forest Biomass Action Plan* and offers the following comments.

As mentioned in the discussion paper, hydrogen can be made in various ways, including water, fossil fuels, renewable fuels, and biomass. Forest biomass being explicitly mentioned in the discussion paper as a green method for producing low-carbon hydrogen fuel, producing zero or near-zero greenhouse gas emissions over its lifecycle.

According to the Centre for Research & Innovation in the Bio-Economy (CRIBE), producing low-carbon gas from forest biomass by way of gasification scores relatively low on the Commercial Readiness Index (CRI). As the province considers the future of forest biomass electrical generating facilities, it is crucial to recognize that it could take over five years to see full-scale commercialization of hydrogen gasification plants. We strongly believe that the focus should remain on increasing the sustainable consumption of forest biomass at existing biomass facilities.

Hydrogen is highlighted in the discussion paper as a potential source of electricity production. Ontario currently has world-class biomass electrical generating and biorefinery assets. These facilities currently consume large volumes of biomass and provide a wide range of social, environmental, and economic values to the province. Supporting and improving these enterprises will be the most immediate and effective way of spurring increased consumption of and investments in biomass.

Not all energy sources are created equally, and each should be evaluated based on the entire value it provides both ratepayers, the public, and the regions it supports. As countries, industries, and communities seek ways to reduce greenhouse gas (GHG) emissions, there is increasing interest in using forest biomass for energy to offset emissions from fossil fuels. Forest biomass is a renewable source of feedstock for energy production, often treated as a residual from another manufacturing process that would otherwise be landfilled. Other jurisdictions have recognized this and have taken action. For example, Alberta has provided additional offsets to electrical generation from forest biomass (and other renewable fuels) due to the avoidance of methane, a potent GHG, by diverting a portion of biomass from landfills.

Ontario's forest sector experiences a high degree of integration; residual material from one facility is the feedstock for another. Existing biomass facilities play a critical role as a large consumer of wood chips and residues (of all wood qualities), contributing to the economic sustainability of sawmills, veneer, OSB, and laminated strand lumber. Without some form of continuance for existing biomass generation facilities, Ontario risks negatively impacting several other facilities' viability.

The OFIA recommends that in developing a Low-Carbon Hydrogen Strategy, Ontario also focus on maintaining existing forest biomass enterprises and capacity already installed in the province. A desire for new, greenfield projects is an attractive and ambitious goal when it is feasible. However, existing facilities that are engineered to consume significant volumes of sustainable biomass material cannot be ignored. Along with other benefits, these facilities provide a consistent baseload of electrical energy to Ontario's grid and require fair pricing given the significant social and economic value provided to the province.

We look forward to continued communication with the MECP on developing a Low-Carbon Hydrogen Strategy that supports this government's desire to secure jobs and support economic development using mill by-products and forest biofibre.

Sincerely,



Ian Dunn, RPF
Interim President & CEO
Ontario Forest Industries Association