



Media release

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Genesis and Foresta in biomass supply negotiation

Genesis Energy and Foresta have signed a term-sheet to advance negotiations on the supply of torrefied biomass for electricity generation at Huntly Power Station.

This is the first term-sheet Genesis has signed with a potential New Zealand producer of biomass (also known as black pellets) as Genesis seeks to establish a sustainable, economic supply for the power station.

Genesis is targeting a supply of 300,000 tonnes pa of torrefied biomass by FY28 to reduce or if possible, eliminate, New Zealand's current dependency on coal*. The company is working with a number of potential producers in parallel to achieve this target.

Foresta is building an integrated pine chemical and torrefied wood pellet production facility in Kawerau in the Bay of Plenty. This would be one of the first manufacturing plants of its kind established in New Zealand.

Genesis Chief Wholesale Officer Tracey Hickman says biomass is a key part of Genesis' Gen35 strategy to optimise energy storage and flexible generation providing security of supply and grid stability.

"Electricity security for New Zealand depends on having fuel security and fuel diversity. The unique opportunity we have with the Huntly Power Station is that existing assets are designed to generate power from several feedstocks including gas, coal, diesel and biomass which mitigates energy scarcity, price and supply chain risk for New Zealand. Foresta has shown they could be a reliable partner in supplying the type of biomass we need."

Hickman says the term sheet is non-binding but accelerates Genesis' negotiations over price, volume and product quality. Genesis is also advancing negotiations with other parties and believes that several local producers will likely be necessary to provide the volumes and supply chain resilience it is seeking.

Foresta Executive Chairman Henry Cheng says the term sheet signing marks a significant milestone in Foresta's mission to provide sustainable energy solutions for New Zealand.

"We look forward to supplying Genesis with a reliable, locally sourced supply of torrefied black wood pellets," says Cheng. "Our planned state-of-the-art integrated manufacturing facility in Kawerau will play a key role in reducing reliance on coal, and we are eager to collaborate with Genesis to support New Zealand's energy transition to net zero by 2050."

Hickman noted recognition of Genesis' biomass strategy in the Government's latest Emissions Reduction Plan supporting New Zealand's energy transition to net zero 2050 and increasing security of electricity supply. Genesis is working with the Ministerial bioenergy taskforce, led by Minister Simon Watts, to ensure there are no unnecessary barriers to establishing a biomass industry at pace.

"We have recently had teams visiting new biomass production and generation facilities in south-east Asia and are heartened by the technology development we have seen in scaling pellet production," says Hickman. "Back home we are encouraged by the level of enthusiasm among iwi, the forestry sector, potential capital partners, the Government other electricity sector market participants interested in purchasing long term firming products from Huntly Power Station. All are offering to work with us in achieving our goal. This term sheet signing with Foresta is a significant step on our journey."

**Coal generation at Huntly Power Station provides back up electricity generation for renewable energy, particularly during dry winters like that experienced in 2024 and on days of low wind. With natural gas constraints likely to continue and potentially worsen without further without incremental production coming onstream, an ongoing dependency on coal is providing strong motivation from Genesis and sector groups to displace coal with a more sustainable alternative. Black pellets, like coal, can be stored outside and only used when required to provide back up generation. Local, sustainable production of black pellets at a competitive price would also create jobs and stable revenue from lower value woody biomass, which is plentiful in regions surrounding Huntly Power Station.*

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