

CANADA

Standards Council of Canada (SCC) Standard for biomass supply chain risk

Overview

Biomass is organic material such as wood, plants and waste from food crops which can be used for renewable fuel, chemical and energy production or industrial processes. Until recently, concerns about securing a steady, quality-based biomass feedstock supply have created investment barriers for bio-based development projects. Because there was no standardized method for evaluating biomass feedstock risk, it has been difficult for bio-projects to obtain financing.

As a result, an investor's capacity to assess biomass supply chain risk (BSCR) has been limited, particularly in fast-paced capital finance markets, and this has largely hampered the growth rate of the bio-industry. A robust and credible system for rating biomass feedstock risk is therefore a key requirement to support growth in a variety of areas, including Canadian advanced biofuels, bioenergy, bio-based heat and power, bio-materials, and clean hydrogen production.

With this in mind, Standards Council of Canada (SCC) worked with Ecostrat, a feedstock supply and risk advisory group, to support accreditation of BSCR standards as a National Standard of Canada (NSC). Adopted as an NSC earlier this year, CSA W209:21, *Biomass supply chain risk*, will provide a means for developers and investors to quantify and qualify biomass feedstock risk, helping to drive lender confidence and de-risk investment in biomass-based projects across Canada.

Outcomes and benefits

The objective with CSA W209:21 is to facilitate pricing of the risks inherent in biomass supply chains to improve the flow of capital to projects seeking funding. It is hoped that the standard will enable capital markets to more accurately quantify bio-feedstock risk, reduce the level of uncertainty responsible for low bio-project credit ratings, and unlock significant development potential in the bioeconomy.

CSA W209:21 aligns with the Canadian government's clean growth agenda and the goals and recommendations of key federal clean energy initiatives. The biomass ratings will give capital markets the set of tools needed to drive investment at the scale required to deliver on the country's bioeconomy policy.

Partners involved

This National Standard of Canada evolved from a set of industry standards for BSCR developed by Ecostrat. It was accredited by CSA Group, a global organization dedicated to safety, social good and sustainability through standards, with support from SCC.

Timeline

Developed with Standards Council of Canada, the Ecostrat BSCR standards, which are the result of three years of input from industry stakeholders, became an official Canadian standard in April 2021.

References

- *SCC's Innovation Initiative: Empowering Canadian innovation where it sparks* ([report](#))
- Ecostrat: development of [BSCR standards](#)
- [CSA Group](#)