



# **Supply Base Report: Pinnacle Renewable Energy Inc (Northern Pellet Limited Partnership)**

Second Surveillance Audit

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**The promise of good biomass**

## Completed in accordance with the Supply Base Report Template Version 1.4

*For further information on the SBP Framework and to view the full set of documentation see [www.sbp-cert.org](http://www.sbp-cert.org)*

### *Document history*

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# 1 Overview

**Producer name:** Pinnacle Renewable Energy Inc (Northern Pellet Limited Partnership)

**Producer address:** 9401 - 124th Avenue, T0H 1Z0 High Level, Canada

**SBP Certificate Code:** SBP-06-63

**Geographic position:** 58.490000, -117.130000

**Primary contact:** Joseph Aquino, 250-562-5562 ext. 2220, Joseph.Aquino@drax.com

**Company website:** <https://www.drax.com/northamerica/?source=pinnacle>

**Date report finalised:** 06 Jun 2022

**Close of last CB audit:** 26 Aug 2021

**Name of CB:** Control Union Certifications BV

**SBP Standard(s) used:** SBP Standard 2: Verification of SBP-compliant Feedstock, SBP Standard 4: Chain of Custody, SBP Standard 5: Collection and Communication of Data Instruction, Instruction Document 5E: Collection and Communication of Energy and Carbon Data 1.5

**Weblink to Standard(s) used:** <https://sbp-cert.org/documents/standards-documents/standards>

**SBP Endorsed Regional Risk Assessment:** Not applicable

**Weblink to SBR on Company website:** <https://www.drax.com/northamerica/sustainability/sustainable-bioenergy/certifications/>

Indicate how the current evaluation fits within the cycle of Supply Base Evaluations					
Main (Initial) Evaluation	First Surveillance	Second Surveillance	Third Surveillance	Fourth Surveillance	Re-assessment
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 2 Description of the Supply Base

### 2.1 General description

**Feedstock types:** Secondary

**Includes Supply Base evaluation (SBE):** No

**Feedstock origin (countries):** Canada

### 2.2 Description of countries included in the Supply Base

**Country:**Canada

**Area/Region:** Alberta

**Exclusions:** No

The supply base is the Province of Alberta, which has a total land base of 66.1 million hectares of which 53% or (35 million hectares) is forested, where approximately 77% are within forest management agreement areas. Approximately 77% of Alberta Forests are within the Boreal-mixed forests, which includes several tree species such as white and black spruce, aspen, balsam poplar, lodgepole pine, jack pine, balsam fir, larch and tamarack. There are numerous parks and protected areas within the Province totalling 9.5 million hectares or approximately 14% of the total land base.

The Province of Alberta owns all public forested land within the Province totalling 35.2 million hectares. Alberta has a robust sustainability and certification program covering all managed forest lands in the Province. Alberta Agriculture and Forestry has ISO 9001 certification for all ten offices in the Province conducting compliance monitoring on managed forest lands. Many licensees operating on managed forest lands also have voluntary certification schemes such as SFI, FSC or CSA that monitor forest management activities.

All feedstock supplied in the province of Alberta is secondary feedstock. Purchases are facilitated through the central office in Prince George, British Columbia. At this time, Northern Pellet Limited Partnership has one supplier, the partnership sawmill adjacent to the pellet facility. For a detailed breakdown of the proportion for the Biomass Producer, please see feedstock summary tables in section 3.3.

Forest tenure provides the authorization for companies to harvest timber from crown land. There are various forms of tenure; the three main categories of tenures are: forest management agreements (FMA's), timber licenses, and timber permits. Approximately 87% of timber harvested in Alberta is from public lands with a forest management agreement. There can be multiple forest management units (FMU's) within an FMA. Each FMU has specific measurable targets for forest management strategies and is how the Province ensures there is collaborative efforts for management strategies across the landscape level.

Management of harvesting volume is governed under the Forests Act. Allowable annual cuts (AAC) are calculated at the FMU level using growth and yield data within the "green areas" of the FMU. An FMA will have one or more FMU's and licensees operating in the FMA are responsible for implementing a Forest Management Plan (FMP) for their FMU. Provincial and FMU AAC's fluctuate over time depending on variables that impact the amount of green area within the FMU such as an increase in parks and protected areas, natural disasters (wildfire or pests) changes in growth and yield data or changes to FMU boundaries.

