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BC Hydro supports Cariboo Pulp and Paper's clean energy plans

Quesnel – Cariboo Pulp and Paper Company and BC Hydro have reached an agreement that will allow the mill to upgrade its systems to create 160 gigawatt hours of steam-generated clean electricity to sell to BC Hydro each year – enough to power more than 14,500 homes annually. The upgrades will also save the mill close to eight gigawatt hours of electricity annually and reduce the mill's greenhouse gas emissions by 18,000 tonnes a year, which is the equivalent to reducing emissions from 4,500 cars.

Working with BC Hydro through the Integrated Power Offer, Cariboo Pulp and Paper identified renewable power generation and energy conservation opportunities that enabled the mill to qualify for \$41.5 million in funding from Natural Resources Canada's Pulp and Paper Green Transformation Program.

"I commend Cariboo Pulp and Paper's creative thinking and commitment to sustainability and BC Hydro's innovation and dedication to working with its customers," said Minister of Forests, Mines and Lands Pat Bell. "Clean, renewable energy, its generation and the technology and knowledge around it, are key to a prosperous future for British Columbia."

"With these funds from Natural Resources Canada and the support we are receiving from BC Hydro, we will be making continuous improvements to our mill's energy management and efficiency that will enable us to become a significant generator of clean, renewable power," said Peter Rippon, President of Cariboo Pulp and Paper.

Introduced in June 2009, Natural Resources Canada's Pulp and Paper Green Transformation Program supports innovation and investment in areas such as energy efficiency and clean energy production. Up to \$1 billion has been set aside for pulp and paper producers. BC Hydro created the Integrated Power Offer in the summer of 2009 to work specifically with B.C.'s pulp and paper producers to help them identify opportunities to secure Green Transformation Program funding, with cost-effective energy efficiency and clean energy generation projects. Cariboo Pulp and Paper is one of eight companies that BC Hydro is working with.

"BC Hydro is committed to powering B.C. with clean, reliable electricity and partnerships like this one with Cariboo Pulp and Paper, help us deliver on our clean energy goals, while driving economic development," said Bev Van Ruyven, deputy CEO and executive vice-president, BC Hydro. "The Integrated Power Offer capitalizes on the synergies presented when energy efficiency and electricity generation are considered together and I congratulate Cariboo Pulp and Paper for recognizing the benefits of this approach and supporting clean energy."

To generate electricity for sale to BC Hydro, the mill will be upgrading its existing power boiler, adding a new steam turbine and making improvements to its hog fuel handling system. Cariboo Pulp and Paper, with financial incentives provided by BC Hydro, will also implement energy efficiency upgrades such as pump replacements, control system upgrades and compressed air system improvements.

BC Hydro's Integrated Power Offer approach gives customers access to dedicated technical advisors who help them assemble the right mix of incentives and contracts to optimize their pulp mills' energy

efficiency and clean, renewable energy production. To learn more about BC Hydro's Integrated Power Offer, visit www.bchydro.com/powersmart/industrial/offers/upgrade/rates/tsr/ipo.html

About Cariboo Pulp and Paper:

Cariboo Pulp & Paper is a joint venture between West Fraser Timber Co. Ltd. and Daishowa-Marubeni International Ltd. With an annual capacity of 350,000 tonnes per year of northern bleached softwood kraft pulp, the mill produces a product that meets the stringent requirements of the world's most demanding markets for high brightness, cleanliness and strength. The mill is located at Quesnel, in the interior of British Columbia, Canada. Cariboo Pulp & Paper began production in 1972.

About BC Hydro:

BC Hydro is a commercial Crown corporation owned by the Province of British Columbia and is one of North America's leading providers of clean, renewable energy. As the largest electric utility in British Columbia and third largest in Canada, BC Hydro serves approximately 95 per cent of British Columbia's population and 1.8 million customers. BC Hydro provides clean energy solutions to its customers by balancing British Columbians' energy needs today with respect for the environment and future generations to come.

For more information, please contact:

Bruce Eby, General Manager, Cariboo Pulp & Paper Co.
p. (250) 992-0200

Peter Rippon, President, Cariboo Pulp & Paper
p. (250) 991-5314

Simi Heer, Media Relations, BC Hydro
p. 604 623-3963
bchydro.com/media