

Good Afternoon Mayor Atkinson,

You may recall that sometime ago we had discussed a support letter to NRCAN for the funding application Sekani Biofuels is preparing under the Clean Fuels Fund- [Indigenous production projects](#) stream. A letter addressed to the Minister of NRCAN, Johnathan Wilkinson, and copied to Blair Batchelor, Deputy Director of the Clean Fuels Fund. Should Council approve providing a letter of support, we can prepare a draft that you can use (or not) at your discretion.

We had also discussed the [Tidewater Midstream project](#) in Prince George. This project is operational now and has received over \$150 Million in carbon credits they were able to sell on the market to finance the construction of their project. This carbon credit funding is called an Initiative Agreement (IA) through the Low Carbon Fuels Branch under the [Energy Decarbonization Division](#) of the [Ministry of Energy, Mines and Low Carbon Innovation](#) . An IA would be an ideal funding stream for the Sekani Biofuels Mackenzie Project as it will cover a significant portion of the capital cost and therefore significantly de-risk the project. A letter of support for an IA would also be appreciated. Should Council approve providing a letter of support, we would also be pleased to prepare a draft that you can use (or not) at your discretion.

As you know the Sekani Biofuels Mackenzie Project is a partnership between Provectus Biofuels and the Tsay Key Dene. It is green energy project, that will reduce carbon emissions, eliminate the burning of forest slash in the Mackenzie TSA, a large contributor to GHG emissions in BC. Furthermore, the project will also help to mitigate forest fires in the region by harvesting standing waste wood killed by beetles. This will in turn support the local forest industry, bringing over 80 internal jobs and as many or more external jobs to Mackenzie. And of course the project will add to the industrial tax base of the community.

Government funding will be essential to the success of the Sekani Biofuels Mackenzie Project, as the economics are, in part, reliant on the political will of the federal and provincial governments to meet climate change targets and support the current regulatory framework required to make this project sustainable. In this context, private sector money and lending institutions will want to see strong government support and funding for the Project.

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