



**Bioenergy Association of New Zealand Inc
AGM for the Financial Year 2016/17**

Minutes

13th September 2017, 5.30pm
Sudima Christchurch Airport Hotel,
and GoToMeeting

1. Attendees

Brook Brewerton (Azwood)	Grant Dunford (Negawatt)
Scott Fairbairn (Natures Flame)	Brad Coleman (Canterbury Wood Fuel Supplies)
Adeline (Hot Lime Labs)	Simon Arnold (Blended Fuel Solutions)
Grant Smith (MitchellSmith Partnership)	Brian Cox (East Harbour)
John Gifford (John Gifford Consulting)	Peter Hall (Scion)
Rob Mallinson (Living Energy)	Maurice Davies (Windsor)
Sam Lees (Canterbury Wood Fuel Supplies)	

In attendance
Dinesh Chand (EECA)

2. Welcome

Welcome from GS and introduction by each of those attending.

3. Apologies

Paul Bennet (Scion),

4. Minutes from the previous AGM

Accepted

5. Chairman's report

Attached as Appendix 1

6. Executive Officer's summary of Bioenergy Association activities

Attached as Appendix 2

7. Financial report

Executive Officer presented the Financial Report for the year to 31 March 2017. Attached as Appendix 3

8. Election of officers

The following nominations were received. As allowed by the Constitution as more than 5 nominations were received the meeting decided to co-opt the additional nomination as a Board member with the subsequent result that there was no election required.

Board Members (5)	Grant Smith Tony Oosten Grant Dunford Paul Bennett Sachin Ekbote Darren Gilchrist	(MitchellSmith Partnership) (Fonterra) (Negawatt) (Scion) (BecaAMEC) (Oji Fibre Solutions)
-------------------	--	---

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:

- Waste-to-energy/Biogas – vacant
- Liquid Biofuels and Co-products – Simon Arnold (Blended Fuel Solutions NZ)
- Wood Fuel – Rob Mallinson (Living Energy)
- Domestic Wood Pellet Heating subgroup - Andrew Wilson, (Eenergy)

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.

At the 2015 and 2016 AGMs it was delegated 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.

There have been no formal complaints received that have had to be referred to the Professional Standards and Complaints Committee. Complaints received have been addressed under the guidance of the Executive Officer.

Approved

The meeting reaffirmed the decision of the 2015 AGM and delegated to the Board the responsibility of appointing members of the Professional Standards and Complaints Committee after a specific complain is received.

Honorary membership

From time to time an individual who has been very active in bioenergy matters through the Association retire from active employment in the sector and are 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.

Steve Brewster and Lyndon Haugh are no longer employed by their previous employers and are semi retired and meeting agreed that their respective support for the Association and the bioenergy sector in general should be recognised and Honorary membership would encourage their continued involvement.

Approved

That Steve Brewster and Lyndon Haugh be awarded Honorary Membership of the Bioenergy Association for their support for the bioenergy sector.

General business

There was no other business.

The AGM was followed by a Strategic Forum discussing the initiatives which the Association is pursuing to assist growth of the bioenergy sector.

Appendix 1: Report from the Chair

AGM Summary – 2017

Grant Smith - Chair

Good evening and thank you for attending our 2017 AGM and for your annual membership and ongoing support to the Bioenergy Association.

Climate change policy remains the primary focus area and opportunity for promoting our Association membership interests. New Zealand has an increasing gross emissions burden, against volunteered obligations to reduce our Net Emissions substantially between 2020 and 2030. The gap between our gross and net emissions is expected to widen without more interventionist policies and direct regulations. In essence, the current ETS scheme and market prices have failed to materially change our emissions trajectory.

This last year's programmes have prepared the Bioenergy Association for likely significant policy changes in 2018, as government responds to the November 2015 Paris Agreement between 197 Developed and Developing nations. These policy changes are going to be fundamental to how bioenergy fits into New Zealand's transition to a lower carbon economy from 2020.

Why from 2020?

