

**Dear Bioenergy Association Members and friends**

**Welcome to BANZ BIO-FLASH.**

### *In this issue*

- **Headline** – GULL New Zealand leads the way in making liquid biofuels more available in NZ plus fuel discount offer for 26 hours starting 7am tomorrow
- BANZ ETS submissions
- Energy Outlook out ..... but no bioenergy?
- Ecodiesel raises funds from NZ investors
- Events and Special Offer reminders

#### *Bio-Flash Headline*

### **GULL BOOSTS LIQUID BIOFUEL MARKET IN NEW ZEALAND - Gull Celebrates Extending Biofuel with Five Cents per Litre Discount – 5 cents per litre off all Gull biofuel from 7am 20<sup>th</sup> October 2009**

*Gull New Zealand announced on 19<sup>th</sup> October 2009 that an additional five sites will soon be selling Gull Regular Plus, a 91 octane petrol with up to 10 per cent bioethanol content. To note this major milestone a five cent per litre discount will apply to all biofuels sold at Gull sites for a 26 hour period commencing 7am tomorrow morning (20<sup>th</sup> October 2009) and ending at 9am on Wednesday 21<sup>st</sup> October 2009. Gull Regular Plus, the next generation in petrol, extends Gull's biofuel range beyond the very successful Gull Force 10 and the current three sites selling Gull Regular Plus.*

Dave Bodger, General Manager of Gull New Zealand says greater availability of Gull Regular Plus will be of immediate benefit to the Kiwi motorist. *“The three sites currently retailing Gull Regular Plus are a huge success, customers want a sustainable biofuel alternative in a 91 octane petrol and they want to save money on fuel; that’s why we are putting Gull Regular Plus at more outlets.*

*With the bioethanol made from sustainable sources and Gull always looking to maintain a competitive edge on prices we believe we have a great offer for our customers and are very excited”.*

*“Gull Regular Plus will launch with an opening discount of 5 cents per litre however that’s not all” says Bodger “Gull to date has been very successful in keeping Gull Regular Plus under the standard pricing for Regular 91 petrol and we aim to maintain this. People are used to saving money at Gull and Gull Regular Plus will enable motorists to save even more,” says Bodger.*

With today’s roll out at Sel Peacock Drive in Henderson, Gull Regular Plus will be available at four Auckland sites – Kingsland, Albany Highway and Rosebank Road. Later this month Gull Regular Plus will also be available from Norton Road (Hamilton), Te Ngae Road (Rotorua), Tremaine Avenue (Palmerston North) and Victoria Avenue (Whanganui).

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*General Bioenergy  
News*

## **EMISSION TRADING SCHEME AMENDMENTS – BANZ RAISES CONCERNS in WRITTEN and ORAL SUBMISSIONS**

The Government has introduced the ETS amendments into Parliament. However, BANZ is concerned that the amendments do not provide the strong carbon price signal and certainty that is needed to encourage investment in new renewable energy projects.

BANZ made a written submission on 13th October and was advised on 15th October in the morning that we were scheduled to appear in front of the Finance and Expenditure Select Committee at 5.10pm on the same day. With fast footwork we were able to respond at such short notice.

BANZ reiterated to the Committee that *“it supports the development of the ETS provided there are complementary mechanisms to support the objective of reducing carbon emissions. The ETS must also provide a long term surety of policy on which to base investment decisions. The current proposals alone do not provide the certainty needed for investment in capital intensive bioenergy facilities and was all “stick” and no “carrot”. A “carrot” mechanism that would have an immediate bite and cover all renewable energy technologies would be the introduction of accelerated depreciation on renewable energy capital plant. Other “carrot” mechanisms such as additional demonstration plant that could be funded under the very successful EECA managed Wood Energy programme could provide confidence.”*

*“We would like to see the removal of the current provision whereby the replacement of forests by fuel crops, such as Miscanthus, where those fuel crops grow to less than 5 metres in height incurs a deforestation carbon penalty. We see this as an anomaly in the ETS legislation. The production of energy crops should be allowed as a replacement for deforestation.”*

Both submissions are available on the BANZ web-site.

## ❖ ENERGY OUTLOOK 2009 PUBLISHED BUT NO BIOENERGY? – BANZ RAISES CONCERNS TO MED

The Ministry of Economic Development released the first stage of the 2009 edition of the NZ Energy Outlook on 13th October. The New Zealand Energy Outlook presents long-term forecasts of energy supply, demand, prices and energy sector greenhouse gas emissions. These forecasts are principally aimed at informing New Zealand's energy policy debate. This edition of the Energy Outlook marks a new approach of releasing annual topic-specific articles rather than a three-yearly release of a single report.

