



Media release

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Genesis and Fonterra sign biomass agreement

Genesis Energy and Fonterra have signed an agreement to work together on exploring the viability of biomass as a substitute for coal including the potential for a local supply chain.

The two companies have signed a Biomass Collaboration Agreement as they seek an alternative fuel source to help decarbonise their respective businesses and reduce New Zealand's carbon emissions.

Genesis burns coal to generate electricity at its Huntly Power Station, while Fonterra uses coal to create heat for dairy processing. Genesis' Interim Chief Executive Tracey Hickman says the agreement details the intention of both parties to further develop their relationship and explore the viability of all aspects of biomass as an alternate fuel source, including a sustainably produced local supply chain.

The agreement comes ahead of Genesis' trial burn of biomass at Huntly early in 2023, and as Fonterra undertakes its fourth sustainable fuel switching project at plants throughout the country.

"Each of us is committed to helping achieve a sustainable future for New Zealand," says Hickman. "Huntly will continue to provide critical back-up to the electricity system as we transition to a higher level of renewable generation, and we're exploring whether it can do so using renewable fuel."

Fonterra COO Fraser Whineray says it is important industries work together to help Aotearoa New Zealand meet its climate commitments.

"Decarbonisation is a vital part of the Co-op's sustainability strategy as we work to meet the evolving expectations of New Zealanders, customers and consumers to produce some of the most emissions efficient dairy in the world."

Genesis has committed to Science Based Targets to remove 1.2million tonnes of annual carbon emissions by 2025, from a 2020 base year, tied with limited global warming to 1.5 degrees. These targets include reducing generation emissions by 36%.

Fonterra has an aspiration to be Net Zero by 2050 with an interim target of a 30% reduction of manufacturing emissions by 2030 from a 2018 baseline. It has also committed to getting out of coal by 2037. Most of this work will be completed by 2030.

The biomass agreement, initially for a period of two years, will see the companies collaborate to share knowledge and foster innovation. The project will look to bring in other industry partners to bring opportunities and ideas to life for the greater benefit of New Zealand.

"We will act with collective responsibility for environmental sustainability and undertake strong community engagement as we explore the viability of biomass," says Hickman.

"We know we can accelerate progress through working with others and I'm looking forward to seeing what this partnership can achieve," says Whineray.

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