

August 24, 2021

The Honourable Todd A. Smith
Minister of Energy
77 Grenville Street
Toronto, Ontario
M7A 2C1

Re: Supporting Biomass Operations in Ontario

Dear Minister Smith,

On behalf of the Ontario Chamber of Commerce (OCC), I am writing to express support for integrated forestry operations in Ontario that utilize biomass power production. As the indispensable partner of business in this province, we recognize that biomass strengthens forestry's role as a foundational sector for the province and enables electricity consumers to benefit from a highly valuable and renewable energy resource to power economic recovery and regional growth.

Biomass, or fuel derived from organic materials, is a carbon-neutral source of energy and an important pillar of the forest products industry, mining industry, and regional economies in northern and eastern Ontario.

Electricity generated from biomass supports the province's power grid during peak periods and strengthens the reliability of the grid in northwestern Ontario. Given the forecasted increase in demand for electricity in Ontario, biomass-derived electricity is well positioned to advance the province's Critical Minerals Framework and is an essential component of Ontario's Biomass Policy and Forestry Strategy.

From an environmental perspective, biomass reduces carbon emissions and provides an alternative to landfill disposal of wood waste. Ash produced from the generation process also provides nutrients for farmland and mine remediation, while harvesting dry woody material reduces forest fire risk. It also contributes to provincial stumpage revenue and reforestation trust funds. All told, biomass has been shown to have an economic multiplier of at least three to one.

Resolute Forest Products is a key investor in Ontario's biomass economy. As the largest forest products company in Ontario, Resolute has invested well over \$300 million in the province over the last decade. The company employs over 900 people, and an additional 3,000 jobs are directly associated with its operations in Ontario. Further, Resolute provides \$60 million in annual contracts to Indigenous partners, supports hundreds of direct and indirect Indigenous employees, and is engaged in Indigenous commercial partnerships on three Crown forests.

Among its activities in northwestern Ontario, Resolute operates a biomass cogeneration station in Thunder Bay. With the facility's Power Purchase Agreement (PPA) set to expire in 2023, and considering important capital investment decisions being deliberated by the company, we encourage the Province to consider directing the Independent Electricity System Operator (IESO) to extend or renew the PPA.

The OCC encourages the Government of Ontario to view biomass generation holistically, as a means to meet forecasted demand for incremental power, support energy security, unlock regional economic development opportunities, and reduce carbon emissions in Ontario.

We welcome the opportunity to discuss the issue further.

Sincerely,



Rocco Rossi
President and CEO
Ontario Chamber of Commerce

CC. The Hon. Doug Ford, Premier of Ontario
The Hon. Peter Bethlenfalvy, Ontario's Minister of Finance
The Hon. Greg Rickford, Ontario's Minister of Northern Development, Mines, Natural Resources & Forestry and Minister of Indigenous Affairs
The Hon. Vic Fedeli, Ontario's Minister of Economic Development, Job Creation and Trade
The Hon. David Piccini, Ontario's Minister of the Environment, Conservation and Parks