

The logo for Kamloops The Daily News features the word "KAMLOOPS" in a red, serif font at the top. Below it, the words "The Daily News" are written in a large, blue, sans-serif font. The "The" is smaller than "Daily News". A yellow sun with rays is partially visible behind the "The" and "Daily".

KAMLOOPS The Daily News

Thursday, April 14, 2005

Energy company inks deal with Tolko worth millions

An alternative energy company with a test facility in Campbell Creek announced Wednesday it has completed a multimillion-dollar deal with Tolko Industries Ltd.

Under the agreement, Nexterra Energy Corp. will supply and install a system at Tolko's Heffley Creek plywood mill to convert green wood, bark and residue produced on site to energy.

Tolko estimates it will save \$1.5 million a year in reduced natural gas consumption, equivalent to the amount used to heat 1,900 homes. The energy is used to produce hot water for log conditioning and to

dry veneer. The energy system is called gasification, a process that uses heat to convert carbon-based fuel into a gas form. That gas is then burned to create energy.

Nexterra built a \$1 million plant in Kamloops in 2003 to test technology it acquired from other patent holders.

"The business case for forest product manufacturing operations is switching from an expensive fuel (natural gas) to using their own residual wood," said Jonathan Rhone, president and CEO of the Vancouver-based company.

Since 1999, natural gas prices

have increased more than 400 per cent, providing opportunity for competing energy systems.

Nexterra says the project will create 18 jobs during the year of construction. The plant at Heffley Creek will be operated by Tolko's existing staff.

Rhone estimated Nexterra has spent \$2 million in the local economy with the pilot project.

The gasification plant will result in lower carbon dioxide emissions compared to Heffley's current use of natural gas, thus helping Canada meet its pledge under the Kyoto Accord.