New Zealand has managed to secure sufficient international carbon offset units to meet our Net Emissions commitments through the first Kyoto period, at relatively low costs to our economy. These Kyoto offsets will expire in 2020 and we then need to find new options to meet our new obligations as the world cleans up future carbon trading market quality, accounting and accreditation standards. The goals and intentions of the Paris Agreement are materially different to those agreed at Kyoto. At the core of the Paris Agreement are three key tenets or foundations for keeping average global temperature rise to below 1.5⁰C;

1. This agreement has been signed by both Developed and Developing nations and the "terms of trade" recognize that Developing nations need access to "green capital" from Developed nations – initially this will likely move carbon trading away from open financial market trading mechanism to government bi-lateral trade deals and these trade deals are likely to also incorporate other export commodities.
2. Carbon costs and market investment options are now being more openly estimated, not just at the marginal costs of abatement, but also at the long run marginal costs of low carbon investment options. My reading of these estimates range between \$60/t and \$300/t for different scenarios. Estimates of sector investment change indicate some \$130 trillion of future investment dollars are likely to move out of fossil and into lower carbon production by 2050 – at no net cost to consumers and creating positive GDP outcomes.
3. "Name and Shame" provisions from 2020. This is as much about the wider NZ Export Brand and global and social equity. These intangibles are not yet factored into the estimated \$1.4bn per annum of carbon deficit units New Zealand has undertaken to acquire through carbon trades. Domestically, these elements add a stronger political dimension to Paris rules of engagement and this aspect has been picked by opposition parties through the current election campaigns, and resulted in the recent High Court challenge from one enterprising advocate for generational changes.

Climate Change Policy Response

We are on the cusp of an exciting period of change for renewables, energy efficiency and the green building environments. Our Associations collective efforts over the last year have raised the profile of bioenergy in what is becoming a more contestable clean energy market sector. It started in 2015 with both the “Yes we Can” symposium organized across 21 different Associations with interests in lower carbon in our economy and with the establishment of a more principles based collaboration agreement with EECA covering our public good activities and support for policy developments. Both activities have added a further element of discipline to our development of the information base and dissemination of industry knowledge to various government agents.

Brian Cox and his small team of advisors have worked through and refined our industry databases to better reflect the inputs to policy advisors and to provide members with a better summary of key facts and figures, key messages and communications that consistently plug our three main bioenergy growth themes:

- Waste to energy remains the lowest cost and highest impact hanging fruit. New policies need to incentivise communities and industry to not just minimise but also *utilise wastes* as renewable energy resource.
- Government make a substantial emissions impact through its coal fired institutional buildings. *Better procurement policies* and use of more definitive life cycle carbon costs would transform our wood fuels supply chains, without the value chain disruption experienced in other countries by their rushing prematurely to liquid biofuels.
- Communities are not market traders, so complimentary measures to the domestic ETS Scheme are needed to help different communities *adopt bioenergy pathways* and buy lower carbon bio-products.

We have had modest success in lobbying government and with our recent submission and update of the National Energy Efficiency and Conservation Strategy (NEECS). Whilst the heat sector emission reduction targets are not yet where we like to see them, we have been successful in seeding with government specific areas where the bioenergy sector can best deliver outcomes to materially reduce our gross emissions and add value to our economy.

Your Board recently met to consider the Associations priorities for upcoming submissions to government on both climate change policy developments and our EECA collaboration agreement. We are pursuing three main bioenergy growth themes;

Waste Utilization, Government Procurement; and Community Engagement.

The NZ Productivity Commission has been tasked with developing an economic response to lowering carbon in the economy, and together with MBIE/EECA we are working on how these themes might be incorporated into the next Heat Action plan being prepared for government by MBIE for consultation early next year.

Policy Goals and Targets

Brian and the team, supported by reviews by our Interest Groups, have been continually working over and updating the national forecasts and our current position is that Bioenergy could half the use of coal fuels in New Zealand. Our main bioenergy goal is as simple as that;
We will half the level of coal emissions in New Zealand by 2050.

We will achieve this goal primarily through substitution with waste and wood fuels. Our targets have now been set and will have equal weighting in terms of priorities within the Association upcoming business plan;

Waste Fuels	PJ	Kt CO ₂ -e
2030	4PJ	200
2040	4.5PJ	250
2050	5PJ	330

Wood Fuels	PJpa	Kt CO ₂ -epa
2030	4PJ	400
2040	11PJ	1000
2050	15PJ	1300

Additional above 2017

The key planning assumptions behind these targets are:

- Waste utilization includes both municipal and industrial liquid and solid wastes
- Wood fuel supply chains have an orderly level of growth over the next decade by growth in the smaller boiler segments as a result of government procurement policy changes (accounting for 52% of the segments growth)
- Industrial bioenergy and wood fuel use ramp up in the second decade as the supply risks reduce, ETS trading markets mature and international carbon prices increase to well above \$35/tonne.

