

Minutes

Thursday 25th June 2015, 6.00pm
Distinction Hotel, Rotorua

1. Attendees

Grant Dunford	(Negawatt Resources)	Simon Arnold	(Blended fuels NZ)
Rob Mallinson	(Living Energy)	Tony Oosten	(Fonterra)
Kevin Snowdon	(Biowit)	Paul Bennett	(Scion)
Peter Kernohan	(Peter Kernohan Solutions)	John Gifford	(Gifford Consulting)
Brian Cox	(East Harbour Energy)	John Beavis	(Design Tech)
Gerke Faber	(Covey Consulting)	Tim Armstrong	(East Harbour Energy)
Brad Coleman	(Canterbury Woodchip Supplies)	Alister Fisher	(Pioneer Generation)
Sam	(Canterbury Woodchip Supplies)		

Observers

Dinesh Chand	(EECA)	Rhys Holding	(EECA)
Carl Findlater	(Findlater Sawmilling)		

Apologies

Christian Jirkowsky	(Polytechnik Biomass Energy)	Steve Brewer	(ADI Systems)
James Malthus	(RCR Energy)	Sachin Ekbote	(BecaAMEC)
Grant Smith	(Pioneer Generation)	Lyndon Haugh	(Carter Holt Harvey)

2. Welcome

Rob Mallinson, Chair welcomed the attendees to the AGM. The agenda was circulated and no additional items were added.

3. Minutes from the previous AGM

The Minutes of the previous meeting held in May 2014 were accepted.

4. Chairman's report

Rob Mallinson read his report (attached as Appendix 1). In particular he reported on the significant Collaboration Agreement that had been signed with EECA and how well the current relationship was working.

5. Executive Officer's summary of Association activities

Brian Cox gave his report on the main activities of the year (attached as Appendix 2).

6. Financial report

The draft financial accounts for the year ending March 2015 (Attached as Appendix 3) were circulated.

RM pointed out that it was disappointing that we had made a loss yet again (even though small) and that we need to be able to break even each year. BC pointed out that recovery of the loss had been budgeted for in this year's accounts.

RM mentioned that the financial expenditure had actually been larger but that the staff had agreed to contribute significant hours of work as in-kind so as to reduce the expenditure. He asked that the unpaid for hours be reported in next year's financial report.

The accounts were accepted.

7. Election of officers

Nominations for the BANZ Board were received from the following:

Board Members (5)*	Grant Smith (Pioneer Generation)
	Tony Oosten (Fonterra)
	Grant Dunford (Negawatt)
	Paul Bennett (Scion)
	Simon Arnold (Blended Fuel Solutions NZ)
	Rob Mallinson (Living Energy)
	Sachin Ekbote (BecaAMEC)
	Lyndon Haugh (Carter Holt Harvey)

* Additional members may be co-opted.

The meeting decided that with such good calibre nominations that if Simon Arnold was Convener of the Liquid Biofuels Interest Group and therefore already ex officio on the Board that two additional people could be co-opted onto the Board.

The position of chair is decided by the Board members at their first meeting.

Interest Group Conveners

Members of Interest Group Committees elect a Group Convener who attends Board meetings and has full speaking rights to represent their Interest Group (but that they are not a Board Member).

The current Conveners are as follows*:

- Biogas – Steve Brewster (ADI Systems)
- Liquid Biofuels and Co-products – Simon Arnold (Blended Fuel Solutions NZ)
- Wood Energy – Christian Jirkowsky (Polytechnik Biomass Energy)

* The Wood Pellets Interest Group had been merged into the Wood Energy Interest Group during the year.

8. Professional Standards and Complaints Committee

The Board has established a Committee to oversee the association's professional standards and to receive and address any complaints. The committee handles any matters referred to it by video conference and on the papers unless otherwise agreed by the Committee members.

The committee comprises three members appointed from the membership at each AGM. No nominations had been received prior to the meeting.

The meeting agreed to delegate to the board the responsibility of appointing members of the Professional Standards and Complaints Committee after a specific complaint was received. This would ensure that the members of the committee were appropriate to consider the complaint and have no conflicts of interest.

