Biomass Development Zones & Biomass Supply Credit Rating Standards

Jordan Solomon*
President, Ecostrat
&
Don Roberts**
CEO, Nawitka Capital Advisors Ltd.

MegaForestais Working Group
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* Jordan Solomon has led the effort to develop the BSCR Standard in Canada and the U.S.A.
** Don Roberts is a member of BSCR Standard Advisory Group.
The BD Zone Initiative: Driving Investment to Low Risk Bio-Project Development Regions

How the BSCR Standards and BD Zones work to de-risk investment and accelerate bio-project market development
What are Bioeconomy Development Zones?

The BD Zone Program is an economic development tool to attract new biochemical, biofuel and bio-material plants to regions that are “biomass investment ready”.

- BD Zones have surpluses of biomass, low-risk supply chains to deliver it, and suitable infrastructure to support an operating plant.
- The BD Zone Program:
  - Awards a “AA” or “A” Ratings to designated zones that present low bio-project development risk.
  - Drives bio-business deal-flow to BD Zones by promotion through federal, provincial and local economic development bodies.
  - Supports our forestry companies, sawmills, paper companies and farmers by attracting new markets for biomass.
The BD Zone Initiative

Leveraging the BSCR Standards and Capital Markets Group to Drive Bio-based Investment and Jobs

 BD Zone Investors
Investment capital for bio-projects located in BD Zones from the 65 members of the largest group of bio-based investors in North America.

 BD Zone Initiative

 Standards for Biomass Supply Chain
BD Zones are designated using the BSCR Standards: recognized by leading capital markets and developed over 5 years with support of Canadian and US and federal governments (NRCan and USDOE), National Labs, and over 150 industry stakeholders.
Canada’s First BD Zone: The City of Melville, SK

*Designation Date, November 2020*

**The City of Melville, SK is Canada’s first BD-Zone.** City Manager Ron McCullough says: “The City of Melville approached the BD Zone initiative because we are interested in attracting clean technology opportunities to Melville: opportunities like Red Leaf Pulp”.

**Red Leaf Pulp is looking to locate the first Canadian wheat straw to pulp plant in a BD-Zone.** Martin Pudlas, CEO of Red Leaf Pulp says this: “Reliability of feedstock supply is key to our location decision and a BD Zone designation an important factor in our decision-making criteria.”

“The first $300M Red Leaf Pulp plant will transform 260,000 tons per year of wheat straw into compostable, renewable bio-products create 285 direct and indirect jobs in Saskatchewan. Saskatchewan alone can accommodate 4-5 additional Red Leaf Pulp facilities.”

**The Commercial Aviation Alternative Fuels Initiative (CAAFI) says:** “CAAFI recognizes the unique challenges facing development and financing of new sustainable aviation fuel facilities, particularly given the economic downturn brought on by COVID 19. CAAFI fully supports the BD Zone Program and strongly recommends the designation of as many BD-Zones as practicable in order to attract solid investment in SAF production facilities”.

What Does a ‘BD Zone Rating’ Look Like?

The City of Melville BD Zone is ‘A’ rated for feedstock and infrastructure risk.
How BD Zones Drive Economic Development

BD Zone Rating
‘AA’ or ‘A’ rated for low feedstock risk. Surplus of biomass, strong anchor suppliers, good supporting infrastructure. Certified Risk Ratings using Canadian Standards for Biomass Supply Chain Risk Ratings validated by BDO Zone Advisory Committee.

BD Zone Promotional Network
Accelerates BD Zone dealflow. Federal, provincial economic development organizations (i.e. Invest-In-Canada), National, provincial and local bio-economy associations (i.e. Advanced Biofuels Canada).

BD Zone Stakeholder Group
Accelerates ground-level economic development. Local anchor suppliers and processors of biomass, transport and logistics companies, ports, equipment suppliers, local economic development organizations.

BD Zone Investor Coalition
Accelerates BD Zone investment. >$60 B of investment capital designated for bio-projects by 60 key capital markets players.
BD Zones Leverage Local, Provincial and Federal Economic Development Agencies

- Invest In Canada is the federal government’s global investment attraction and promotion agency. It is the global investor’s primary point of contact to unlock business opportunities and facilitate job growth and expansion in Canada.

- Invest in Canada has endorsed BD Zone Risk Ratings as a means to drive investment into Canada.

- Invest In Canada will promote BD Zone Ratings through over 160 offices around the world to help drive new bio-based investment.
High Level Endorsement for the BD Zone Initiative

Ralph Goodale (Canada’s UK High Commissioner; former Minister of Agriculture and Agri-Foods, Minister of Natural Resources, Minister of Finance, Minister of Public Works).

“Serious investors need to be ready to roll. That’s where the idea of the Bioeconomy Development Zones can be really helpful, to have that independent, third party, standards-based legitimacy attached to, for example, the City of Melville, who now have a step up on all of its competition around the province.”

“Bioeconomy projects can pay farmers for their waste, get rid of some of the toughest crop residues, and offset job losses in the coal sector.”


“A BD Zone Designation makes it easier for sustainability-minded investors to feel less at risk regarding the money they are putting in, because it quantifies and qualifies the risk in a way that has never been done before. It’s a degree of certainty that was taken for granted in solar and wind and is now available in the bio-sector.”