

1 October 2025

To : The Honourable Simon Watts
Minister for Energy
Cc Hon Shane Jones, Hon Nicola Willis, Hon Todd McClay
Media

Wood Energy Group say double-down on biomass, not Fossil Fuels

Dear Minister

The Wood Energy Interest Group, a part of New Zealand's Bioenergy Association, are disappointed that the Government are considering launching a procurement process for a new LNG import terminal, saying that is not in New Zealand's interests. "All this will do is ensure that NZ gas users pay the high international prices, and it will deter future gas exploration, so works counter to Government efforts to encourage new drilling investment. It would also make NZ massively exposed to geopolitical risk" said spokesperson Rob Mallinson. He says there's an alternative strategy that can deliver the required energy security for gas users. This would involve five simple steps to encourage gas users to rapidly switch to biomass for their heat :

- Fast track consents and accelerated depreciation
- Prioritise large gas using sites. A single industrial biomass boiler can free-up enough gas for 20,000 homes
- Assist expansion of the biomass supply chain for wood chip (the cheapest form of wood energy, suited to larger sites)
- Assist the establishment of wood pellet factories (suited to smaller and more space-constrained sites)
- Provide financial assistance and low-interest loans for industrial heat users to install biomass systems

Rob says "NZ exports about 20 million tonnes of raw logs every year. We should be looking at that as stored solar energy that can be released 24x7. It's cheap and is about 150 petajoules – so we are NOT short of fuel."

The solution can deliver results rapidly too. "The quicker the Government pulls these triggers, the sooner that certainty can be provided", said Rob. He emphasises that using biomass to replace natural gas will be about half the likely cost of LNG if using wood pellets, and even less for wood chip. "So, not only is this renewable, locally sourced and sustainable, but it saves the end users a lot of money."

This strategy can deliver quickly too "We already have a large and competent bioenergy industry who can quickly deliver, so Government just needs the right mix of policies to encourage rapid adoption. High capital cost is the main barrier to uptake." He says this 5-step strategy will rapidly free-up natural gas for those who can't easily switch, and for firming power, so it's a win-win.

Mallinson says New Zealand has an opportunity to complete the transition to renewables that's already begun, or it can take a massive backwards step to lock in fossil fuels, with hundreds of millions of dollars flooding offshore every year. He concludes "when you consider all the downsides of an LNG terminal, compared to all the benefits of biomass-to-energy, especially relative cost and impact on GDP, it's an absolute no brainer."

Yours sincerely,



Rob Mallinson
Convenor, Wood Energy Interest Group, Bioenergy Association

Email: rob.m@livingenergy.co.nz

Mobile: +64 (0)27 2579001

