

30 July 2019

Statement

Business transitioning to biomass energy while government fiddles

The announcement¹ that Danone will convert its Balclutha infant milk formula processing plant from LPG to biomass fuel demonstrates yet again the role biomass energy can have for transitioning away from fossil fuels for process heat said the Bioenergy Association.

Brian Cox, Executive Officer of the Bioenergy Association said that “Danone will be using proven technologies and locally sourced biomass fuel and follows similar recent announcements by DB Breweries and Fonterra. The Bioenergy Association has identified that there is 20PJ of energy, reducing 1.8Mt CO₂-e of carbon emissions, currently coming from fossil fuels in projects like these which can convert to biomass energy. However the Government, through the Ministry of Business, Innovation and Employment has been slow to recognise these opportunity and support them. In a report² this week on process heat they didn’t even make any reference to the use of biomass energy to replace fossil fuels.”

“Government is not recognising the easy proven technologies already available for reducing greenhouse gas emissions. The Bioenergy Association has provided the Ministry with information and advice on how other heat plant similar to that owned by Danone could be converted to biomass fuel but the Ministry hasn’t even responded to information from the Association. They seem to be asleep at the wheel.”

“In January 2019 the Ministry of Business, Innovation and Employment consulted on process heat and sought submissions but since then there has been absolute silence and no discussion. We get told that they are working on it but while they seem to be fiddling thinking about policy options, opportunities are not being pursued.”

Mr Cox said that “the current focus on electricity, which will result in a lot more electricity power stations being built, with resulting increase in the cost of electricity to consumers, ignores the non-electricity solutions, such as biomass energy, which also provide additional employment and regional economic growth. The Government needs to recognise that using biomass waste to produce energy and other co-products is good for business and that proactive climate change policies can have a very positive upside to communities and the economy.”

Ends

¹ www.bioenergy.org.nz/news/daone-announce-biomass-boiler

² www.mbie.govt.nz/building-and-energy/energy-and-natural-resources/energy-statistics-and-modelling/energy-modelling/electricity-demand-and-generation-scenarios/

Additional information

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Bioenergy and biofuels sector

www.bioenergy.org.nz

1. Bioenergy has a unique point of difference from other forms of renewable energy as it is the most flexible and versatile form of renewable energy and contributes widely to the New Zealand economy. The use of biomass for energy (bioenergy) provides a fundamentally different least cost approach to achieving a low carbon economy compared to all other renewable energy forms. Biomass use and bioenergy can:
 - substitute for all fossil fuel uses for any energy application and is carbon neutral,
 - contribute to carbon storage (remove GHG from the atmosphere)
 - provides significant opportunities to address environmental issues arising from optimisation of land use (eg pastoral intensification and landfilling)
 - Provide many opportunities for regional economic growth and employment based on our under-utilised land resource.
2. Focusing on use of biomass as a valuable resource leads to new business opportunities, improved business resilience of landowners, and extraction of value from waste. Energy is often the co-product of higher value products such as regional employment, bio-based materials and more resilient land use.
3. Bioenergy is from a fully renewable resource, using proven technologies and has extreme flexibility. The processing of biomass can produce a wide range of revenue streams from application of heat; generation of electricity; use as transport fuel; extraction of chemicals and manufacture of bio-based materials; use as bio-fertiliser; and purification of water.
4. Communities and business adopting a circular economy approach by matching local wood and waste residues as feedstock as an input to creation of products, optimises the financial viability of the business, offsets costs of waste disposal and being used to generate employment and new business that supports the local economy.
5. Bioenergy could achieve greenhouse gas reductions of:
 - 1.8 Mt CO₂ -e pa from reduced use of coal and gas for process heat
 - 1.8 Mt CO₂ -e pa from reduction of methane from waste
 - 5.0 Mt CO₂ -e pa from use of biofuels in transport

These levels of greenhouse gas reduction are comparable but less cost than many of the other initiatives currently being pursued by Government.

www.bioenergy.org.nz/greenhouse-gas-reduction

6. Bioenergy initiatives are generally highly integrated with other sectors and other activities so cross sector and all-of-government approaches are necessary. For example integrated agriculture land use for animal health management with shelter can produce revenue creating wood fuel.
7. The vision for bioenergy - Economic growth and employment built on New Zealand's capability and expertise in forestry, wood processing and bioenergy production from waste - leading to new business opportunities which by 2050 could more than double biomass energy supply up to 27% of the country's energy needs, with a consequential 15% reduction in greenhouse gas emissions*.[* compared to 2017]

Combustion of biomass for process heat

www.usewoodfuel.org.nz

1. The use of biomass fuels for process heat are proven and widely used by those with immediate access to biomass which can be used as a fuel.
2. The market for buying and selling biomass fuel by those without immediate access to their own sources of biomass builds on strong foundations.
3. The biomass fuel supply chain has a number of players but like any evolving market the New Zealand biomass fuel supply market now has cornerstone players who are expanding their supply capabilities at a fast but orderly rate so that boom/bust scenarios will be avoided.
4. Unlike fossil fuels whose quantity is finite there is potentially no reason why biomass fuel supply will be a future problem. There are many avenues for sourcing biomass such as plantation and farm forestry. The 1 billion trees programme will produce additional biomass fuel plus be a new carbon sink every 30 years by planting commercial forests. Biomass processing could be intergrated at least cost (or vica-versa) with waste to energy bio-processing.