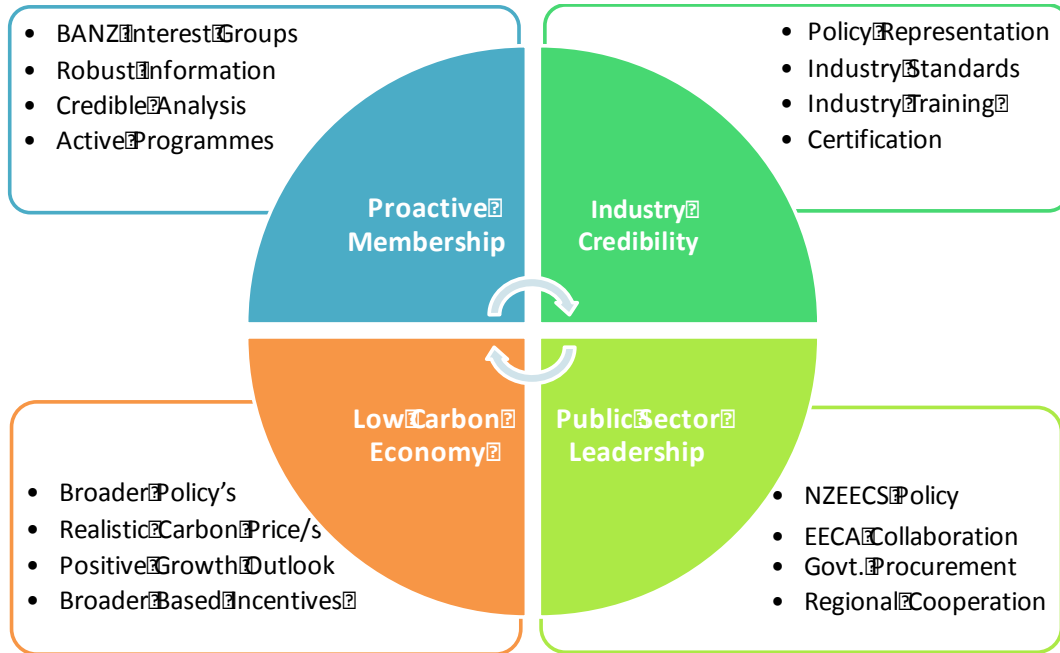
The more likely segment for liquid biofuels growth is in heavy cycle transport usage, and perhaps aviation which is one of our major emitters, but the technology pathways for the transport sector and electric vehicle conversion are fast moving and unclear. Liquid biofuels are therefore expected to remain in the current niche of drop-in fuel blending for at least the next decade and we are therefore maintaining a watching brief and collaboration with science and research advisors NERA and Scion.

These targets and planning assumptions now set the Association and government a clear bioenergy industry pathway that can make a meaningful contribution to New Zealand's climate change obligations and future economic growth. The Board will be working hard with our Brian Cox and his team over the next two months to complete our Strategy Plan, make submissions to the Productivity Commission on their Low Carbon Economy project and agree on the key deliverables of the EECA collaboration agreement.

Finally, on behalf of myself and the Board I'd like to again thank the Interest Groups for their valuable contribution throughout the year and the voluntary time and resources you all contribute to achieving our goals and ensuring our Association has a proactive membership base, ensures industry quality standards are delivered across the sector, and also delivers public good outcomes for New Zealand.

Membership Activities

Brian and I recently summarised these Association objectives in four specific management areas and I will now ask Brian to briefly report on progress within our core membership services and general industry development areas.



Thanks again for your membership.

Grant Smith
 Chair
 Bioenergy Association

Appendix 2: Report from the Executive Officer

13 September 2017

AGM 2017

Report from the Executive Officer

The 2016-17 year has been the most successful that the Association has had since its inception in 2000. After years of trying to attract Government attention to the economic, employment and environmental benefits available from bioenergy there has been significant recognition to what we have been advocating in the refresh of the New Zealand Energy Efficiency and Conservation Strategy (NZECS).