9. Honorary membership

From time to time an individual who has been very active in bioenergy matters through the association retires from active employment in the sector and is no longer in the position where they can continue financial membership. These individuals often have a wealth of knowledge and experience which the association would like to continue to be able to draw on.

It has been suggested that a category of Honorary Membership should be created and awarded to these individuals for as long as they wish to remain active in the sector. The decisions on awarding Honorary Membership would be made by the Board on representation from the relevant Interest Group Convener.

Agreed;

- i. That the Association establish a category of Honorary Membership to be awarded to those individuals who have been active in the bioenergy sector through the association and who have retired from active participation.***

- ii. That Honorary Membership of the Association be awarded by the Board on the recommendation of the relevant Interest Group Convener.*

10. General business

There was no general business

**Brian Cox
Executive Officer
Bioenergy Association**

Appendix 1

Bioenergy Association AGM – 25th June 2015

Annual Report from the Chair

Firstly I'd like to thank you all for attending this AGM, and for the support you provide by being members of the Bioenergy Association. Without members, the Bioenergy Association has nothing, and we need and appreciate your ongoing support. After nearly 7 years in the role, this will hopefully be my last report as Chair, as I believe it is time that someone else take over this role, to maybe bring a new emphasis or perspective and hopefully freshen it up a little, so I would like to take the opportunity to speak wider than just on the last years activities.

Whilst the Bioenergy Association is now established as an effective organisation, providing a wide range of member services, it still struggles to achieve the long term financial viability required.

In the fifteen years of the Association's existence it has struggled against the relative economics of coal and gas. However despite economic barriers, there has been a steady uptake of bioenergy to the extent that even more wood processors are now using their process residues for on-site heat, and overall 10% of NZ's consumer energy is from bioenergy. We also have a growing number of schools, rest homes and hospitals who have made the move to using wood fuel. While a good start, it is nowhere near as good as the possibilities, and nowhere near as good as most of us here would have liked to have been achieved.

We have endeavoured to engage with Government, and at last we have made significant progress and signed a Collaboration Agreement with EECA. EECA has continued to support the Association and this last year has seen them provide funding support which is allowing us to upgrade our image and communication of our key messages. You will already have seen some of those changes with a new logo and overall re-branding through the BioFlash etc. Next week we expect to launch our new websites which will provide a consistent messaging and more simplified website structure. The current websites were developed over the years with no external funding and were all based on free templates. The EECA funding has allowed a full revamp of each of the websites with proper design and professional art work. Without EECA's assistance we would not have been able to make these improvements.

The Association has developed a number of member services, and we now enter a phase of consolidation and expansion of those services. We can now provide services which are much more extensive than a number of other similar organisations.

I'd like to formally and officially thank EECA for the support they have provided over the last year – and continue to provide. EECA and the Bioenergy Association share a common goal in terms of realising the potential for bioenergy in New Zealand, and we appreciate the passion and drive of their staff, as well as the funding. With the Collaboration Agreement we are now in a sound position to use our respective skills and capabilities to expand the use of bioenergy in New Zealand.

However, the limits on our income and the lack of other external project funding means we continue to have to live within our means, and continue to use part time staff. Membership fees cover only our basic operational activities, and are not adequate for us to perform activities that would extend the sector. In fact it is only through the dedication of our staff, who do large chunks of work for no remuneration, that we are able to achieve all that we do. So a big "Thank You" to Brian, John Gifford and Connie for all the work they do above and beyond the call of duty.

I'd also like to thank the Board (Grant Dunford, Tony Oosten, Grant Smith, Lyndon Haugh, and Sachin Ekbote) and the Interest Group Conveners (Steve Brewster, Christian Jirkowsky, Eduard Ebbinge and Kevin Snowden) for all their efforts over the last year – it has been quite intensive, and drawn a lot of their time, which has helped ensure that we have a sustainable organisation. The Wood Pellet Interest Group has been merged into the Wood Energy Interest Group, enabling a more united push.

And so a key emphasis of the coming year has to be on getting Government to recognise that bioenergy is not just an energy matter, but more an opportunity for jobs, economic growth and stimulation of many of our regions, as well as multiple environmental benefits. You may have noticed that we have increased our advocacy work and have recently increased the number of media releases. We are also working on increasing the number of articles in a range of publications.

