

Sort out bioenergy, industry tells Government

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THE DITCHING of plans for a large geothermally driven wood-processing plant in Northland shows why the Government must sort out New Zealand’s bioenergy plan, the industry says.

The project – part of the Government’s regional growth plan for Northland and identified as a potential source of biofuels for Air New Zealand – is being shelved, despite a feasibility study saying there was “real opportunity” for it.

The regional development agency Northland Inc, which had been pushing the idea, says that uncertainty over electricity pricing and concerns about log supply are the reasons why it is putting the project on ice.

“While the study does identify potential, we have decided not to continue with further investigations at this stage,” said Northland Inc chief executive Dr David Wilson.

“This is in part due to uncertainties arising from the Electricity Authority’s Transmission Pricing Methodology review and because of concerns raised by industry that need to be addressed.”



Dr David Wilson

World-class

Forestry consultancy Indufor was commissioned by Northland Inc, Top Energy and the government business agency NZ Trade and Enterprise to investigate the viability of a world-class integrated cut-of-log sawmill and mechanical pulpmill at the Ngawha geothermal field near Kaikohe.

Indufor said the plant would provide jobs for local people, and provide forest owners with a large domestic customer for logs and chips (much of the local wood supply is currently exported to China). It would also reduce the number logging trucks on Northland’s roads.

But Northland is facing a timber shortage, and while the study said the plant would not compete with other local processors for wood supplies, the industry did not agree.

Bioenergy in the news

Rosvall Sawmills managing director Mark Hansen, who earlier this year warned that local processors were facing a supply crisis, says that a new plant in Northland would put existing processors out of business.



Supply chains

“It wouldn’t have stopped logs going over the wharf, because most of the forests they’re coming from are now owned by China,” he told Carbon News.

“They have bought forests in Northland to supply their mills. They have secured their supply chains.” Mark Hansen

The fact that New Zealand-owned mills do not have enough logs to keep them going demonstrates the need for a strategic plan, Hansen says. At least one mill is trucking in logs from the Central North Island because it cannot get enough locally.

He believes there is potentially, however, to use wood waste from local sawmills to generate energy for other local industries.

Earlier this year, the Crown Research Institute Scion told Parliament that a large wood-processing plant at Ngawha could incorporate a biofuel plant to supply fuel to Air New Zealand.

Well established

Wood Processors’ Association chief executive Jon Tanner agrees.

“Seventy per cent of our members already use bioenergy on their own sites, through co-gen plants to provide electricity and the burning of wood waste and sawdust for heat,” he said.

“Bioenergy is already well established in New Zealand in that sense, but we need the Government to get involved to help the rest of the economy transition.”

Tanner says it’s disappointing the Government hasn’t acted on the industry’s Woodscape report, prepared by Scion as a blueprint for developing the energy-from-wood sector.

“The only way New Zealand is going to be able to develop the bioenergy sector without subsidies is by working with the wood sector,” he said.



Jon Tanner

Other products

Bioenergy Association chief executive Brian Cox, who earlier this week said New Zealand should be following Queensland’s example in turning itself into a biofutures powerhouse, says the Ngawha plant feasibility study failed to address the potential for other products.

“While the study focused on producing pulp and sawn timber, there are also other bioproducts, such as lignin, that could be obtained from the wood fibre,” he said.

“In a post-petroleum era, New Zealand Inc will turn more and more to the production of biofuels, bioplastics and biomaterials made from wood.”

Cox, who lives in Northland, says the report provides useful information on the opportunity for Northland to become a significant player in the country’s energy and economic transition.

“The report is very positive about the availability and opportunities for using wood fibre for creating additional value for land and forestry owners,” he said.



Brian Cox

Supply security

“While there are many issues that an investor would have to address, this is normal of any project of this scale. A reader of the full report would see that there are more positive benefits to Northland than the investment risks highlighted.”

Bioenergy in the news

Cox says it is important, however, that existing processors in the region are in a secure position before any new plant is built, including security of wood supply.

“A healthy Northland wood processing sector would assist underpin any new investment as contemplated,” he said. “Most telling is the importance of Northland land owners -including Maori - in providing adequate quantity of wood fibre to enable added-value investment to take place in the region.”

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