



October 14, 2009

Alberta's forestry waste becomes a bright light for clean energy

Project aims to reduce greenhouse gas emissions by 400,000 tonnes annually

Drayton Valley... Scrap treetops and branches from forestry operations in Alberta will soon help power consumers' daily lives with clean energy. The Government of Alberta is providing \$25 million to develop a first-of-its-kind waste-to-energy production facility in the Town of Drayton Valley.

"The Drayton Valley Energy Campus is an excellent example of Alberta's investment in a sustainable future," said Alberta Environment Minister Rob Renner. "It's a win-win-win for Albertans. We're producing electricity, turning forestry waste into valuable commodities, and reducing Alberta's greenhouse gases."

The Otoka Energy Corporation is receiving a \$20 million grant from Alberta's share of the Canada ecoTrust for Clean Air and Climate Change. The project also received \$5 million in July 2009 through Alberta's Biorefining Commercialization and Market Development Program, a program administered by Alberta Energy.

"The Town of Drayton Valley is delighted to have Otoka Energy Corporation as part of our community," said Drayton Valley Mayor Moe Hamdon. "We have a shared interest in finding clean, renewable and rewarding energy solutions and this project complements our bio-mile development, an ongoing initiative to create industrial development without waste."

Otoka's Drayton Valley Energy Campus will convert 380,000 tonnes of wood waste into electricity each year. By using a renewable source to produce energy, the project will reduce Alberta's greenhouse gases by about 400,000 tonnes each year.

"We are thrilled to be recognized by the province of Alberta as part of the climate change solution," said Otoka President and Chief Executive Officer Michael Muston. "The Drayton Valley Energy Campus is a project designed to showcase technology that can drive a renewable energy economy and support Alberta's vision to be a leader in sustainable development."

The Canadian government established the Canada ecoTrust for Clean Air and Climate Change in 2007 by distributing \$1.5 billion among all the provinces and territories to assist with clean air and climate change initiatives. Alberta's share of the ecoTrust is \$155.9 million. The remaining funds will be distributed by the Government of Alberta to support projects with a strong potential to reduce Alberta's greenhouse gas emissions or improve air quality. Alberta Energy's Biorefining Commercialization and Market Development Program aims to encourage

the growth of a sustainable bio-energy industry.

For more information on Alberta's Climate Change Strategy, visit www.environment.alberta.ca.

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Backgrounder: Project details

Media inquiries may be directed to:

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Project details

How did the province choose this project for ecoTrust funding?

The project was chosen by a provincial cross-ministry team composed of Alberta Environment, Energy, and Advanced Education and Technology. Project proposals were submitted through an expression of interest process. Proposals were evaluated on their potential to reduce emissions in five key areas: clean carbon; carbon capture and storage; renewable energy; clean air; and energy efficiency.

The Drayton Valley Energy Campus

The project will convert by-products from forestry operations, such as treetops and branches, into consumer electricity. An estimated 380,000 tonnes of wood waste will be converted to electricity each year once the project is fully operational. The renewable energy project is expected to reduce Alberta's greenhouse gases by more than 400,000 tonnes of carbon dioxide each year. This is the equivalent of removing approximately 80,000 cars from Alberta's roads each year.

Otoka has plans to develop its Drayton Valley operations in three phases. Phase one includes the construction and operation of the Drayton Valley Energy Campus. The cost of this development is estimated at \$100 million. Alberta's \$25 million in funds will support this development.

The next two phases are estimated to cost an additional \$140 million and will add a methanogenic reactor to produce natural gas and an upgrader to produce ethanol.

Are there other renewable energy projects Alberta is supporting with ecoTrust funding?

On October 1, 2009, the Government of Alberta announced it will provide \$7.45 million in ecoTrust funds to support a renewable energy project that will transfer residual energy from a City of Edmonton biofuels facility to heat a neighborhood in Strathcona County. The project will reduce greenhouse gas emissions by about 7,000 tonnes per year when operational in 2011.

Additional ecoTrust projects in Alberta will be announced later this fall.

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