The Government has a "Business Growth Agenda" and bioenergy in all its applications fits perfectly into this, yet we hardly get a mention as we are pigeon-holed into being part of the energy supply sector, and not business or regional growth. All of us have to get the message out there that we create jobs, business growth and wealth for resource owners, and deliver environmental benefits. Bioenergy Association staff cannot do this alone – we have to all contribute, as the Bioenergy Association should be driven by its members.

The Bioenergy Association is currently mainly focusing on the heat market fuelled by wood fuel, but with the current transition for dairy farmers to use cattle standing pads, the dairy effluent is now becoming more viable to use for the production of high grade fertiliser and biogas. This widening of the economic viability of wood energy and biogas means that resource owners (land and forestry owners) will have additional revenue streams available to them. So the business opportunities are broadening.

The world is moving from a petroleum era to a post petroleum era based on bio-materials. Internationally bioenergy is leading into what will be a bio-economy. In New Zealand the leadership is coming from the growth and expansion of the heat market. However, sometime in the future the supply chains that feed the heating market will need to be expanded to supply the feedstock for the extraction of bio-chemicals, and the production of bio-based materials. So opportunities will increase there too.

But bioenergy offers so much more than this. We not only have to get the message across to Government that we create business opportunities – with the associated rural jobs – but we also need to get the messages across that we can do this whilst at the same time contributing to increasing energy resilience, and to the reduction of greenhouse gases, to the clean-up of emissions to airsheds, to the reduction in the discharge to waterways, and to the beneficial use of waste streams. Sustainability is the new focus. The environmental benefits from bioenergy are at least as extensive as the economic benefits.

These benefits to New Zealand Inc are from proven technologies and don't require a lot of research. They are often economic now and create immediate jobs.

Then we have the emerging liquid biofuels technologies which are fast building on the strengths of the heat market. The Bioenergy Strategy launched in 2010 set a goal of 30% of transport fuels from biomass and organic waste by 2040. These targets and activities are still achievable, but we would need to get similar targets adopted by Government and other territorial authorities, and policies to deliver them.

We are already positioning our key messages for the next national Election so we all need to get out there and push for adoption of these policies, and to get governments to recognise that it requires collective action, as many of the benefits accrue to the country at large and not individual participants.

Thanks again to the Board, to the Interest Group Convenors, and to Brian and his team, for their dedication to the cause and for all the 'contributions-in-kind' that they have donated over the last year towards us all achieving success in this frustrating, but very exciting sector. We look forwards to another year of increasing momentum towards achieving our goals.

**Rob Mallinson,
Chair
Bioenergy Association**

Appendix 2

Bioenergy Association of New Zealand AGM 2014

Report of the Executive Officer

The current year has been one of the best years for the Association since it commenced in 2000. The association has a sound base from which to operate although still limited financially by what it can do. This is a reality for many industry associations (and we are better off than some) and so we need to be constantly looking at how we can grow membership by the services we offer.

Over the last year BANZ has strengthened its three roles:

- Advocacy – principally to central and local government with regard to policies where bioenergy offers solutions.
- Member services – helping members make money
- Public outreach – assisting public enquiries

All of these are for members so needs to be driven by member's needs.

The member services are now focused around:

- Promotion of member's products and services
 - Facilities for members to advertise their products and services on our outreach websites (each getting around 100 visits per day)
 - Listing of members demonstration sites on the Projects Directory
- A Bioenergy Quality Framework
 - Accreditation of Wood Fuel Suppliers
 - Registration of Wood Energy and Biogas Advisers
 - Establishment of a Professional Standards and complaints Committee
- An education programme
 - 3-4 workshops per year
 - 4-6 webinars per year
 - Free access to Technical Guides, Occasional Papers and other technical material
 - Short courses
- Dissemination of information to members and the public
 - A regular informative newsletter - BioFlash
 - Maintenance of an association website www.bioenergy.org.nz to assist members access to information on the New Zealand and Australian markets
 - Maintenance of three outreach websites as portals to all information New Zealand relevant information on the topic. (www.biogas.org.nz, www.usewoodfuel.org.nz, www.liquidbiofuels.org.nz)
 - Promotion of generic information on the websites to support individual member's selling activities
- Support to individual members on a confidential basis.

