

Bright future expected for Nature's Flame's sustainable wood pellets

Earlier this year Nature's Flame successfully completed a major capacity expansion of its wood pellet plant at Taupo in New Zealand, and over the next few weeks the company will start supplying pellets to Fonterra's milk processing facility at nearby Te Awamuta. The first delivery to Fonterra will take place late in August and supply will then quickly ramp up to meet all of the fuel required by the facility's recently upgraded boiler.

Norske Skog's Regional President, Eric Luck, predicted a bright future for sustainable wood pellets and said he would like to see further capital expenditure at Taupo over the coming years to meet the growing demand, both in domestic New Zealand markets as well as key Asian export destinations.

“Renewable wood pellets are an important part of Norske Skog's global strategy of creating green value through diversifying within fibre and energy. We have been working closely with Fonterra for several years to bring this particular contract to fruition and I expect it will be the first of many new opportunities and new long term contracts for our business. We stand ready to invest in further increases to our production capacity as customer demand continues to grow and cost effective fibre supplies can be secured.

“Current production at Taupo is 85,000 tonnes per annum of premium quality wood pellets, all from certified sustainably sourced fibre residues, up from around 30,000 tonnes per annum when Norske Skog acquired the facility back in 2015. We would certainly welcome any opportunities to further increase production, in particular where we can work with domestic offtake customers like Fonterra to reduce their carbon emissions, support domestic industries and grow local employment.

“Norske Skog has a long and proud history of working closely with domestic paper publishers in both New Zealand and Australia, for the benefit of all parties involved, and we hope our relationship with Fonterra can be the same,” Mr Luck said.

Rod Bender, Norske Skog's Vice President - Renewables and Business Development, who has been directly responsible for Nature's Flame operations since 2016 including the successful capacity upgrade project, shared his optimism.

“We couldn't be happier with how the wood pellets business in New Zealand continues to develop and grow, particularly given that while doing so we can also contribute in a very positive way to Norske Skog's strategic ambitions, to the environment and to the local economy.

“The recent capital expenditure at Taupo enabled us to eliminate bottlenecks in the process and more than double the plant's annual output to meet the new opportunity with Fonterra. It's a great story on a range of fronts. We take renewable, plantation based fibre residues from local sawmills in the form of sawdust and shavings, and using geothermal energy transform them into a certified, premium pellet fuel to meet the needs of our customers.

“Given the plant now uses 100% geothermal energy, supplied by Contact Energy, for all our thermal and electrical needs, we greatly reduce our own airborne emissions, support local jobs, and produce pellets that have the lowest embedded Carbon Footprint of any wood pellets worldwide. We then export any remaining production to what is a rapidly growing international market as well”.

“On a personal level, it’s been very satisfying to support our team while working with companies like Fonterra and Contact Energy to make these things happen. We all share similar corporate values in wanting the end customer to be totally satisfied with the commercial and environmental credentials of their purchase, while we seek to build lasting, valuable relationships with each of them”.

“I congratulate our team at Nature’s Flame for their work on the capacity upgrade and for everything they are doing to deliver a renewable and sustainable product to our customers, both large and small, domestic and international”, Mr Bender said.

Background

Nature’s Flame has a state-of-the-art plant, which was acquired by Norske Skog in 2015 and is located close to the centre of New Zealand’s forest-based industry in the Central North Island.

Wood pellets produced by Nature's Flame are a premium heating fuel made from wood residues from nearby timber processing facilities.

The materials used are sourced from sustainably managed, Forest Stewardship Council (FSC) certified plantations. The wood pellets carry the internationally recognised DIN*plus* certification as well as recognition from BioGro New Zealand that the pellets, as well as the ash remaining after combustion, are Certified Organic materials.

The wood pellet fuel produced is truly renewable and is a significantly lower carbon alternative to replace fossil based energy sources like coal and gas.

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