

## Karioi mill site eyed for wood-pellet plant

Adelia Hallett, Energy News  
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Winstone Pulp International's shut-down Karioi pulp mill could be developed as a wood-pellet plant.

The site is about 300 kilometres from the Huntly power station, where owner Genesis Energy is seeking to run its Rankine units on biomass. Both are on the main-trunk railway line.

In documents seeking consent to discharge wastewater into the nearby Whangaehu River, Winstone says it has a potential buyer for the Karioi site.

The mill and nearby Tangiwai timber mill closed in 2024 due to sustained increases in electricity costs.

In its consent application to Horizons Regional Council, Winstone says it has been working "tirelessly" to find a new operator for the site to revitalise the local community and support the regional economy.

It says the potential buyer wants to use the Winstone site and existing infrastructure to produce torrefied solid biofuel from radiata pine.

### Production

If it goes ahead, the Te Ara Hiko project - being developed with support of the Energy Efficiency and Conservation Authority - will

produce 180,000 tonnes of solid biofuel a year with the potential to replace coal in industrial processes.

That level of production will require 500,000 tonnes of radiata pine feedstock a year, which will come from the forests that surround the site.

"This is approximately the same quantity of feedstock that was imported on to the site to supply the previous WPI pulp process," the application says.

The pellet operation would involve drying the wood chips by heating them in a limited-oxygen environment to between 200 and 300 degrees. Volatile organic compounds would be captured as they are driven off and combusted to provide process heat.

The project requires the building of a new processing plant, but would use the site's existing log yard, debarking, shipping and storage facilities.

Heat would come from a hot-water heater of up to 20 megawatts. It would run on the bark and waste wood from the logs and would supply a 12 MW oil heater. There would be a 2 MW wood-chip dryer fuelled by sawdust and a 2 MW LPG-fired boiler.



The existing pulp mill building and wastewater system would not be needed and would be left "as-is", the application says.

However, the existing rail spur could be used to export torrefied biofuel directly to "the customer" or port.

The wastewater discharge from the site would be classified as condensate and would be significantly cleaner than what came from the pulp mill previously.

Engineering consultancy Babbage says that while it is one of the first projects of its type in New Zealand, there are numerous commercial-scale torrefaction facilities overseas.

Winstone says that at the request of Ngāti Rangi, it will build a wetland between the site and the river.

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