

Membership Meeting  
January 22, 2016

Our meeting was well attended with ten members present. We had a full agenda with a number of important topics discussed with Minister Kent, Energy Mines and Resources, Stephen Mills, Deputy Minister EMR, and a number of staff from Forest Management Branch.

Biomass Energy presentation

Werner Rhein

Member Werner Rhein has over thirty years' experience working on and installing biomass boiler systems. He is from Switzerland where he worked on biomass systems. He believes there should be more heating and electrical generation from biomass in the Yukon. A key point of his presentation is that electricity is easier to move than hot water so why not produce electricity and utilize the existing power distribution infrastructure. He supports combined heat and power systems that use gasification technology already available in Europe and North America.

If you have any questions you can contact him by phone or email his information is on our website in the members list.

His power point will be up on our website soon at:

<http://www.yukonwoodproducts.org/index.html>

Biomass Expo

Richard Annette

Richard Annette has been a member of the association for a number of years now. He is a professional engineer working for Associated Engineering. He has a keen interest in seeing the use of Yukon wood products in construction and heating applications. He is originally from England and has experience with biomass systems in the UK.

He explained his vision for a biomass expo to promote the development of biomass as a source of energy production. A number of discussions have occurred with Economic Development Branch, FMB, Energy Solutions Center and Whitehorse Chamber of Commerce. There seems to be interest in developing the two day workshops.

The expo would be designed to show case the potential of biomass in the context of the stability of feedstock supplies, the biomass systems available, and the expertise available to install and operate the systems and who would benefit from using biomass energy.

*Note:*

It has come to our attention that Yukon College is setting up a biomass conference this spring in Whitehorse. Last week there was a meeting with the coordinator of this conference. It appears that there will be considerable overlap with the expo concept so at this time we will not pursue our own conference. Richard has agreed to look into the trade show and see if that might be a better venue for us to promote our interests and showcase the sector. More on this in the near future.

Forest Management Branch updates:

Whitehorse Southern Lakes Forest Management Plan (WSL FRMP) Lisa Walker

The work on the forest management plan is progressing and the planning team has developed forest management zones where forest management and timber harvesting activities. There will be a draft of the plan made available for review and consultation later this spring. We have invited Lisa to attend our spring AGM to discuss in more detail the plan and its implications for the wood products industry in this area and across the Yukon. When looking at the land base for timber production in the WSL it is interesting to note that most of the available timber is located on the settlement lands of the three First Nations. This means that once the plan is completed the First Nations will be conducting TSA work and from there they will have to establish their own forest legislation and licenses. This will result in five different AAC's and five different timber jurisdictions in the region.

There are a number of open houses scheduled in the region that members should attend.

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| January 26 <sup>th</sup> , Marsh Lake Community Hall | 5:00 pm to 8:00 pm |
| January 27 <sup>th</sup> , Tagish Community Hall     | 5:00 pm to 8:00 pm |
| February 2 <sup>nd</sup> , Carcross Curling Club     | 5:00 pm to 8:00 pm |
| February 4 <sup>th</sup> , Mt Lorne Community Hall   | 5:00 pm to 8:00 pm |
| February 9 <sup>th</sup> , Whitehorse Gold Rush Inn  | 3:00 pm to 8:00 pm |

There will be a short introductory message at around 5:30 pm at each event and if there are enough new arrivals a second presentation may occur at 6:30 pm.

Streamling process and 5 yr review process

Lisa Walker

There will be a discussion paper coming out soon that will be consulted on. This will facilitate the amendments suggested by the joint committee of YWPA and FMB. There will be amendments to timber harvest plans, stumpage structure and other minor

adjustments to administrative processes. These changes are designed to make it easier to obtain harvesting rights and to level the playing field for different product lines for industry.

YWPA will distribute the discussion paper to members when it comes out.

