

The project activity assists Chile's sustainable growth by providing power to the Nueva Aldea Industrial Complex and to the SIC through biomass power generation which is a clean and renewable energy source. Without the project activity, not only there would have been no new clean energy injection to the SIC, but the Nueva Aldea Industrial Complex itself would have had to continue sourcing its power requirements from the grid. In addition, this project accomplishes an additional greenhouse (GHG) reduction benefit derived from a reduced disposal or uncontrolled burning of biomass, which results into less methane emissions.

The project participant believes that biomass power generation constitutes a sustainable source of power generation that brings clear advantages to mitigate global warming. Using the available natural resources in a rational way, the Nueva Aldea Phase 1 project activity helps to enhance the development of renewable energy sources in Chile, in particular the use of biomass generated as a by-product of the forestry industry, which has a significant potential in the country. The proposed project is a good example to demonstrate the viability of power generation as a source of revenue not only to the Plywood and Sawmill industries, but to all forest-related industries. Very few wood-panel producing facilities in Chile have on-site electric power generation capacity, making the Nueva Aldea cogeneration power plant Phase 1 quite unique and particular in its type. Although this technological improvement is consistent with Arauco's internal policy of energy efficiency, this initiative must be recognized as an activity that goes beyond the common practice of the Sawmill and Plywood mill industries in Chile.