

Foresta welcomes Government support for Kawerau plant

By Diane McCarthy, Local Democracy Reporter
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Image: Troy Baker

A \$9 million Government boost to wood energy production has been welcomed by a company with its sights set on building a torrefied wood pellet plant in Kawerau.

Minister for Energy Simon Watts announced a Wood Energy Strategy and Action Plan last week.

In line with the plan, the Government is offering \$3 million in co-funding via the Energy Efficiency and Conservation Authority and \$6 million in repayable grants to businesses looking at building wood energy supply manufacturing facilities.

Foresta, an Australian company planning to build a \$410 million wood pellet plant in Kawerau, told Local democracy reporting that it had already applied for funding under the new facility.

“If successful, this will support our plans to accelerate development of our site at Kawerau,” said Foresta business development manager Dean Ormond.

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Foresta said the planned Kawerau plant on Putauaki Trust industrial-zoned land could employ over 75 people.

"Foresta welcomes the Government's commitment to the role of bioenergy helping meet New Zealand's energy and climate challenges," Ormond said.

"It's critical that New Zealand makes more of its considerable forestry resources. Foresta is keen to play its part and is pressing ahead with plans for its torrefied wood processing facility in Kawerau."

"We look forward to continuing to work with the local council and central government to get our plant up and running."

Foresta's directors and senior management were in Kawerau last month meeting with Mayor Faylene Tunui and Putauaki Trust members.

Tunui, currently mayor-elect for Kawerau pending Wednesday's inaugural meeting of the Kawerau District Council, has welcomed the company's plans.

She said its coupling of economic growth and environmental stewardship-kaitiaki taiao was "great news for Kawerau and Aotearoa New Zealand".

Foresta said torrefied wood pellets had significant potential to replace coal at Huntly power station and in other industrial processes requiring high energy.

East Coast MP Dana Kirkpatrick said the initiatives had a strong focus on regions where forestry and land-based industries were central to the economy.

"This is great news for the Eastern Bay of Plenty, which is leading the charge in this space with Foresta recently announcing its new wood pellet plant," said Kirkpatrick.

"Forestry waste like woody debris has long been a challenge for our region - clogging waterways and damaging infrastructure. Now, we have the opportunity to turn that problem into a solution by creating a market and destination for this material."

"These initiatives signal a strong commitment to diversifying New Zealand's energy mix and unlocking the potential of bioenergy - particularly in regions like ours."

Foresta has proposed that a consistent supply of wood pellets to Huntly Power Station could be a viable option to offset issues around coal supply and reliance, while maintaining necessary power generation levels.

Led by Watts and Forestry Minister Todd McClay, the Wood Energy Strategy outlined a vision to scale up the use of wood residues from forestry and manufacturing.

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The strategy touted it as a clean, affordable energy source for industrial heat and electricity generation, replacing up to 40 percent of fossil-fuelled process heat by 2050 and significantly reducing emissions.

“This strategy opens the door to meaningful opportunities for in-region forest owners, processors, and local businesses to actively participate in a growing and future-focused energy sector,” Kirkpatrick said.

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