

ALBERTA ANNOUNCES \$50 MILLION TO REDUCE EMISSIONS, IMPROVE COMPETITIVENESS

In May 2024, the Government of Alberta announced ERA's new Industrial Transformation Challenge, a \$50 million funding competition for technologies that can significantly reduce emissions and improve the economic competitiveness of Alberta's industrial and natural resource sectors.

Initially launched in 2022, the Industrial Transformation Challenge is now an annual offering with funding sourced from Alberta's Technology Innovation and Emissions Reduction (TIER) fund.

"We are helping develop, test, and commercialize the technologies that companies need to stay competitive and attract talent while they drive innovation," said Rebecca Schulz, Minister, Environment and Protected Areas, Government of Alberta.

The \$50 million Industrial Transformation Challenge focuses on scale-up, pilot, demonstration, and first-of-kind commercial projects across various sectors, including agriculture, forestry, manufacturing industries, oil and gas, and other natural resource sectors, with a focus on solutions with the potential to deliver a step-change in emissions performance.

While technology solutions can originate from anywhere globally, they must be piloted, demonstrated, or deployed in Alberta.

The funding opportunity plays to Alberta's unique advantages, including a talented workforce, locations available to host pilot projects, and concentrated clusters of industrial activity.

"This funding challenge will help accelerate the development and commercialization of some of the most promising technology innovations the province needs to reduce emissions and maintain competitiveness," said Justin Riemer, ERA's CEO.

The inaugural Industrial Transformation Challenge was one of ERA's most successful funding programs to date, committing over \$60 million to 14 projects worth more than \$225 million.

The 2024 Industrial Transformation Challenge is committed to continuously investing in technologies such as breakthrough industrial process improvements, fuel switching and electrification, thermal energy storage, emissions solutions in agriculture and forestry operations, critical minerals extraction, advanced energy materials, and the elimination of methane emissions to ensure sustained support.

Successful applicants are eligible for up to \$10 million per project with a minimum request of \$500,000.

MERCER PEACE RIVER PULP MILL IMPROVES FIBRE PROCUREMENT PROCESS

Supported by the Government of Alberta through ERA, the Mercer Peace River (MPR) pulp mill in Northern Alberta undertook a capital investment project in 2021 to transform its fibre procurement process, improving environmental performance and creating a more sustainable business model.

By way of this investment, MPR will significantly lower its carbon footprint while creating and sustaining jobs. This transformative process improvement optimizes MPR's forestry operations, allowing for enhanced natural GHG sinks, novel fuel switching from fossil fuels to biomass, and increased low-emitting electricity generation.

"Through responsible reforestation, MPR is ensuring forests remain a renewable resource," says Cal Dakin, MPR's Director of Innovation. "This approach supports the environment and the economy, providing good, high-paying jobs for the community."

With an investment of \$7.5 million through ERA's Shovel-Ready Challenge, the project entails the building of a state-of-the-art facility equipped with some of the most innovative debarking, chipping, and monitoring technologies, as well as a fleet of high-efficiency 10-axle log trucks.

These technologies will allow for greater utilization of the hardwood trees and optimization of the pulping process, resulting in the need for fewer fibre resources.

Completed in 2023, a key component of the project was the elimination of diesel woodchippers in the forest. Now, logs are cut-to-length on-site, transported to the mill, and processed using leading-edge biomass-powered debarking and chipping technologies.

Along with mitigating the risk of biomass-fueled fires and fueling the mill, the project is projected to reduce MPR's emissions by over 900,000 tonnes of CO₂e while sequestering an additional 2.6 million tonnes of CO₂e through forest preservation by 2050.

MPR also anticipates a reduction of approximately 500,000 trees annually to meet pulp production goals, creating a more efficient and economic process. The project will also help sustain jobs that support the forestry operation while creating new long-term career opportunities.

"The Fibre Procurement Project is not just a significant step for MPR, but could be a game-changer for the forestry sector," asserts Dakin. "ERA's support has been instrumental in the project's success, which is reducing emissions and waste, creating several new jobs, and ensuring Canada's competitiveness on world markets."



FROM LEFT TO RIGHT: JASON GRABINSKY, DIRECTOR OF DEVELOPMENT & INNOVATION, CALGARY DISTRICT HEATING; REBECCA SCHULZ, MINISTER OF ENVIRONMENT AND PROTECTED AREAS, GOVERNMENT OF ALBERTA, AND JUSTIN RIEMER, CEO, ERA.

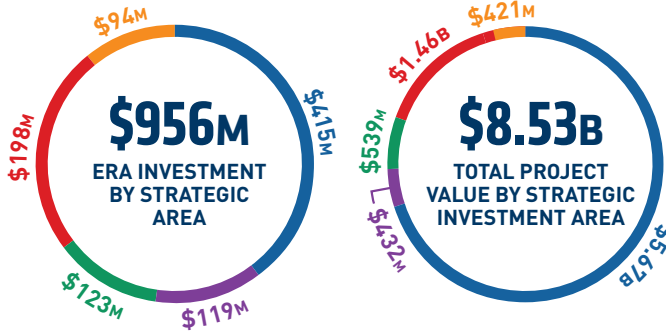


MERCER PEACE RIVER CELEBRATES THE COMPLETION OF ITS FIBRE PROCUREMENT PROJECT.

INVESTMENT IN TECHNOLOGY INNOVATION

292 Projects*

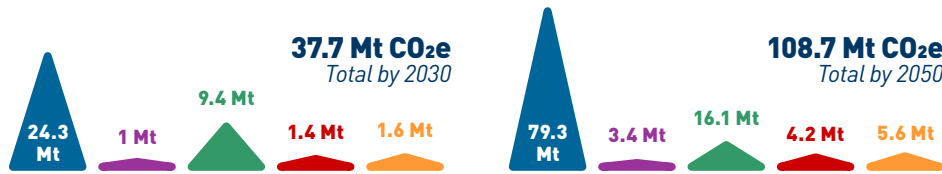
- ▶ **FUTURE FUELS**
(72 Projects)
- ▶ **CIRCULAR ECONOMY**
(54 Projects)
- ▶ **ENERGY EFFICIENCY**
(53 Projects)
- ▶ **INDUSTRIAL TRANSFORMATION**
(73 Projects)
- ▶ **CARBON SEQUESTRATION**
(37 Projects)



*In 2012, ERA provided \$7 million in funding for three adaptation projects worth \$7 million in consultation with Alberta Environment and Parks.

7.9:1 LEVERAGED FUNDING FROM PUBLIC AND PRIVATE INVESTORS

CUMULATIVE PROJECT EMISSION REDUCTIONS



Note: We have estimated emission reductions for all projects with approved funding commitments and executed funding agreements and assumed the projects will continue successfully and as planned. Should circumstances change for these projects, emission reduction estimates may change materially.

INVESTMENT IN COMMERCIAL ADOPTION

ENERGY SAVINGS FOR BUSINESS PROGRAM

PROJECTS **2154**
 INVESTED **\$47 MILLION**
 JOBS CREATED **1,277**
 AB GDP CONTRIBUTION **\$141 MILLION**
 EMISSIONS REDUCED **3.7Mt OF LIFETIME EMISSIONS**

ALL PROJECTS



**A person-year is equal to one-year of employment for one individual. Please note: economic impact is reported on a calendar year basis, not fiscal year.

INVESTMENT IN A BALANCED PORTFOLIO

