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MEDIA STATEMENT

Bioenergy Association of New Zealand says the time is right for a National Bioenergy Strategy

Bioenergy is a potentially significant contributor to the national energy mix in New Zealand. At present however the resource is largely untapped and the potential unrealised. All this is set to change however with an industry lead initiative to develop a proposed National Bioenergy Strategy. The Bioenergy Association of New Zealand (BANZ) says by 2040 New Zealand's bioenergy sector could be supplying more than 25% of the country's energy needs, including 30% of the country's transport fuels."

A joint Bioenergy Association and Forest Owners Association Conference held in Wellington this week attracted just over 100 delegates. Delegates represented the forestry sector, biofuel manufacturers, wood fuel retail and wholesalers, biogas experts, biomass and heat technology experts, government officials, consultants and investors.

Rob Mallinson, Chairman of the Bioenergy Association said, *"Over the last year there has been some significant progress in getting bioenergy onto the NZ energy sector map. But if investments are to increase we need stronger and more stable policy. The development of a National Bioenergy Strategy will be a significant step to providing opportunities for economic and business growth."*

Mr Mallinson said, *"Bioenergy now makes up 8.5% of consumer energy used in New Zealand, but this is pretty paltry progress for a country that is so rich in feedstock – and whose energy costs are dictated by international fossil fuel prices. New Zealand is failing to realize the potential economic wealth from the production and use of bioenergy in its full range of forms.*

In the wood energy area alone, work undertaken by BANZ indicates that up to 3 million tonnes of wood residue could be used for the production of heat. For that to be realised potential users need to be given the right encouragement and assistance to use bioenergy.

The growth in the bioenergy sector is not just about the supply of energy either – it's also an opportunity to provide significant environmental benefits (minimising air quality issues, and reducing waste to landfill) and additional revenue streams to struggling land owners, foresters and wood processors. It's a win-win on so many levels and needs input at the national, regional and local level in order to be realised."

Mr Mallinson explained, *"Our vision for bioenergy in New Zealand is ambitious but not beyond our reach. We see a nationally significant bioenergy business sector, built on New Zealand's capability and expertise in growing and processing wood-crops and*

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converting organic by-products to energy, which by 2040 supplies more than 25% of the country's energy needs, including 30% of the country's transport fuels."

The Association says the vision is based on the progressive development of a range of bioenergy products including biogas, wood-energy, biodiesel and bio-oil, produced from existing organic residues and new forests and energy crops. The majority of the growth in energy production would be based on the existing infrastructure, experience and strengths of the forestry and wood processing sector, utilizing extensive planting of forests and farm-based energy crops, and the use of these fuels for heat and the production of liquid transport fuels and other biomaterials.

The planting of wood-plantations and fuel-crops, including on marginal land, would – say the Association - add value for landowners and wood processors while diversifying their revenue streams and mitigating economic business risks. It is also a great hedge for NZ against rising oil prices and a variable exchange rate. This value would be enhanced by the establishment of much broader and deeper markets for biomass products, which would also deliver a range of other environmental and employment benefits.

Realising the vision will of course, need investment in the demand-side and in biomass processing facilities, as well as in forest and fuel-crop growing and; creating an industry with potential annual revenues greater than \$3 billion.

Extending bioenergy's contribution to the country's energy needs from 8% to 25% by 2040 will significantly reduce New Zealand's dependence on fossil fuels and imported oil, improve national energy security, and – as a side benefit – reduce carbon emissions by around 4.5 million tonnes per year.

Rob Mallinson added "The proposed National Bioenergy Strategy is about better utilising a large indigenous resource that is being ignored. In the short term bioenergy can supply cost-effective heat to all users, and can convert industry and council waste streams to valuable fuels – which will create jobs and help to protect our threatened clean image. In the medium to long term bioenergy can avoid the need to import a good portion of the \$5.8 billion of oil per year, and can offer large export opportunities through liquid and densified fuels to other countries who aren't so blessed with bio-feedstock. The value proposition for New Zealand is strong and robust, and we need to convey this better to business. I hope that the Government will recognise the merits of our vision, buy in to it, and then assist us to drive it forward in order to maximise this national-scale economic opportunity"

The Association encourages both central and local government to assist in the realisation of all that bioenergy has to offer.

For media enquiries contact:

Rob Mallinson
Chair, Bioenergy Association of New Zealand
64 (0)27 257-9001
rob.m@livingenergy.co.nz

or

Brian Cox
Executive Officer, Bioenergy Association of New Zealand
Phone – (04) 385 3359 or Mobile - 0274 771048
Email: Brian.cox@bioenergy.org.nz

Notes to Editors

1. Materials from the Bioenergy Strategy Workshop held on the 9th February 2010 are available [here](#) or on the BANZ web-site. www.bioenergy.org.nz
2. The Bioenergy Association of New Zealand (BANZ) was established in 2001 to promote and coordinate the development of a bioenergy industry in New Zealand. BANZ provides a central focus point for liaison with Government agencies, the dissemination of information amongst the industry and long-term positioning of bioenergy into New Zealand's energy system. Members include anyone with a commercial interest in bioenergy - sawmillers, wood processors, energy suppliers, energy researchers, consultants, manufacturers and investors.
3. Internationally other countries are way ahead of New Zealand and gaining economic wealth – which we are missing out on – from the production and use of bioenergy in its full range of forms. For example:
 - Very extensive research in Europe is being devoted to biofuel use, with an obligation that by 2020 biofuels must make up at least 10% of all liquid fuels
 - In the US the President has set up the Biofuels Interagency Working Group, which is headed by the chiefs of the Environmental Protection Agency, the Department of Energy and the Department of Agriculture and Bioenergy
 - The US EPA has proposed targets by 2022 of:
 - 16 billion gallons of cellulosic biofuels;
 - 15 billion gallons annually of conventional biofuels;
 - 4 billion gallons of advanced biofuels; and
 - 1 billion gallons of biomass-based diesel.
 - The 2009 UK budget included a GBP 10 million funding package for the commissioning of new composting and anaerobic digestion facilities
 - In England the government currently provides support worth GBP 47 million just for the development of energy crops, with grants covering 50% of the establishment costs.
 - The UK has also committed GBP 1.5 million towards research on the feasibility of short rotation forestry and established a Biomass Sustainability Working Group.

The development and support of bioenergy in the UK and the US are just a reflection of that being carried out throughout all of Europe, and many other countries