BANZ attended an MED meeting to present the document and **has expressed concern and disappointment at the total lack of reference to bioenergy in the document.** *“Yet again it is an electricity centric document and ignores industrial heat”.* BANZ will pursue this issue further with the Minister of Energy. The Energy Outlook can be accessed [here](#).

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### *Liquid Biofuels – Issues of Interest*

#### **ECODIESEL TO RAISE NZ\$4.5 MILLION**

Ecodiesel Limited a leading player in the New Zealand liquid biofuels market is seeking to raise NZ\$4.5 million from New Zealand resident investors via a convertible notes issue. The funds will be used to complete New Zealand's largest biodiesel manufacturing plant and to provide working capital once the expanded plant commences operations in 2010. Ecodiesel's proven low-capital cost proprietary process allows any animal, vegetable or waste fat to be converted to high-quality biodiesel.

The convertible notes are being issued for five years to 30 September 2014, but may be repaid by Ecodiesel after two years. The notes are unsecured and rank equally with the convertible notes issued in March 2009 but are subordinated to all other debt and creditors. The interest payment on the notes (or coupon rate) is 15 percent per annum, payable quarterly in arrears. Upon repayment, noteholders will be able to convert some or all of their notes to fully paid ordinary Ecodiesel shares at NZ\$1.25 per share. The minimum subscription is NZ\$50,000, and thereafter in multiples of NZ\$25,000. The offer closes 20 November 2009.

A Combined Prospectus and Investment Statement (which was registered on 24 September 2009) is available from Brent Ogilvie at Pacific Channel [bogilvie@pacificchannel.com](mailto:bogilvie@pacificchannel.com) and see <http://www.goecodiesel.com/welcome-ecodiesel.html>

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### *Wood Fuels – Issues of Interest*

#### **WOOD FUEL SUPPLIERS**

BANZ has established a list of wood fuel suppliers on its website. If you are a wood fuel supplier or know someone who should be listed can you [let us know](#) so that we have a complete list.

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## *Events and Special Offer Reminders*

### ❖ **BIOENERGY AUSTRALIA 2009 CONFERENCE – FROM OPPORTUNITY TO IMPLEMENTATION**

Bioenergy Australia will be holding its annual conference on the Gold Coast, Queensland on 9 - 10 December, with a technical tour on 8 December. The conference program will cover :

- Biomass sources and supply aspects
- First and second generation liquid biofuels
- Algae and other future feedstocks
- Pyrolysis bio-oil and bio-char
- Anaerobic digestion
- Energy-from-waste
- Heat and power
- Overarching aspects of bioenergy, such as life cycle emissions and sustainability.

Early Bird Registration is now open. Please visit [www.bioenergyaustralia.org](http://www.bioenergyaustralia.org) to view the program and to register. Online registration is also available [here](#).

### ❖ **LINKING TECHNOLOGY AND BIOMASS – 2009 IEA SHORT ROTATION CROPS - 1<sup>st</sup> to 4<sup>th</sup> DECEMBER 2009, TAUPO, TASK 30 CONFERENCE:**

For further details, flyer and booking forms click [here](#). Note - The event is proudly supported by **Scion** and **Pure Power**. Event Media Release available [here](#). Programme available [here](#).

### ❖ **THERMO-CHEMICAL CONVERSION OF BIOMASS TO ENERGY AND LIQUID FUEL**

The Bioenergy Research Team led by Professor Shusheng Pang in the Department of Chemical and Process Engineering, University of Canterbury, has been conducting research and technology development on biomass gasification for five years. This course will update participants on the latest research, achievements and technologies on renewable energy development and will cover commercialisation issues and technical-economic aspects of biomass processing. Christchurch 27 November 2009. Programme details [here](#) and booking details [here](#).

### ❖ **SPECIAL OFFER FOR BANZ MEMBERS**

BANZ has negotiated a special annual subscription rate to **Carbon News** for BANZ Members. A special rate of only \$199 (ex GST) for an annual subscription - a saving of \$301 per year is available. Contact Connie Crookshanks for the promotion code and enter this code here - <http://www.carbonnews.co.nz/register.asp> to receive the special offer price.

### ❖ **EECA WOOD ENERGY GRANTS SCHEME – REMINDER**

Round 6 - the deadline for applications to the EECA Wood Energy Programme is 23rd October 2009. Further details [here](#).

***BIO-FLASH** is brought to you as a Banz Initiative to improve communication throughout the bioenergy sector. The BIO-FLASH will be produced roughly fortnightly to give quick news headlines on recent and current activities and links to where the news can be read in greater depth.*

*We welcome your contributions and will also include paid product and service announcements.*

*If you have something that you would like others to know about then let us know.*

**Advertisements for products and services are welcome. Apply for fee information.**

**Brian Cox**  
**Executive Officer**  
**Bioenergy Association of NZ**