These activities are aimed at assisting members to be up-to-date with regard to the bioenergy market, be well informed, and provide a high level of service to their clients.

In the last year we have introduced the equipment catalogues to assist members to attract new business and this has resulted in a number of new members joining so that they can get wider promotion of their products and services.

We have been updating our websites and moving them to a new platform which will make it easier for us to maintain and edit. Once the new websites are live (which is due in early July) we will be putting a strong emphasis on marketing these promotional services for members.

Similarly the Quality Framework will allow us to promote Accredited Wood fuel Suppliers and registered Wood Energy and Biogas Advisers. The positioning of bioenergy as a quality mainstream energy source will be the prime focus for the coming year.

Reviewing a number of recent activities where fossil fuels have been chosen over wood fuel it has been obvious that many of the technical advisers have not been experienced in the supply and use of wood fuel. They have made things difficult by the choice of tender documents. Put more frankly – they didn't know what there were doing (and often admitted that). We also had the situation where fuel suppliers made it difficult for themselves by the way they presented their offerings. The result of all these things is that the client has often been left with the impression that the risk of moving from fossil fuels to wood fuel is just too large. Yet there are examples throughout New Zealand where it has been demonstrated that the project risks can be managed. We need to make that the normal expectation.

The Technical Guides that the Interest Groups have produced over the last year have been done in an effort to overcome these problems. They are produce by members in the Interest Groups so that they will be relevant. What is now needed is that they are recognised by members themselves as the sector standards. In other words that by a member using say the wood fuel classification and the verification methods they are demonstrating that they know what they are doing and they can do it consistently.

The revamp of our websites has freshened them and allowed us to provide a one stop shop for accessing relevant information. With over 100 visits per day to each of the websites this is showing that there is a demand from the public for good information on the sector. We now need to capitalise on that ability to reach the public.

These tools now allow members to differentiate themselves from competitors who are not members. Membership indicates to potential clients that the member is likely to provide a better service than a non-member who hasn't taken the effort to keep themselves up to date etc. We now need to sell to the market that when they are wanting someone to provide a product or service that they should choose a Bioenergy Association member. We have put this message on our website so we now need to utilise the comparative advantage the membership provides.

The big step forward this year has however been the signing of a Collaboration Agreement with EECA. The agreement allows us to use our respective skills and capabilities so that we address shared objectives. That doesn't affect our advocacy work or constrain us in any way. It means that we get greater leverage by working together. Three shared education and accreditation projects have already been initiated and we have this week sat down with EECA to identify further areas for collaborative effort.

Our Work Plan for the coming year builds on the 2014/15 year activities to improve the methods for communication to the public and participants in the sector and launching of the Bioenergy Association's Wood Energy Quality Framework,

- In 2015/16 the focus will be on consolidating the sector participants use of the Wood Energy Quality Framework, improving the efficiency of the wood fuel supply market, and establishing guidelines for the use of rural and municipal organic waste for the production of heat.
- In 2016/17 the focus will be on working with heat plant facility owners and operators to ensure that they are well informed of the benefits of using bioenergy and the means of managing business fuel supply risk.
- In 2017/18 the focus will be on getting 9PJ of major heat plant facilities converted to using biomass and rural and municipal organic waste as fuel

Once we have members insisting on the association documents and guides being used as a base for contracts, and only accredited advisers being used then the qualities we espouse will get wider traction and the relevance of the Association becomes even more important.

We need to promote by our actions that there are industry standards and assist the public know that those who use them know what they are doing, or can fulfil supply commitments.

If we can **now** move Bioenergy Association membership to be seen as a badge of competency then I am sure that we can build on what we have already done and increase our relevance of membership. We now issue certificates of attendance at our conferences and workshops so that engineers etc can demonstrate that they are maintaining professional competence. This will also assist us to promote "Use or buy only from a Bioenergy Association member".