Management of harvesting practices is governed under the Forests Act and is detailed in the FMP's for each operating licensee. Landscape level and site level forest management objectives are described in FMP's. FMP's are forward looking technical documents that can contain management plans for harvesting for a ten year period. The Provincial government, specifically the Ministry of Agriculture and Forestry has a compliance and enforcement division that inspects forest practices to ensure proponents are meeting the requirements of the FMP's.

Private land represents a relatively small portion of Alberta's landbase and does not overlap with managed forest boundaries. Private land is considered outside the timber harvesting and managed forest landbase, and therefore is not reflected when determining FMU level AAC's. Some parcels of private land contain treed areas that when harvested are sold to various wood product manufacturing facilities. The Agroforestry and Woodlot Extension Society governs best management practices for land owners who conduct timber harvesting on private land. The timber and the harvesting practices on private land are governed by various pieces of Provincial and Federal legislation that ensure ownership and legality of timber is legitimate and impacts to natural systems are minimized. Less than 1% of the total fibre procured by PREI is from private land.

Please note all fibre procured for NPLP originates from one supplier who maintains FM and CoC certification. Currently, the BP has one supplier of raw materials to this facility.

The socio-economic landscape of Alberta includes major industries such as oil & gas, agriculture, construction, forestry, manufacturing, mining and tourism.

The adjacent lands to the north (Northwest Territories) are dominated by alpine tundra & boreal forest types. Adjacent lands to the east (Saskatchewan) are dominated by sub-boreal & prairie forest types. To the south, there is the interior dry belt forest types in Montana.

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[i] Forest Governance in the Province of Alberta. 2016. Province of Alberta. Accessed from: [https://www.sfmcanada.org/images/Publications/EN/AB\\_info\\_Provinces\\_and\\_territories\\_EN.pdf](https://www.sfmcanada.org/images/Publications/EN/AB_info_Provinces_and_territories_EN.pdf)

[ii] Sustainable Forest Management, 2015 Facts and Statistics. 2017. Agriculture and Forestry. Accessed from: [https://www1.agric.gov.ab.ca/\\$department/deptdocs.nsf/all/formain15744/\\$FILE/2015-AAC-Fact-Sheet.pdf](https://www1.agric.gov.ab.ca/$department/deptdocs.nsf/all/formain15744/$FILE/2015-AAC-Fact-Sheet.pdf)

## **2.3 Actions taken to promote certification amongst feedstock supplier**

Customer demand for certified wood products drives extensive forest certification in AB. Drax requires that claim certificates for PEFC certified fibre are issued from PEFC certified suppliers. Drax requires all non-certified suppliers and certified suppliers providing non-certified fibre, sign a supplier declaration verifying their compliance with the various legality, forest management and environmental requirements set out by

the certification scheme. Pinnacle promotes certification schemes with suppliers as it is a core value of Drax's business. Drax provides suppliers with the tools necessary to achieve certification compliance through shared knowledge.

## 2.4 Quantification of the Supply Base

### Supply Base

- a. **Total Supply Base area (million ha):** 35,20
- b. **Tenure by type (million ha):**35.20 (Public)
- c. **Forest by type (million ha):**35.20 (Boreal)
- d. **Forest by management type (million ha):**35.20 (Managed natural)
- e. **Certified forest by scheme (million ha):**5.99 (FSC), 15.44 (SFI)

**Describe the harvesting type which best describes how your material is sourced:** Mix of the above

**Explanation:** Forests in Alberta can be harvested in a variety of forms. For example: clearcutting, commercial thinning, & ecosystem-based management (EBM). Typical machines used in forestry operations include feller bunchers, skidders, & processors. Maximum clear-cut area regulations for the province are specified in legislation.

**Was the forest in the Supply Base managed for a purpose other than for energy markets?** Yes - Majority

**Explanation:** Forest products such as lumber, plywood, veneer, pulp, & strand board are the main markets for Alberta forest activities

**For the forests in the Supply Base, is there an intention to retain, restock or encourage natural regeneration within 5 years of felling?** Yes - Majority

**Explanation:** : In Alberta, the management of harvesting practices is governed under the Forests Act & Timber Management Regulation. After cutting, the timber disposition holder (cutting authority) has an obligation to ensure the stand is replaced. The cutting authority is then responsible for carrying out reforestation in the year following the cut. They will conduct surveys in the management unit after reforestation and submit them to their local department of the Minister of the Forestry Division. This survey requirement is to be within 2 years after the end of the year in which the area was cut.

