

Panel 1

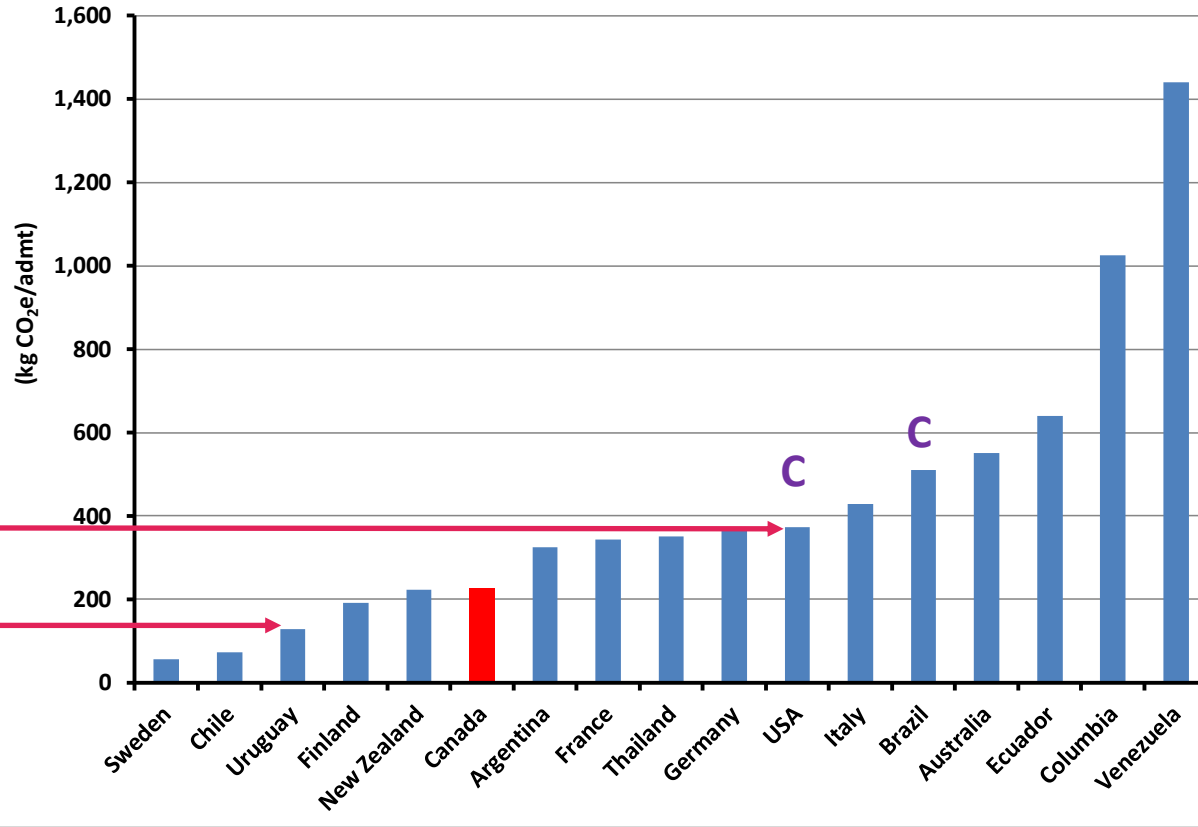
Heavy Industry is Necessary in Canada's Low Carbon Future

Bob Larocque, FPAC,
Montebello, May 16th

Forest Products Sector – Carbon Facts

- Since 1990, forest products sector has reduce it's GHG emissions by 66%
 - Energy Efficiency
 - Fuel switching (no more coal, oil <1% of fuel mix)
- Total sector emissions of 6 MT
- 90% of emissions from Pulp and Paper sector which is heavily trade exposed (> 90%)
 - Competition is from US, Brazil and China

2014 National Averages for GHG Emissions



70% of global average

70% of Can average

Transformation of the Sector

Well developed with
~ 40 facilities generating
electricity and steam



Electricity/Steam
Generation

BioMaterials
(ex: lignin, or anything
used within another
product)

BioFuels

BioChemicals
(ex: commodity
chemicals such as
lime)

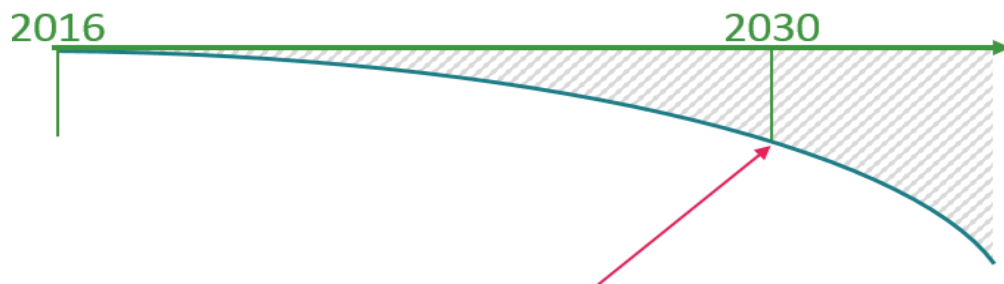
Treated Water
(ex: treated municipal
sewage)

Government of Canada and
pulp and paper sector investing
billions of \$ in the sector transformation.
Not as developed as electricity but will be by 2025

Climate Change Challenge: 30 by 30

The Canadian forest products sector is pledging to remove 30MT of CO₂ a year by 2030 – more than 13% of the Canadian government's emissions target.

