

## B.C. fuels fight with Ontario over bioenergy



### Campbell will head up quest to become top destination for clean energy dollar

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British Columbia's quest to replace Ontario as the top destination for clean-energy investment dollars will now be headed up directly by Premier Gordon Campbell.

Ontario's new energy pricing strategy has left B.C. behind, with new contracts expected to be rolled out in the coming weeks under its "feed-in tariff" policy guaranteeing prices and long-term contracts for green power.

The B.C. Premier plans to introduce a new Clean Energy Act this spring to exploit his province's beetle-killed forests as a bioenergy alternative, and to open up new energy trading opportunities across Western Canada and into the U.S.

Last week's B.C. budget established a three-year, \$100-million clean energy fund to support biofuel production and other forms of low-carbon electricity generation.

Mr. Campbell then appointed a new deputy minister, reporting to his office, to ensure that the different arms of government are working to make clean energy "this century's greenfield of opportunity," as his Throne Speech pledged last month.

The appointment of deputy minister Robin Junger is the first clear signal of the Premier's post-Olympics agenda, a subtle shift from his climate-change agenda to one that seeks to extract jobs and profit from a cleaner environment.

The new deputy minister of clean technology is in charge of "breaking down the silos" in government, Mr. Campbell said, and honing a new energy strategy in the coming months.

"There is not a jurisdiction that won't try to win the clean-energy race," Mr. Campbell said in an interview yesterday. "The real advantage we have is incredible clean, low-carbon resources."

Harvie Campbell, executive vice-president for strategy of Calgary-based Pristine Power Inc., said the Premier's personal attention to the file is a sign that the battle between the provinces is heating up.

"Right now there is institutional sand in the gears in B.C.," he said. "This means things will happen faster. Things will get done."

While British Columbia already has abundant low-carbon energy sources in its system of hydroelectric dams, the province does not have enough power to meet its own needs.

Later this week, the Crown corporation BC Hydro is expected to announce a series of new clean-energy contracts designed to leverage more than \$3-billion in investment. The purchase agreements are slated to produce up to 5,000 gigawatt hours per year to help B.C. become self-sufficient for its electricity needs.

Mr. Campbell of Pristine Power said that shortfall in domestic supply makes B.C. a highly attractive place to invest, if the province can devise a rate structure that makes bioenergy more economically viable.

But the company is watching both provinces closely to determine where to go next. "We are in B.C. and in Ontario and our resources are infinitely mobile to react to calls in either jurisdiction," he said.

Ontario Premier Dalton McGuinty has pledged to create more than 50,000 jobs with his new Green Energy Act, while reducing Ontario's reliance on coal-fired energy.

Don Roberts, research analyst with CIBC World Markets Inc., said Mr. McGuinty has set the benchmark for investors with Ontario's new long-term price guarantees.

"The feed-in-tariff program is by far the most generous in North America, and in some cases in the world," he said. Mr. Roberts doesn't expect B.C. will be able to match those subsidized rates, but he said there are changes the province can make to regain competitiveness.

BC Hydro will have to provide long-term commitments on energy pricing, and the province needs to lower the cost of extracting pine-beetle-killed timber from the forests to make bioenergy more viable, he said.