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# **Revised Provincial Energy Strategy/How to reduce GHG emissions**

**Response Re:**

**Consultation Paper:  
Nova Scotia's  
Renewed Energy Strategy and  
Climate Change Action Plan 2008**

**Canard, Kings Co., NS  
December 2007**

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# With Emphasis

It is apparent that Nova Scotia is ready for change. Climate change is a reality and has to be dealt with. The Nova Scotia government policy planners are to be congratulated for initiating a process to implement policy change. It is recognized that this process will include public input. SF Rendering Ltd. (SFR), an independent, family owned feed ingredient manufacturing business that has been in operation for over 30 years in the Annapolis Valley, is pleased to be included as a respondent and be an active participant/partner in the policy change process. SFR currently manufactures biodiesel - waste virgin oil (WVO) feedstock, and is actively preparing for full scale commercialization. Research is ongoing with oilseeds. SFR also uses biomass as boiler feedstock and is participating in research re alternative agricultural biomass feedstocks (eg. switchgrass and other grasses).

Nova Scotia has stated goals “of a 10 percent reduction in greenhouse gases from 1990 levels by the year 2020”. Stated with emphasis, complementarily, is – policy change will have as a foci – reduction of greenhouse gases and planning for change to include both the environment and economy. The “Sources of Greenhouse Gas” graphic (pg. 4, Climate Change in Nova Scotia, A Background Paper to Guide Nova Scotia’s Climate Change Action Plan) demonstrates sectors Industrial, Transportation and Heat (Residential, Agricultural, Comm. and Public Buildings) totalling 47% as contributors for greenhouse gas (GHG) emissions. We have selected these sectors as examples that can be positively impacted by SF Rendering’s “renewable/cleaner fuel” contributions to reduction of GHGs. SFR’s expertise in these areas may lead to insight and hopefully impact future policy considerations/implementations.

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# Cleaner Fuels

Biodiesel is a “cleaner fuel” with regard to burn emissions as compared to other petroleum based fuels. There are less sulfurs, noxious potentially cancerous particulate matters emissions when burned as a transportation fuel, and additionally less nitrogen oxides (NO<sub>2</sub>) released when burned as a heating fuel. This fuel is environmentally friendly, therefore, creating less usage/storage/spillage/clean up worries in a practical sense and with regard to liability insurance costs. This fuel is recommended for sensitive environments. Retro fits of equipment to include biodiesel usage for transportation and heating applications is minimal.

Biodiesel (B100) is used as a petro diesel fuel replacement. The product may be splash blended with petro diesel commonly in B2-B20 blends for transportation, agricultural, and marine applications. This fuel has the capability to readily replace a full range of petroleum based fuels from Bunker C to #2 diesel used in steam boilers and can be appropriately blended to create biofuel/bioheat for various heating applications.

Local Biodiesel manufacture fulfills a role as a “Cleaner Fuel” in the Environmental Goals and Sustainable Prosperity Act (2007) while creating NS economic growth.

Biomass use (agricultural sources and renewable) as a heat source feedstock may also be classified as a “cleaner fuel” and is considered to be carbon neutral in this application. Nova Scotia agricultural challenges are ongoing. The potential for growing biomass heat feedstock (eg. switchgrass, other grasses) is a practical and realistic goal and, when embraced, shall create environmental benefits and NS economic growth.

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# Effective Change

Effective policy change to combat climatic, environmental imbalances whilst creating positive NS economic benefit, is a positive goal. Most “Cleaner fuels” do come with a price tag slightly higher than that of petroleum fuels at this point in time. Research is time consuming, expensive, but necessary to successful outcomes. There are climatic issues associated with historic usage of petroleum based fuels. There are dwindling supplies of petro fuels, and increasing petro fuel costs to the consumers. A well thought out multifaceted approach is warranted.

The 6 tenants as catalysts for change in the Nova Scotia approach currently are identified as:

1. Use Less energy
2. Use renewable energy
3. Use cleaner energy
4. Use nature to clean
5. Lead by example
6. Plan for change

The fuel energy tenants SF Rendering Ltd shall speak to are:

1. Use renewable fuel energy
2. Use cleaner fuel energy
3. Lead by example
4. Plan for change

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# Renewed Energy Strategy Policy Suggestions

## General

Create a committed, all encompassing provincial focus with predetermined goals.

*To facilitate homegrown biofuel industry growth*

Change incentive programs to a NS Biofuel Producer (manufacturing) Credits system. Increased volumes of local biofuel production will be positively enabled. Corresponding environmental benefits, job creation, fiscal spin offs, will result.

