The Honourable Steven Guilbeault Minister of Environment and Climate Change Canada

The Honourable Jonathan Wilkinson Minister of Energy and Natural Resources

Re: Canada's support for utility-scale electricity generation from forest-based biomass

November 14, 2023

Dear Ministers Guilbeault and Wilkinson,

Since first being elected in 2015, the Liberal government has <u>invested billions of dollars</u> in environmental protection and climate action. As your Ministries consider paths to support a deeply necessary transition towards a renewable energy future with thriving nature, we are urging you not to simply replace one polluting fuel with another, placing further burden on already stressed natural systems.

Utility-scale electricity generation from forest-based biomass is a false climate solution that generates <u>more carbon emissions at the smokestack than coal</u>, and <u>degrades critical</u>, <u>high-carbon forests in</u> <u>Canada</u>, weakening one of our best defenses against climate change and releasing vast carbon stocks. It also <u>emits pollutants</u> that harm the health of communities living near pellet plants.

This industry is heavily reliant on government subsidies, putting it directly at odds with your government's commitment to <u>phase-out subsidies that harm biodiversity</u> and to halt and reverse nature loss. Drax, for example, received <u>\$1.8 billion from UK consumers</u> since 2016. The largest exporter in the US, Enviva, received millions in <u>subsidies from the US</u>. <u>Canadian Provincial</u> and <u>Federal Governments</u> are also providing millions of dollars to this industry. These funds could be better directed to Indigenous land use, stewardship or restoration projects, and real climate solutions such as wind and solar power development.

Biomass industry expansion must stop if we are to meaningfully fight the climate crisis, which is why we, the undersigned, are urging you to reject forest biomass as a renewable energy solution.

In February 2021, over 500 scientists signed a public letter calling on global leaders to 'preserve and restore forests and not to burn them', emphasizing that 'regrowth takes time the world does not have to solve climate change'. Many forest workers and communities have been clear that wood pellet plants have negative consequences for both forest ecosystems and forest industry employment, calling on the Monopoly Commission to investigate, since Drax has monopolized much of the wood pellet production in western Canada. Investigative reports, documentaries and shareholder reports all confirm that companies are increasingly turning to logging whole trees and primary forests to supply pellet plants. With precious few years to reduce carbon emissions in order to meet global climate targets, destroying some of the most carbon-rich, species-critical forests left to generate highly polluting energy pushes the planet toward disastrous climate and biodiversity thresholds.

Canada is currently the <u>third</u> largest exporter of wood pellets in the world, which it exports primarily to the United Kingdom and Japan, as well as other European and Asian countries. If Canada does not take leadership now, subsidies at multiple levels of government will drive the expansion of this unsustainable industry, worsening the climate impact Canadians are already feeling so acutely.

We urge you to reverse course and choose true climate solutions that meet the scale of the crises we face. Canada is in a strong position to demonstrate leadership and reject biomass as a source of renewable energy – both at home with real renewables readily available and abroad – at COP28.

We are calling on the federal government to take immediate action and:

- Work with other levels of government to ensure forests are off-limits to wood pellet production for export.
- End all subsidies to the utility-scale wood pellet industry and redirect funding to Indigenous land use, stewardship or restoration projects and real climate solutions such as wind and solar power.
- Support value-added jobs that provide more substantial and stable economic opportunities locally.
- Encourage the Powering Past Coal Alliance to take a public stance against burning forest biomass as an energy replacement for burning coal.
- Revise national carbon accounting methods, in line with recommendations from leading scientists, to transparently report logging emissions within Canada's National Greenhouse Gas Inventory as essential to the accurate accounting of biomass' full emissions impact.
- Advocate on the international stage and within the UNFCCC for an <u>update to carbon accounting</u> <u>mechanisms</u> that closes loopholes which falsely represent industrial logging and utility-scale exported biomass as carbon neutral.

We share a great sense of urgency to transition quickly away from coal, oil and gas, but one highly polluting fuel should not be replaced with another. You have an opportunity to demonstrate climate leadership in Canada and internationally and foster sustainable economies by transitioning to clean and renewable energy sources rather than simply shifting from burning fossil fuels to burning forests for fuel. The scale of action needed to address the crises we are facing – from mitigating the impacts of climate change and industrial forestry that has contributed to <u>larger</u> more <u>intense</u> fires and <u>floods</u>, to ensuring a stable, abundant future for forest communities and workers – requires your government to reject forest biomass and instead take meaningful action to support an economy that will align with a climate-safe future.

Signed,

- Stand.earth David Suzuki Foundation Nature Canada Wildlands League Alberta Wilderness Association Calgary Climate Hub Citizens for Public Justice Citizens' Climate Lobby Canada Climate Action for Lifelong Learners (CALL) Climate Emergency Unit Coalition for Responsible Energy in New Brunswick (CRED-NB) CUSP - Citizens United for a Sustainable Planet Ecology Action Centre Environment North
- Friends of Musquash Friends of the Earth Canada Grandmothers Act to Save the Planet (GASP) Monthly Vigil for Ancient Forests Natural Resource Defence Council Ontario Nature Re_Generation Sierra Club BC Socially Responsible Investing Cowichan The Climate Reality Project Canada West Coast Climate Action Network Wilderness Committee Wildsight





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