Brian Cox
Executive Officer
Bioenergy Association

Appendix 3

Bioenergy Association of New Zealand Inc
Profit & Loss
April 2014 through March 2015

	Apr 14 - Mar 15
Ordinary Income/Expense	
Income	
4-3000 · MEMBERSHIPS	
4-3010 · Ordinary	30,741.30
4-3020 · Subscribing Person	200.00
4-3030 · Silver and Gold Membership	29,950.00
Total 4-3000 · MEMBERSHIPS	60,891.30
Total Income	60,891.30
Expense	
6-0050 · Administration	8,370.00
6-0060 · Accounting	3,586.25
6-0070 · Meeting Costs	1,848.00
6-0200 · Bank Fees	154.99
6-0800 · Management	
6-0855 · Executive Officer	20,000.00
6-0860 · Staff Time	1,600.00
Total 6-0800 · Management	21,600.00
6-1300 · Promotions	
6-1360 · Display Materials	2,409.00
Total 6-1300 · Promotions	2,409.00
6-1385 · Printing & Stationery	233.05
6-2000 · Website	
6-2020 · Hosting & Support	2,098.49
6-2000 · Website - Other	549.57
Total 6-2000 · Website	2,648.06
6-3010 · Biogas Interest Group	
6-3020 · Labour	4,500.00
Total 6-3010 · Biogas Interest Group	4,500.00
6-3100 · Biogas Projects	
6-3120 · Labour	3,750.00
Total 6-3100 · Biogas Projects	3,750.00
6-7000 · Wood Fuel Interest Group	
6-7020 · Labour	9,900.00
Total 6-7000 · Wood Fuel Interest Group	9,900.00
6-7060 · Wood Fuel Projects	
6-7080 · Labour	4,550.00
Total 6-7060 · Wood Fuel Projects	4,550.00
Total Expense	63,549.35
Net Ordinary Income	(2,658.05)
Other Income/Expense	
Other Income	
8-1000 · Interest Received	19.57
8-2000 · Conference Operating Profit	
8-2005 · Conference Income	
8-2020 · Registrations	26,687.28
8-2050 · Sponsorship	19,915.00
8-2060 · Display	1,750.00
Total 8-2005 · Conference Income	48,352.28
8-2300 · Conference Expenses	
8-2305 · Costs	(39,199.13)
8-2310 · Venue & Catering	(7,152.70)
8-2320 · Speaker Costs	(609.57)
8-2330 · External Promotion	(1,445.00)
Total 8-2300 · Conference Expenses	(48,406.40)
Total 8-2000 · Conference Operating Profit	(54.12)

	<u>Apr 14 - Mar 15</u>
8-5000 · EECA Projects	
8-5020 · Communications Project	
8-5022 · External Expense	(57,782.50)
8-5020 · Communications Project - Other	57,781.75
Total 8-5020 · Communications Project	<u>(0.75)</u>
Total 8-5000 · EECA Projects	<u>(0.75)</u>
Total Other Income	<u>(35.30)</u>
Net Other Income	<u>(35.30)</u>
Net Income	<u><u>(2,693.35)</u></u>

Appendix 4

Bioenergy Association of New Zealand Inc
Balance Sheet
As of March 31, 2015

	Mar 31, 15
ASSETS	
Current Assets	
Chequing/Savings	
1-1100 · Westpac Cheque Account	54.47
1-1200 · Westpac Savings Account	501.73
Total Chequing/Savings	556.20
Accounts Receivable	
1-1300 · Accounts Receivable	33,920.45
Total Accounts Receivable	33,920.45
Total Current Assets	34,476.65
TOTAL ASSETS	34,476.65
LIABILITIES	
Current Liabilities	
Accounts Payable	
2-2000 · Accounts Payable	41,197.73
Total Accounts Payable	41,197.73
Other Current Liabilities	
2-3000 · GST Control	
2-3100 · GST Collected	24,129.82
2-3200 · GST Paid	(28,008.95)
2-3215 · GST Payments / Refunds	1,429.56
Total 2-3000 · GST Control	(2,449.57)
Total Other Current Liabilities	(2,449.57)
Total Current Liabilities	38,748.16
TOTAL LIABILITIES	38,748.16
NET ASSETS	(4,271.51)
EQUITY	
3-0000 · Opening Bal Equity	(1,038.16)
3-8000 · Retained Earnings	(540.00)
Net Income	(2,693.35)
TOTAL EQUITY	(4,271.51)