#### Manufacture of wood products regulation

Lisa Walker

This regulation is nearing final drafting stages. One of the more difficult definitions they had to nail down is ‘what is a facility’ is it a towed portable mill; is it a mill in a building; or, is it something in between. They decided to set the limits for volume to be processed at the thresholds established in the YESSA legislation. This means that facilities below 20,000 m<sup>3</sup> timber production will be exempt and above that threshold will require a permit. Further there will likely be a nominal application fee required.

#### Timber Supply analysis updates

Kirk Price/Marc Meyer

There are two timber supply analysis (TSA) being conducted at this time; Haines Junction and Dawson. If the WSL FRMP is completed in a timely manner they plan to conduct a TSA for it as well. These two TSA processes are the first that have been undertaken in the Yukon that include extensive data collection, forest land planning and legislated mandates with legally binding requirements. They are the blue print for all TSA and annual allowable cut determinations from this time forward.

Key elements to keep in mind regarding TSA work:

- This is the technical side of determining an annual allowable cut
- It based upon good forest inventory data
- Appropriate forest management direction provided in FRMP
- The land base needs to be netted down to the operational land base by applying reduction factors for social, cultural, environmental and economic factors this is done at the beginning stages of the TSA
- Yukon government will only be establishing the TSA on Crown Lands but will work with First Nations governments to establish them on settlement lands and will assist with capacity building
- The forest resources act lists 18 factors and considerations that must be built into the TSA process
- Two committees have been established; the Haines Junction committee is chaired by Marc Meyer and the Dawson committee is chaired by Kirk Price
- The consultations on these processes will be extensive and thorough and will include the YWPA
- This is required so that there will be no surprises at the end of the process

- ForSite Consulting has been retained to complete the analysis they have over 35 years' experience doing this type of work in Canada
- In the Haines Junction area the eventual AAC will be partitioned into long run sustained yield (green timber) and a one-time salvage designation on the dead standing beetle killed timber.

### Biomass energy strategy

Minister Kent

Minister Kent was welcomed to our meeting at lunch time and spoke to the group.

He expressed optimism with regard to the potential for biomass to produce heat and energy. With his dual portfolio for forestry and property management he feels that there will be a positive outcome in terms of government commitments to enhancing opportunities for heating systems in government facilities. Biomass provides opportunities to create jobs in the Whitehorse market and will be a growth opportunity in the communities as well. He has asked his staff at EMR and DPW to develop a call for expressions of interest to develop proposals to provide biomass based heating sales for government complexes. While the government is not going to ask for a specific building or group of building they will be requesting proponents to develop the expression of interest for any combination of facility they choose. In other words this an open ended process, the only condition is that the provider will operate and own the boiler system and fuel supply chains and sell heat to the building.

When asked if the expression of interest will lead to a negotiated contract or a further RFP that any number of proponents would be able to bid on, he was unsure how it would go. The association members expressed concern that if after doing considerable work on an expression of interest to only loose the opportunity to another company would not be well received. YWPA feels that a negotiated agreement to provide heat would be the only way to ensure an open and fair process.

The Minister asked if scale will be a concern as he does not want to scale it at a size that pushes local businesses out of the opportunity. Members suggested that this will be an issue and having large outside companies come in a set up large scale district heating systems to the exclusion of local business could be a problem. However, the logging sector will benefit from having an opportunity to sell biomass to the large and the small operators so it would not be all bad news. The key to success is in the details that will be built into the request for expressions of interest. That is if the proponent has the opportunity to pick the project and make a proposal this should help to alleviate this issue.

YWPA pointed out that there is a need to create incentives similar to those available to other energy producers for biomass operators. These incentives should be designed to encourage private enterprise to make the move to biomass heating and energy production.

The Ministers last word on this was, “Come and propose something.”

There will be more details emerging on this issue in the near future.

