

9 May 2024

## **Position statement**

### **Shortage of electricity shows need for a more resilient energy supply system**

The announcement from Transpower that there may be “insufficient generation... to meet demand” on the morning of 10 May is a situation which will become more common if there is too much reliance on electricity for energy supply said the Bioenergy Association.

Brian Cox, Executive Officer of the Bioenergy Association said that “ This is a situation of having too much reliance on a single form of energy. This is very risky for energy users and our communities, but many can mitigate the risk by their own investment decisions.”

“If business require energy for heat then they also have the option of using bioenergy. This could be biomass from nearby forest residues, or by recycling their own organic process residues to produce biogas. Unlike electricity from the national suppliers, sourcing solid biofuels can be managed directly with local biomass fuel producers.”

“Instead of relying on electricity from the national suppliers they can produce their own electricity or heat from locally available energy resources such as solar, wind, hydro or biomass. “

“The encouragement to electrify everything is a poor high risk policy and also fails to take into account the need to consent and build many more additional power stations. The increased demand for electricity will also require large expenditure on additional infrastructure which bioenergy doesn’t require.

The cost of energy from electricity is in many cases already more expensive than say bioenergy. The future costs of producing bioenergy are not likely to increase at the same high rate as the cost of producing electricity will be because biomass is sourced from plantation forest residues which requires only the increased recovery of what is a co-product of our wood industries. We also have adequate land for growing additional biomass.”

“The production of biogas from organic waste and agriculture break crop residues is already extending the availability of gas with its comparative advantages compared to electricity.”

Mr Cox said that “the lack of strategic energy planning across all energy forms, and good information to business on their options, is resulting in situations such as the electricity sector is current experiencing, and this leaves New Zealand business vulnerable to future energy supply and cost shocks.

Ends

## Additional information

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### Bioenergy and biofuels sector

[www.bioenergy.org.nz](http://www.bioenergy.org.nz)

1. Bioenergy has a unique point of difference from other forms of renewable energy as it is the most flexible and versatile form of renewable energy and contributes widely to the New Zealand economy. The use of biomass for energy (bioenergy) provides a fundamentally different least cost approach to achieving a low carbon economy compared to all other renewable energy forms. Biomass use and bioenergy can:
  - substitute for all fossil fuel uses for any energy application and is carbon neutral,
  - contribute to carbon storage (remove GHG from the atmosphere)
  - provides significant opportunities to address environmental issues arising from optimisation of land use (eg pastoral intensification and landfiling)
  - Provide many opportunities for regional economic growth and employment based on our under-utilised land resource.
2. Focusing on use of biomass as a valuable resource leads to new business opportunities, improved business resilience of landowners, and extraction of value from waste. Energy is often the co-product of higher value products such as regional employment, bio-based materials and more resilient land use.
3. Bioenergy is from a fully renewable resource, using proven technologies and has extreme flexibility. The processing of biomass can produce a wide range of revenue streams from application of heat; generation of electricity; use as transport fuel; extraction of chemicals and manufacture of bio-based materials; use as bio-fertiliser; and purification of water.
4. Communities and business adopting a circular economy approach by matching local wood and waste residues as feedstock as an input to creation of products, optimises the financial viability of the business, offsets costs of waste disposal and being used to generate employment and new business that supports the local economy.
5. Bioenergy initiatives are generally highly integrated with other sectors and other activities so cross sector and all-of-government approaches are necessary. For example integrated agriculture land use for animal health management with shelter can produce revenue creating wood fuel.
6. Bioenergy could achieve greenhouse gas reductions of:
  - 1.8 Mt CO<sub>2</sub> -e pa from reduced use of coal and gas for process heat
  - 1.8 Mt CO<sub>2</sub> -e pa from reduction of methane from waste
  - 5.0 Mt CO<sub>2</sub> -e pa from use of biofuels in transport

These levels of greenhouse gas reduction are comparable but less cost than many of the other initiatives currently being pursued by Government.

[www.bioenergy.org.nz/greenhouse-gas-reduction](http://www.bioenergy.org.nz/greenhouse-gas-reduction)

7. The vision for bioenergy - Economic growth and employment built on New Zealand's capability and expertise in forestry, wood processing and bioenergy production from waste - leading to new business opportunities which by 2050 could more than double biomass energy supply up to 27% of the country's energy needs, with a consequential 15% reduction in greenhouse gas emissions\*.[\* compared to 2017]

### **Combustion of biomass for process heat**

[www.usewoodfuel.org.nz](http://www.usewoodfuel.org.nz)

1. The use of biomass fuels for process heat are proven and widely used by those with immediate access to biomass which can be used as a fuel.
2. The market for buying and selling biomass fuel by those without immediate access to their own sources of biomass builds on strong foundations.
3. The biomass fuel supply chain has a number of players but like any evolving market the New Zealand biomass fuel supply market now has cornerstone players who are expanding their supply capabilities at a fast but orderly rate so that boom/bust scenarios will be avoided.
4. Unlike fossil fuels whose quantity is finite there is potentially no reason why biomass fuel supply will be a future problem. There are many avenues for sourcing biomass such as plantation and farm forestry. The 1 billion trees programme will produce additional biomass fuel plus be a new carbon sink every 30 years by planting commercial forests. Biomass processing could be integrated at least cost (or vica-versa) with waste to energy bio-processing.

### **Waste to energy**

[www.biogas.org.nz](http://www.biogas.org.nz)

1. Waste-to energy results in the generation of heat and electricity through anaerobic digestion processing of residual waste streams that can not otherwise be sustainably reused or recycled and therefore diverting waste from landfill.
2. Use of residual waste streams to produce energy forms part of the circular economy.
3. New Zealand can achieve zero waste to landfill by 2040 if we start seeing residual waste as an opportunity and not a problem.
4. An ideal opportunity exists to co-locate waste to energy facilities processing organic liquid and solid waste residual waste streams with industrial heat users to displace the use of fossil fuel for the generation of heat and power.
5. An ideal opportunity exists to combine bio-processing waste with the upgrade of waste water treatment plants. These upgraded plants have the ability to generate revenue to offset operating costs for local government bodies and could progressively be developed to the point of zero residual chemical discharge to water or sludge to land.
6. Diversion of waste from landfills to waste to energy facilities reduces CO<sub>2</sub> and methane emissions improving air quality, enhances the economic resilience of

communities through reduction in waste water treatment facility usage, reduction in landfill reliance whilst providing new offtake business opportunities through the production of electricity, heat and bio processing opportunities.

7. The technology for Bio-processing waste and waste water is well developed and the footprint is smaller than for existing sewerage processing systems employed, particularly those disposing to land.
8. Technology for treatment of both liquid and solid residual waste streams is well developed and accepted internationally and able to be utilised in New Zealand with minimal (if any) changes therefore mitigating technology risk.

## **Transport**

[www.liquidbiofuels.org.nz](http://www.liquidbiofuels.org.nz)

1. Replacing use of petroleum for transport and manufacturing can be achieved by the extraction of biochemicals from biomass and the manufacture of new bio-based products.
2. Biofuel blends are a flexible and easily delivered renewable fuel for heavy land transport and marine engines where other renewable fuels are uneconomic or inappropriate .
3. Domestic production of gaseous and liquid biofuels from perpetually renewable natural resources will produce new employment, additional income from less productive lands, and provide future fuel supply security.
4. Storable biofuels can be used to enhance electricity security and heat demand using current proven electricity generation technologies.
5. Processing of gaseous and liquid biofuels can be readily integrated with other forms of bio-processing.