The competitive biofuel market is supported by producer credits in various forms. For NS producers to be competitive, to create NS jobs, producer credits calculated using B100 fuel per litre manufactured in NS is necessary to kick start the industry to create significant production volumes. SFR research (Grant Thornton /BOPI study) which analyzed US and Canadian provincial initiatives consistently shows that to provide real growth in this industry a producer credit is needed. Our research showed .30 litre subsidy scaled as diesel rack prices escalate is appropriate. The US currently supports the industry 1.00 per litre for virgin oil source and .50 per litre for manufacturers using waste virgin oils. The federal government is considering a scaled subsidy for manufacturers but are leaning heavily toward extremely large production facilities. The NS government does have a rebate for the transportation side but municipal entities agricultural users, transit entities and others for example do not pay this tax anyway so it is of no benefit to the biodiesel manufacturer. Biodiesel used for heating purposes currently does not have a producer credit system. A biodiesel manufacturers credit is the correct system.

*To facilitate costs of usage change to utilization of Biofuel/biomass equipment acquisition/installation.*

*Industrial Commercial* -Change NS ITC system to increase thresholds of both credits percentages and refundable portions.

*Personal* -Change 8% heat rebate program to include acquisition of biofuel/biomass heating equipment acquisition/installation.

*Government entities* -Change budget allotments policies to reflect heating/transportation equipment upgrades, retrofits, or acquisitions.

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*To support homegrown industry*

NS branding of biofuels, biomass usage similar to “NS Select” .

- Signage on buildings, industry, transportation vehicles using biofuels, biomass
- Website promotion
- Include advertisements to public “where to find information” re NS Biofuel/biomass production

Nova Scotians have been educated on the benefits of changing to cleaner renewable fuel energy systems. Climate change is apparent. It is our belief that Nova Scotians will support change if the costs are on par or less than current systems. A large portion of the public is “getting by”, and cannot afford to change their current energy systems. The argument “can we afford not to” does not apply to individuals who cannot afford to change. Nova Scotian biofuel, biomass energy systems can be created here and become viable fuel energy options.

Industry, Institutional, and Municipal infrastructure changes are in the same fiscal boat. Budgets are difficult to change. Increased costs are hard to swallow for many reasons. Let's make change where it counts. Create committed incentive programs to assist the equipment changes required. Create incentive programs to assist the production of the renewable clean products.

The benefits of use re cleaner renewable biofuels, biomass energies are substantiated. Nova Scotians need to know that the products are obtainable at comparable prices. Using Nova Scotian generated monies to support Nova Scotian fuel energy systems is an appropriate “fit”.

Lead by example

- NS government mandated usage in provincial buildings/transportation.
- Branding and promotion NS biofuel/biomass fuel energy industry.
- Change fuel energy system policies/requirements for sensitive environments (ei. schools, hospitals, school buses, senior care facilities etc.).
- Retrofit current equipment utilizing maintenance and or shut down schedules.

Plan for change

- Change the aforementioned incentive systems.
- Co-ordinate with biofuel manufacturers' timelines re volume production increases.
- Timelines re Volume production increases will assist in timelines for change re mandated biofuel biomass usage in provincial/municipal/sensitive environment buildings and transportation systems.
- Change policies, requirements, actions, for immediate savings.

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# Funding Sources

Funding options are always difficult.

It has been mentioned that the upcoming ECO Trust program is a source of funds for biofuel energy change.

Nova Scotian government costs for incentive programs targeting cleaner renewable energy systems and fuels will be significant.

Timing will become important.

NS government-owned heating systems in buildings, transportation systems periodically need to be upgraded and or replaced.

End of Lifespans timelines re current heating and transportation systems will assist in budget decisions for purchase installation of new cleaner renewable fuel systems.

Immediate fuel energy savings may be created.

Building system managers shall be made aware of requirements to implement policies regarding immediate fuel energy savings. Minimal retrofits to accommodate alternate fuels shall be approved on a timely basis. Any all savings to be announced on a regular basis in a NS government usage fuel energy report.

Tracking energy savings -- fiscally represented and reported – allocate a portion of those savings in a “go forward fund” to apply to green projects to create more savings.

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# Conclusion

The public is agitated. Nova Scotians are worried about the environment and climate change. International issues have upset many. Nova Scotians are ready to support local producers to the extent that it is prudent to do so. To be fully utilized products have to be competitively priced. The public wishes to assist the environment in a manner that is sustainable and affordable.

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