

Province paves way for biomass plant

By JEFFREY SIMPSON Provincial Reporter

The province has approved the sale of timber from Crown lands to a proposed biomass-fuelled power facility in Cape Breton.

NewPage Port Hawkesbury Corp. will now be able to go ahead with plans to install a steam turbine to provide about 60 megawatts of electrical-generating capacity to Nova Scotia Power Ltd. and use low-pressure steam to make paper.

Premier Darrell Dexter said the provincial consent removes an obstacle that would prevent the project from happening.

"This doesn't guarantee the project will go forward, it doesn't do anything except provide the consent for them to take the wood fiber if they can get a deal that they can agree on," Mr. Dexter said.

The Utility and Review Board said this summer that it lacks the authority to approve in advance Nova Scotia Power Inc.'s untendered \$60-million plan to buy electricity from NewPage.

Nova Scotia Power wanted the board to approve a contract with NewPage and Strait Bio-Gen to generate more than \$1 billion worth of electricity at the Port Hawkesbury paper mill that would be sold to the utility over 25 years.

The electricity would be generated by burning waste wood.

Nova Scotia Power doesn't require board approval to purchase renewable power but said it wouldn't go ahead without it in this case due to the size of the 60-megawatt biomass project.

It represents three per cent of the utility's electrical output, which is enough to power 50,000 homes.

(jsimpson@herald.ca)