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## MEDIA STATEMENT

# **NZ bioenergy opportunities offer long term benefits in creating jobs, lowering energy costs and directly benefitting local economies.**

**The Bioenergy Association of New Zealand (BANZ) is calling on the Government to follow the lead set by other leading economies in these times of economic slowdown by investing in New Zealand's natural and sustainable resources. BANZ says that bioenergy is receiving increasing attention in recent months, largely because of the role it can play in creating jobs, lowering energy costs and directly benefitting local economies. The time is right to invest in bioenergy.**

Convener of the BANZ Wood Fuel Interest Group and Chairman of BANZ, Rob Mallinson said, *"There is a pressing global need to stimulate national economies with programmes which bring lasting benefits. European countries and the US are making almost daily announcements on the various infrastructure investment programmes which they are implementing. New Zealand is running the risk of getting left behind"*.

Mr Mallinson also noted that this unparalleled investment in infrastructure is also presenting an opportunity to reduce the carbon intensity of these various country's economies and public sectors. Bioenergy – renewable energy sourced from wood and other forms of biomass – is one technology which has received increasing attention in recent months, largely because of the role it can play in creating jobs, lowering energy costs and directly benefitting local economies. The fact that it's a low-carbon energy source is the icing on the cake.

Mr Mallinson added that New Zealand is better placed than most countries to utilise its ample wood resources to make massive strides towards the low carbon economy of the future saying, *"New Zealand already sources around 40% of its industrial energy from wood, but almost all of this is produced and consumed in our highly efficient lumber and paper industries, with very little uptake outside this traditional sector. This is in marked contrast to Europe, where wood accounts for over 50% of their total renewable energy production and is used in all sectors of the economy."*

## **Wood Energy is Good Energy**

BANZ says wood energy is cheaper than fossil fuels, and its production can bring considerable economic benefits to the local businesses that make up the supply chain, not to mention the reduction in running costs it delivers to those using it.

*The Energy Library and Information Services Ltd provides administrative and accounting services to the Bioenergy Association of New Zealand Inc.*

Evidence from Austria confirms the dual benefits wood offers – in two decades Austria now employs 10,000-15,000 people in its wood heating industry. Still more are employed in the wider bioenergy industry, which provides in excess of 12% of the country's total primary energy requirements.

Modern wood-fired boilers are clean burning and highly efficient, offering instant benefits over fuels such as coal and oil. They're also capable of producing high-grade heat and steam for a wide range of applications, giving them the advantage over other forms of weather dependent renewables, which can often only supply low-grade or intermittent energy.

### **Why New Zealand?**

Investment in biomass is proven the world over to create and sustain jobs, reduce the production costs of those adopting it and bring a wealth of other direct and indirect benefits to local economies. Increasing investment and support for bioenergy in New Zealand will bring the country rich rewards, not just now, but long into the future, as we utilise the home-grown renewable resource that surrounds us. Benefits flow to installers and contractors in the short term, creating wealth in local communities which is then sustained along the life of the project, as sawmillers, chipping contractors, foresters, delivery companies and service agents take care of fuel supply and system maintenance.

Rob Mallinson said *“New Zealand has taken its first tentative steps towards creating a viable bioenergy industry, largely through **EECA’s Wood Energy Grant Scheme and Renewable Heating in Schools** programme. But there is much more that can be done if we’re to make the most of the opportunity of bioenergy. Meaningful direct investment and grant programmes which learn from global good practice, adapted for New Zealand’s unique position in the global economy, would provide both immediate benefits, as well as long-term improvements in the performance of our economy”*.

### **Who’s doing what where?**

**United States of America** - The U.S. House of Representatives passed the American Recovery and Reinvestment Act of 2009 on 28<sup>th</sup> January 2009. The legislation is designed to stimulate the economy in a number of ways, and includes several provisions relating to the renewable energy and biofuels industries. In total, US\$2,000,000,000 will be for expenses necessary for energy efficiency and renewable energy research, development, demonstration and deployment activities, to accelerate the development of technologies, ***of which not less than US\$800,000,000 is for biomass.***<sup>i</sup>

**European Union** - The European Union Biomass Action Plan preceded the current economic crisis, but emphasised the benefits of public investment in biomass energy sources. The ***plan highlights the 50% contribution that biomass makes to renewable energy production in the EU, and targets a doubling of capacity by 2010.*** Such an achievement, says the EU, would not only reduce carbon dioxide emissions by an estimated 209 million tonnes per annum, but could also bring direct employment for between 250,000 and 300,000 people.<sup>ii</sup>

**UK Stern Report** – Leading Economist Lord Stern is calling for an immediate £277bn global fund to generate clean power, insulate homes and create jobs. The February 2009 Report assesses the likely success of investment in a variety of green

policies. ***It says the most effective of these could be energy efficiency measures for homes and public buildings, boiler replacement programmes, efforts to fit cleaner appliances and lights, and a switch to renewable sources of heat, such as biomass.*** The report says action on cutting emissions remained urgent and putting off cuts would increase the risks of global warming. But convincing people of the importance of a comprehensive framework to cut emissions could unleash a "wave of creativity and innovation in greening the economy" and a better foundation for economic growth than the dot.com boom or the housing bubble.<sup>iii</sup>

## Notes to Editors

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.

Biomass is derived from different types of organic matter, with millions of tonnes of wood residues generated annually in New Zealand through the large forestry and sawmilling sector. Agricultural waste (animal litter and crop residues) or urban waste including demolition wood and household waste can also be used as feedstocks for various types of bioenergy. Biomass can be used for heating, for producing electricity and for transport biofuels. The use of biomass significantly reduces greenhouse gas emissions. The carbon dioxide it gives off when it is burned is counterbalanced by the amount absorbed when the plant in question was grown.

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<sup>i</sup> <http://thomas.loc.gov/cgi-bin/query/z?c111:H.R.1.EH>: (scroll down to "Energy Efficiency and Renewable Energy")

<sup>ii</sup> <http://europa.eu/scadplus/leg/en/lvb/l27014.htm>

<sup>iii</sup> <http://www.guardian.co.uk/environment/2009/feb/11/stern-climate-change>