



Submission on the Crown Minerals Amendment Bill – published 26 Sept 2024

**The role that biogas and biomass can and should play in a well-constructed National Energy Strategy – to replace natural gas  
And how to make it happen !**

## **THANK YOU TO THE COMMITTEE**

### **Intro to The Bioenergy Association**

- 3 streams : Biomass (boilers), Biogas (RNG), bioliquids (biodiesel etc)
- Represents investors, consultants and operators of bioenergy facilities
- Assist members grow their bioenergy business and develop best practice

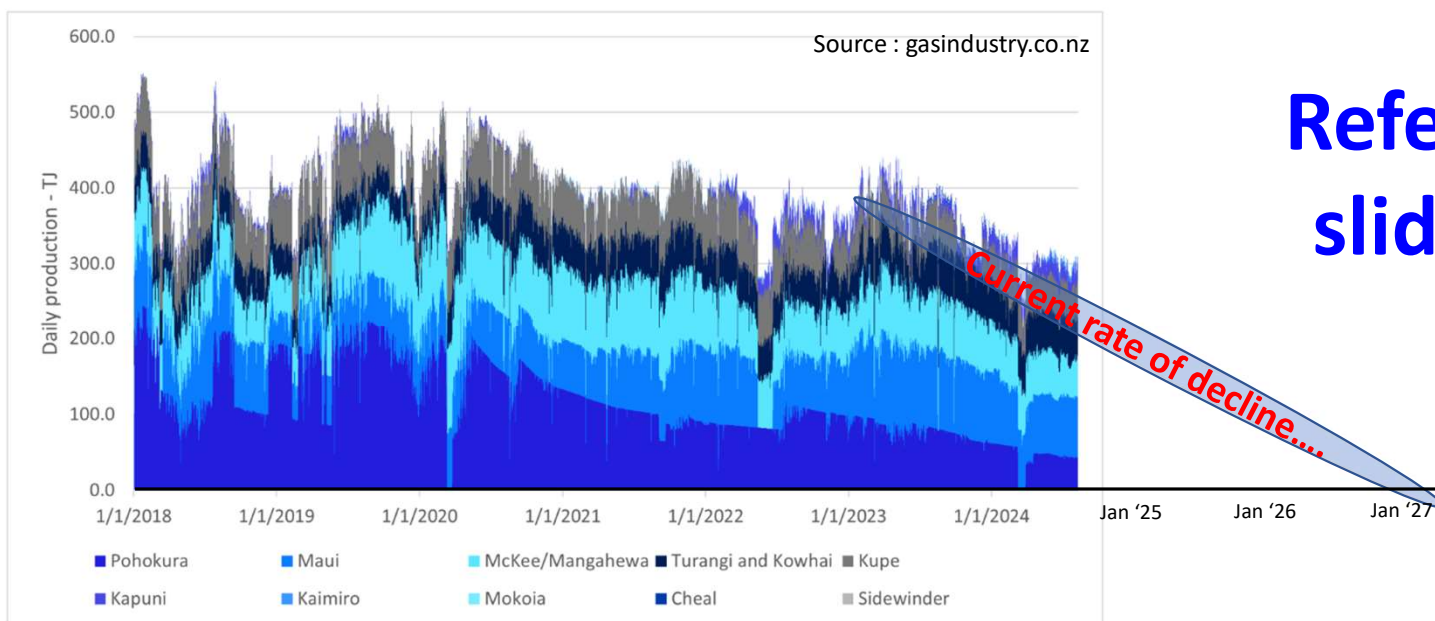
**8% of energy already comes from bioenergy.**

**Analysis shows that by partnering with Government this could increase to 27% of total energy supply by 2050.**



## The BA does not support the proposed Amendments, because

- a) Will not solve the 'fuel shortage' problem fast enough to replace the rapidly declining gas output (see slide 7)





**Secondly the BA does not support the proposed Amendments, because**

b) It will not solve the 'fuel shortage' problem, as investors are unlikely to return (see slide 8)

**So is this a wasted  
debate ?**

# Close Methanex, import LNG: former Todd boss Richard Tweedie's solution for gas shortage

"I can confidently say none of the above majors will ever return to NZ; sovereign risk is one thing, but the other fact is limited prospectivity."



Ian Llewellyn  
Tue, 10 Sep 2024

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*"NZ should not continue down the path of hoping there will be more gas. The stuff does run out, and we are near that point in NZ,"*

*".....the numbers and costs around importing LNG are hopelessly optimistic and are likely to be closer to \$40GJ to \$50GJ at the point of sale."*



**Many submitters have objected – but are missing the challenge.... We need energy !**

**The BA feels a more expedient solution is to utilise other fuels, particularly fuels that are both proven and readily available**

- **And** are far more economic and are renewable and carbon neutral
- The 100,000,000GJ of export logs leaving NZ at \$10-\$15/GJ – **See Slide 9**
- 5PJ of Biogas by 2027 – 70% of natural gas consumed by residential market in 2023 (*this is gas from existing landfills, WWTP put to beneficial use*). Total of 27PJ by 2050.
- North Island Industry uses 26PJ of heat energy from natural gas – and needs an urgent solution !



**The bioenergy expertise is available, and the industry can ramp up to convert 400MW<sub>th</sub> year (see Slide 10). To deliver this NZ needs :**

1. Decision-makers to be aware of the potential of bioenergy and it's cost-competitiveness
2. Incorporate this into a coherent **National Energy Strategy** which is not just focusing on electricity ("**Electrify NZ**") but also incorporates bioenergy
3. Re-instigate cost-effective but competitive incentive mechanisms (GIDI !) that result in rapid deployment, costing Govn'mt only \$10-\$20/T of CO<sub>2</sub> (great value for money)
4. A Waste Strategy which encourages recycling of organic wastes in facilities similar to the Ecogas Reporoa Organic Recycling Facility.



**These actions would deliver the following benefits to NZ :**

1. Free-up natural gas for the electricity Peaker plants and other niche users
2. Re-purpose waste streams into useful gaseous biofuels and bio-fertiliser
3. Negate the need for an LNG terminal (delivering gas to users at \$40-\$50/GJ)
4. Reduce the amount of electrode boilers going in at \$40/GJ+ (and which drain hydro batteries)
5. Help the struggling forest industry
6. Increase NZ's energy resilience
7. Reduce carbon emissions
8. Help ensure the cost-competitiveness of our process heat users and underpin food exporters

Vision for 2030 : Forestry is the new oil industry !

## OUTCOMES by 2030 :

- Industry is near carbon zero using a secure & sustainable source of heat – with burgeoning exports
- **....and we have 100PJ of RNG and Biodiesel to meet domestic demand – with the rest exported**

**With some joined-up thinking, these actions become no-brainers !**

So to end with

- 1) Does the Committee see biomass as a pragmatic solution ?**
- 2) Why is there not a National Energy Strategy ?**
- 3) What would it take for bioenergy to be on the radar screen ?**