

CIB commits \$277 million towards biorefinery and Canada's largest electrolyzer

Facility to convert 200,000 tonnes of waste into biofuels and circular chemicals annually

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VARENNES, Que. – The Canada Infrastructure Bank (CIB) has concluded the financing on its first project from its low-carbon fuels, carbon capture utilization storage and hydrogen initiative with support for a biorefinery and the country's largest electrolyzer.

Under the terms of the agreement, the CIB will provide a loan of \$277 million to a joint-venture partnership between Shell, Suncor, Proman and the government of Québec that will enable construction of Canada's largest biorefinery, based on a technology platform developed by Enerkem.

The \$1.2 billion facility – known as Varennes Carbon Recycling – will include an electrolyzer which will supply clean hydrogen and oxygen to convert more than 200,000 tonnes of non-recyclable waste and residual biomass into biofuels with a capacity of up to 130 million litres annually.

The project is expected to create more than 500 jobs at the peak of construction and about 100 permanent jobs once operational.

CIB funding supports Quebec's leadership in renewable energy and innovation and Canada's aim to be net zero by 2050. The CIB loan aims to provide financing to a relatively emerging industry with upside.

The project will be using Enerkem's proprietary thermochemical process. The carbon recycling facility is expected to cut more than 170,000 tonnes of greenhouse gas emissions annually and 4.25 million tonnes over the project's 25-year lifespan. The annual reduction is equivalent to taking 50,000 passenger vehicles off the road.

Endorsements:

The Canada Infrastructure Bank is pleased to have acted quickly on its expanded role to support transformational efforts to accelerate Canada's transition to a low-carbon economy. Converting waste and residual biomass into clean hydrogen is the CIB's latest effort helping the country reach net zero by 2050 and represents its first investment in low-carbon fuels.

Ehren Cory, CEO, Canada Infrastructure Bank

The largest biorefinery in Canada will open its doors in Varennes, with the help of a loan from the Canada Infrastructure Bank. By supporting innovation here at home, the Canada Infrastructure Bank is giving Canada more tools to continue the fight against climate change, creating good jobs and generating wealth, here in Quebec.

The Honourable Pablo Rodriguez, Minister of Canadian Heritage and Quebec Lieutenant, on behalf of the Honourable Dominic LeBlanc, Minister of Intergovernmental Affairs, Infrastructure and Communities

Clean fuels are an essential part of the clean technology mix in a net-zero world. While electrification will be a chosen route in some sectors, clean fuels will also play a very significant role going forward. Projects like this will accelerate important work to help Canada achieve its ambitious environmental and economic objectives – I look forward to continuing to work with the Canada Infrastructure Bank and private sector partners to produce the clean hydrogen the world needs.

The Honourable Jonathan Wilkinson, Minister of Natural Resources

We are pleased the Canada Infrastructure Bank has agreed to support Varennes Carbon Recycling and charted a path forward for this important project. The transition to a lower carbon energy system requires collaboration that brings technology, expertise and governments together with industry for society to achieve its climate ambitions.

Andrew Murfin, General Manager New Fuels, Shell

Suncor is proud to be a partner in Varennes Carbon Recycling, a project that will divert non-recyclable waste from landfills and turn it into renewable methanol for use in marine transportation and the production of circular plastics. We sincerely appreciate the financial support provided by the Canadian and Quebec governments, which will enable this project to become one of the largest producers of renewable methanol in the world.

Mark Townley, Senior Vice President, Supply, Trading & Optimization, Suncor

Proman is excited to contribute our marketing, logistics, and operational experience to Varennes Carbon Recycling, and we look forward to working with all the project partners to make this innovative waste-to-low carbon fuels plant a great success and contribute towards meeting global sustainability targets.

David Cassidy, CEO, Proman

We are pleased with the support of the CIB to Varennes Carbon Recycling that now combines the electrolyzer with the biorefinery into one single project. CIB's participation enables this first-of-a-kind, fully commercial project, based on Enerkem's waste to methanol technology platform. This sends a powerful signal to investors and the biofuels and circular chemicals sectors.

Dominique Boies, CEO, Enerkem

Quick Facts:

- The CIB is making its first investment in low-carbon fuels after seeing its role expanded in Budget 2022 to include clean fuel production, carbon capture utilization storage, and hydrogen production, under its existing clean power and green infrastructure investment areas.
- Construction has already begun, and commercial output is expected to start in 2025.
- The investment will attract 44% investment from the private sector, which may rise to 50% if a subsequent phase is pursued.
- The CIB seeks to finance up to \$5 billion into green infrastructure projects which are in the public interest and support Canadian sustainable economic growth.
- The project has been approved by the CIB's board of directors.

Learn More:

[Canada Infrastructure Bank](#)
[Varennes Carbon Recycling](#)

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