Successive Governments have been focused on electricity and not energy and the dominance of the electricity companies has maintained that focus. Thinking energy rather than electricity has not come easy because the heat sector in particular has been fragmented and lacks financial clout. The recognition in the NZECS of the value of a Heat Programme is a major step forward. Now we need to hold hands across the heat sector to get a programme that assists. Bioenergy Association will be building on our affiliation with other organisations to develop a value chain approach.

The current Government has signed up to the Paris Climate Change Targets but has no plan to achieve them other than by purchase of international emission units. The ETS is a great programme for deliberately making progress slowly so we have been focusing on the complementary actions which would speed up the reduction of greenhouse gas emissions. Bioenergy is well positioned to be a significant contributor.

Many of the benefits of renewable energy and reduced greenhouse gas emissions are externality benefits. The complementary actions adopted by industry and government need demonstrate how the externality benefits can be quantified and internalised. For example farmers have a large number of bioenergy options related to their farm which can produce carbon offsets to their biological emissions. Currently these are not brought together to show that there is a measurable value to farmers from adopting bioenergy solutions. The Bioenergy Association has been working across the whole value chain to bring all the participants together. We have made some progress but we have a long way to go. A strong and active membership can be our biggest strength.

Over the last year Bioenergy Association has had significant assistance from EECA through our Collaboration Agreement and that has allowed us to undertake analysis that shows that we could achieve a transition of 60% of existing coal plant to be fuelled by biomass. We have identified targets and have the sound foundations as a sector to achieve that transition but it is going to require a collective action.

The efficacy of the wood fuel supply market is critical to improving the perceptions of the availability of wood fuel so for the last year this has been our primary focus. While we have made some progress the wood fuel supply market is still too fragmented and wood fuel is not presented as a mainstream energy source similar to coal or gas. To lift the perception of the wood fuel supply market is going to require all members to work collectively on our presentation.

The fastest growing part of the bioenergy sector is around utilisation of waste to produce energy and reduce methane emissions. However as for the wood fuel supply market the organisation of collection and separation of waste requires a collaborative approach. Biomass from waste or wood is often non-homogenous and availability can vary significantly over time with regard to quantity and quality. That is a significant business risk to users which is why the supply markets have been the Association's primary focus over the last year.

As a sector we now need to focus on presenting bioenergy as a sound investment. That requires us to pro-actively work together.

Brian Cox
Executive Officer
13 September 2017

Appendix 3: Financial Report for the Year 2016/17

Bioenergy Association of New Zealand inc

Financial Report 31 March 2017

Notes to the accounts:

1. The accounts are reported on an accrual basis but managed on a payments basis.
2. Staff are engaged on a contract basis with payment based on the funds available. Eg an incentive is to seek additional membership or contract income from third party partners
3. Projects undertaken are committed up to the maximum income receivable for any project. Staff and contractors are paid only if adequate income is received for that project.
4. Each event is treated as a project and has to be 100% self funding.
5. Staff and contractors are paid on a paid when paid basis eg paid when funding from external funder is received.

Bioenergy Association of New Zealand Inc
Profit & Loss
 April 2016 through March 2017

