Govt targets industrial sector in new energy strategy

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THE GOVERNMENT has unveiled plans to cut the emissions intensity of the country's industrial sector by 1 per cent a year.

Energy and resources minister Simon Bridges – who is also the associate climate change minister – today released the Government's draft energy strategy to 2022.

Simon Bridges

With 90 per cent of New Zealand electricity generation already coming from domestic sources, the Government is focusing on the industrial heat and transport sectors to help New Zealand to meet its international emissions reduction targets.

"Our greatest potential to reduce carbon lies in our process heat sector for industrial and commercial users, and in our transport sector; both have a much larger proportion of non-renewable energy than electricity," Bridges said in the foreword.

"We need to continue to build a willingness to do things differently, and awareness that energy efficiency and increased us of our renewable advantage are critical game-changers for our environment and our economy."

Fossil fuels

The Government says it will set a target to decrease industrial emissions intensity (emissions produced per unit of production) by 1 per cent a year between 2017 and 2022.

"Process heat makes up one-third of New Zealand's overall energy use and contributes 9 per cent of gross emissions," the draft strategy says. "Sixty per cent of process heat is supplied using fossil fuels, mainly coal and gas."

The Government says it will develop a process heat action plan which will encourage improved efficiency from existing plants and encourage investment in new plant using renewable energy sources.

It also plans to encourage efficient, low-emissions transport systems and encourage "innovative" use of electricity.

"Our challenge is to use our renewable electricity supply more productively, so that our industries become amongst the least energy and carbon-intensive in the world," it says.

Smarter energy

“International and domestic experience shows electricity efficiency investments can also lead to product quality improvements, reduced operating and maintenance costs and improved working conditions.”

Most businesses can improve energy efficiency by up to 20 per cent through smarter energy use and investment in new technology, and cut emissions by converted to renewable energy sources such as woody biomass, efficient electricity and geothermal power, the strategy says.

Bioenergy Association executive officer Brian Cox, who last week called for the Government to adopt a Queensland-style biofutures plan, says recognition of the energy potential of biomass from forestry and municipal waste is long overdue.

“It doesn’t make economic sense that the Government proposes buying carbon credits offshore to meet our Paris Agreement obligations,” he said.

“We should be taking advantage of low-cost opportunities to reduce our carbon emissions here in New Zealand by increasing our use of bioenergy, particularly in the heat sector.”

Cox says that bioenergy could generate $6 billion a year in revenue and create jobs and regional economic growth.

Setting example

“In the short-term, we’d like the Government to encourage the heat market to use wood fuel, farmers to process farm waste to produce bioenergy, and local authorities to use organic waste for heating and transport fuel instead of dumping it in landfills,” he said.

Government-owned entities, such as hospitals and schools, should be setting an example, he says.

“Such leadership would show other potential users the viability of bioenergy and support expansion of the wood fuel and biogas markets,” he said.

“Our bioenergy opportunities are based on well-proven technology, so don’t require further research or exploration. What we need is Government support to speed up growth of the market. We hope that Government will support the refreshed strategy by action.”

Submissions on the draft strategy close on February 7.