Proposed Target



How can we remove 30 MT by 2030?

1. **Forest Management (15 MT)**
2. **Displacement of fossil fuels (7 MT)**
3. **Increase use of Forest Products (4 MT)**
4. **Manufacturing (4 MT)**

Forest Sector of the future

Innovation and climate mitigation closely linked

Forest Management Maximize forest harvest while protecting the environment

- Use of new technology to maximize harvest (LIDAR, bio-fuels at the forest)
- Forest management practice that maximize carbon sinks (better growth and yield of trees)
- Landscape level management to maximize sustainability and carbon sinks

Wood Products Long lived engineered wood products that sequester carbon

- Taller wood buildings in Canada
- New engineered wood products like Cross-Laminated Timber
- New construction application like fiber insulation

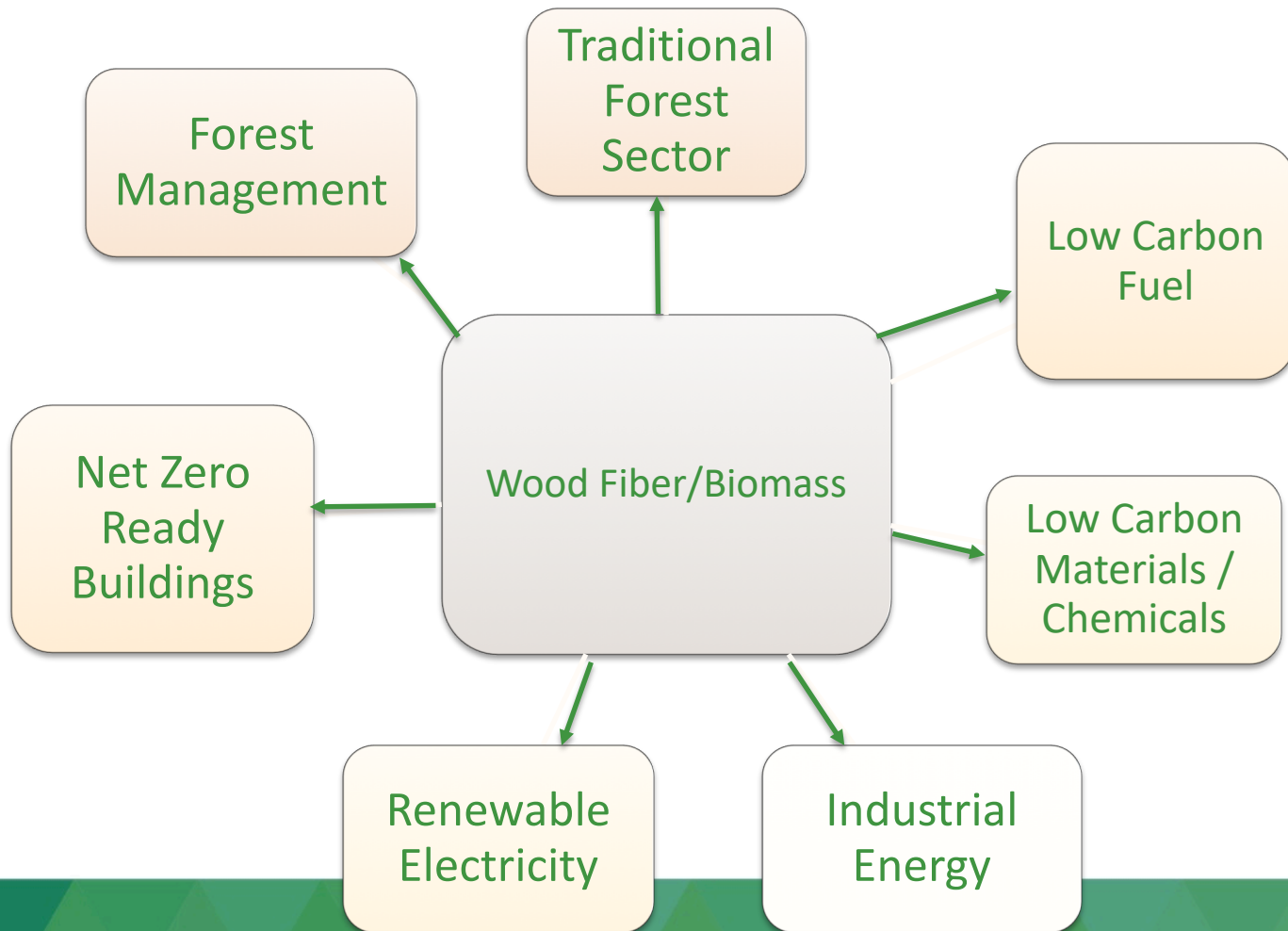
Bio-refineries Pulp mill of the future that produce climate-friendly products

- Advance pulp and paper products (large volume)
- Sugar and lignin based chemicals (higher value added)
- Bioenergy such as biofuels, pellets, on-site green electricity generation (low margins)

} All three critical for diversification

Government Approach to Carbon is Key

- **Opportunity to address competitiveness – so far not clear**
 - Yes in principle for carbon pricing but not for others (ie Clean Fuel Standard)
- **Regulatory/Carbon Pricing proposal must be aligned**
 - Remove duplication/triplication of regulations on same fuel
 - Slow down and Get it right
 - Minimize reporting burden
- **Innovation**
 - Great opportunity to look beyond just fuels (bioproducts, green infrastructure, forest management)





THANK YOU!

Questions can be directed to Bob at
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