	Apr 16 - Mar 17
Ordinary Income/Expense	
Income	
4-3000 · MEMBERSHIPS	
4-3010 · Ordinary	35,427.78
4-3030 · Silver and Gold Membership	27,580.00
Total 4-3000 · MEMBERSHIPS	63,007.78
4-5000 · Interest Received	8.26
Total Income	63,016.04
Expense	
6-0030 · Bad Debts	5,980.42
6-0040 · Insurance	430.00
6-0050 · Administration	6,030.00
6-0060 · Accounting	5,963.75
6-0070 · Meeting Costs	1,848.00
6-0200 · Bank Fees	1,169.05
6-0800 · Management	
6-0855 · Executive Officer	20,000.00
6-0860 · Staff Time	200.00
6-0861 · Management Costs	362.50
Total 6-0800 · Management	20,562.50
6-1300 · Promotions	
6-1370 · Advertising	124.09
Total 6-1300 · Promotions	124.09
6-1385 · Printing & Stationery	490.49
6-2000 · Website	
6-2020 · Hosting & Support	2,395.00
6-2050 · Development	7,110.00
6-2000 · Website - Other	325.00
Total 6-2000 · Website	9,830.00
6-3010 · Biogas Interest Group	
6-3020 · Labour	3,825.00
Total 6-3010 · Biogas Interest Group	3,825.00
6-3100 · Biogas Projects	
6-3120 · Labour	2,625.00
Total 6-3100 · Biogas Projects	2,625.00
6-3200 · Liquid Biofuels Interest Group	
6-3201 · Labour	1,503.00
Total 6-3200 · Liquid Biofuels Interest Group	1,503.00
6-3300 · Liquid Biofuels Projects	
6-3301 · Labour	1,503.00
Total 6-3300 · Liquid Biofuels Projects	1,503.00
6-7000 · Wood Energy Interest Group	
6-7020 · Labour	5,150.00
Total 6-7000 · Wood Energy Interest Group	5,150.00
6-7060 · Wood Energy Projects	
6-7080 · Labour	1,655.00
Total 6-7060 · Wood Energy Projects	1,655.00
Total Expense	68,689.30
Net Ordinary Income	(5,673.26)
Other Income/Expense	
Other Income	
8-2000 · Conference Operating Profit	
8-2005 · Conference Income	
8-2020 · Registrations	51,442.31
8-2050 · Sponsorship	24,600.00
Total 8-2005 · Conference Income	76,042.31

Bioenergy Association of New Zealand Inc
Profit & Loss
April 2016 through March 2017

	Apr 16 - Mar 17
8-2300 · Conference Expenses	
8-2305 · External Expense	(6,027.91)
8-2306 · Support	(41,936.60)
8-2310 · Venue & Catering	(25,007.35)
8-2320 · Speaker Costs	(1,117.13)
8-2330 · External Promotion	(1,294.00)
Total 8-2300 · Conference Expenses	(75,382.99)
Total 8-2000 · Conference Operating Profit	659.32
8-3000 · Training	
8-3020 · Training Income	
8-3021 · Training Registrations	2,008.71
8-3022 · EECA Training Development	15,000.00
Total 8-3020 · Training Income	17,008.71
8-3030 · Training Expenses	
8-3031 · External Expense	(5,971.76)
8-3032 · EECA Training Development	(5,421.74)
8-3035 · Support	(2,187.50)
Total 8-3030 · Training Expenses	(13,581.00)
Total 8-3000 · Training	3,427.71
8-5000 · EECA Projects	
8-5030 · 06 Bioenergy Data	
8-5031 · Income	14,000.00
8-5032 · External Expense	(10,000.00)
8-5033 · Support	(4,000.00)
Total 8-5030 · 06 Bioenergy Data	0.00
8-5040 · APEC Contract	
8-5041 · Income	6,086.30
8-5042 · External Expense	(6,086.30)
Total 8-5040 · APEC Contract	0.00
Total 8-5000 · EECA Projects	0.00
Total Other Income	4,087.03
Net Other Income	4,087.03
Net Income	(1,586.23)

Bioenergy Association of New Zealand Inc

Balance Sheet

As of March 31, 2017

	Mar 31, 17
ASSETS	
Current Assets	
Chequing/Savings	
1-1100 · Westpac Cheque Account	377.71
1-1200 · Westpac Savings Account	2,811.51
Total Chequing/Savings	3,189.22
Accounts Receivable	
1-1300 · Accounts Receivable	19,493.50
Total Accounts Receivable	19,493.50
Total Current Assets	22,682.72
TOTAL ASSETS	22,682.72
LIABILITIES	
Current Liabilities	
Accounts Payable	
2-2000 · Accounts Payable	28,979.66
Total Accounts Payable	28,979.66
Other Current Liabilities	
2-3000 · GST Control	
2-3100 · GST Collected	75,032.35
2-3200 · GST Paid	(77,254.99)
2-3215 · GST Payments / Refunds	2,388.20
Total 2-3000 · GST Control	165.56
Total Other Current Liabilities	165.56
Total Current Liabilities	29,145.22
TOTAL LIABILITIES	29,145.22
NET ASSETS	(6,462.50)
EQUITY	
3-0000 · Opening Bal Equity	(1,038.16)
3-8000 · Retained Earnings	(3,838.11)
Net Income	(1,586.23)
TOTAL EQUITY	(6,462.50)