Minister Kent also talked about the Council of Canadian Forest Ministers (CCFM) meeting coming in the spring. The Yukon is hosting this meeting in Dawson and will be inviting the association to attend the meeting and participate in some of the open events. The meetings are set of June 7, 8 and 9, 2016 in Dawson.

He has invited the Canadian Forest Products Association chair to attend and hopes to have an opportunity for YWPA to sit down with them and have a good open and frank discussion on national and international forestry issues.

At the CCFM meeting all of the Ministers signed onto an evaluation of rural communities that are dependent on diesel fuel for electrical generation and the possibility of converting to biomass. Yukon has signed onto this initiative and is looking at diesel dependent communities and Watson Lake is an obvious choice. The Energy Solutions Center is part of this committee.

#### First Nations Reconciliation

Deputy Minister Stephen Mills

Deputy Minister EMR, Stephen Mills spoke about the initiative that has been underway for a number of months to reconcile the relationship with the Kaska First Nations in Watson Lake and Ross River. This process has been established to create the situation where disagreements can be worked out between the parties in a negotiation rather than in the courts.

The Kaska are willing to move forward on a number of issues and have identified forestry as a priority for them. They are interested in looking at the land base and identifying where timber harvesting can be done. Things are hopefully going to be sufficiently established with them by early in the next fiscal year that positive directions can be set out. The Government of Yukon will be providing capacity funding to support them. The Kaska leadership wants to see progress with regard to socio-economic benefits to their citizens and communities as a priority. This will create the investment certainty the industry.

There are also discussions occurring with White River at this time with a similar objective.

## Forest Sector Trust Fund

Finella Prescott

The Forest Sector Trust Fund was established at devolution in 2003 at the time 4.5 million dollars was placed in trust. Since that time with accumulated interest the fund has grown to 5.5 million.

FMB has been working to establish the committee that will create the management board and working parameters for the use of these dollars. The trust has been directed to enhance, restore and protect forest resources through a section in the Forest Resources Act.

FMB will be providing secretariat functions for the committee and the management board.

YWPA members asked if the funds could be used to promote economic growth in the area of market expansion for products. The answer: the parameters are fairly broad and it will be up to the management board to make determinations on what will qualify for support.

An information sheet was forwarded to members in a separate email.

## Silviculture strategy

Marc Meyer/Kirk Price

FMB has been working on developing a meaningful silviculture program for the Yukon. This started with hiring a silviculture officer who has been working to develop a logical way to advance silviculture management.

The strategy will contain the following components; clearly defined goals and objectives, funding methods, how to use the \$100,000.00 in the Elijah Smith reforestation fund. The dollars in this fund are not enough to implement a reforestation program for the Yukon.

The strategy will have to develop creative ways to fund the need for silviculture. There will be a need to build capacity with First Nations. There may be a way to use silviculture strategy to develop significant jobs and business opportunities through silviculture.

With regard to the funding problem it was suggested that if the Yukon were to introduce a carbon tax this money could be directed to the Elijah Smith fund.

FMB will be seeking input from the YWPA with regard to the details that will be provided in the discussion paper this winter. The plan is to start implementing the strategy this spring.

Next FPInnovations 2016

Lyle Dinn

Lyle reminded the association that FMB has signed a three year agreement to have FPInnovations make a series of presentations to industry. Two have been completed; the first was on wood drying about a year ago; the second was held this spring in Haines Junction looking at harvesting optimization; the third is planned for later this winter or spring and we would be looking a biomass production by loggers.

There is a concern that attendance at the last session did not meet expectations and asked if the members present have any ideas with regard to improving this. He will be looking for input on the next session to make sure it meets current industry needs.

Allocation Strategy

Gavin Dykshroon

FMB has been looking at expanding the allocation process established in Haines Junction to other districts in the Yukon. The process will be tailored to each district as the situation varies from community to community. This will involve an adjustment to volume thresholds specific to each area. Once the process has been drafted it will be forwarded to YWPA for feedback.

Prepared by:  
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