**Was the feedstock used in the biomass removed from a forest as part of a pest/disease control measure or a salvage operation?** Yes - Minority

**Explanation:** Some purchased feedstock was from salvage operations due to fire, insect, or other environmental damage. This may have come in the form of secondary feedstock.

### Feedstock

**Reporting period from:** 26 Dec 2020

**Reporting period to:** 01 Jan 2022

- a. **Total volume of Feedstock:** 200,000-400,000 tonnes
- b. **Volume of primary feedstock:** 0 N/A
- c. **List percentage of primary feedstock, by the following categories.**
  - Certified to an SBP-approved Forest Management Scheme: N/A
  - Not certified to an SBP-approved Forest Management Scheme: N/A

- d. **List of all the species in primary feedstock, including scientific name:** N/A
- e. **Is any of the feedstock used likely to have come from protected or threatened species?** N/A
- Name of species: N/A
  - Biomass proportion, by weight, that is likely to be composed of that species (%): N/A
- f. **Hardwood (i.e. broadleaf trees): specify proportion of biomass from (%):** N/A
- g. **Softwood (i.e. coniferous trees): specify proportion of biomass from (%):** N/A
- h. **Proportion of biomass composed of or derived from saw logs (%):** N/A
- i. **Specify the local regulations or industry standards that define saw logs:** N/A
- j. **Roundwood from final fellings from forests with > 40 yr rotation times - Average % volume of fellings delivered to BP (%):** N/A
- k. **Volume of primary feedstock from primary forest:** N/A N/A
- l. **List percentage of primary feedstock from primary forest, by the following categories. Subdivide by SBP-approved Forest Management Schemes:**
- Primary feedstock from primary forest certified to an SBP-approved Forest Management Scheme: N/A
  - Primary feedstock from primary forest not certified to an SBP-approved Forest Management Scheme: N/A
- m. **Volume of secondary feedstock:** 200,000-400,000 tonnes
- Physical form of the feedstock: Chips, Sawdust, Other (specify)
- n. **Volume of tertiary feedstock:** 0 N/A
- Physical form of the feedstock: N/A

Proportion of feedstock sourced per type of claim during the reporting period				
Feedstock type	Sourced by using Supply Base Evaluation (SBE) %	FSC %	PEFC %	SFI %
Primary	0,00	0,00	0,00	0,00
Secondary	0,00	0,00	100,00	0,00
Tertiary	0,00	0,00	0,00	0,00
Other	0,00	0,00	0,00	0,00



### 3 Requirement for a Supply Base Evaluation

Is Supply Base Evaluation (SBE) is completed? No

N/A

## 4 Supply Base Evaluation

### 4.1 Scope

**Feedstock types included in SBE:** N/A

**SBP-endorsed Regional Risk Assessments used:** Not applicable

**List of countries and regions included in the SBE:**

**Country:** N/A

**Indicator with specified risk in the risk assessment used:**  
N/A

**Specific risk description:**

### 4.2 Justification

N/A

### 4.3 Results of risk assessment and Supplier Verification Programme

N/A

### 4.4 Conclusion

N/A

# 5 Supply Base Evaluation process

N/A

# 6 Stakeholder consultation

N/A

## 6.1 Response to stakeholder comments

N/A

## **7 Mitigation measures**

### **7.1 Mitigation measures**

N/A

### **7.2 Monitoring and outcomes**

N/A

## 8 Detailed findings for indicators

Detailed findings for each Indicator are given in Annex 1 in case the Regional Risk Assessment (RRA) is not used.

**Is RRA used?** N/A

## **9 Review of report**

### **9.1 Peer review**

N/A

### **9.2 Public or additional reviews**

N/A

## 10 Approval of report

Approval of Supply Base Report by senior management			
Report Prepared by:	Gage Wasylyshen	Sustainability Certification Lead	06 Jun 2022
	Name	Title	Date
The undersigned persons confirm that I/we are members of the organisation's senior management and do hereby affirm that the contents of this evaluation report were duly acknowledged by senior management as being accurate prior to approval and finalisation of the report.			
Report approved by:	Joseph Aquino	Director of Sustainability	06 Jun 2022
	Name	Title	Date



**Annex 1: Detailed findings for Supply Base Evaluation indicators**

N/A