

Government Investment Initiatives under the Plan of Action

ENABLING BUSINESS OPPORTUNITIES – BIOENERGY

September 2007



Pillar 3

Description

The initiative involves extending the work of the Forest Industry Development Agenda's (FIDA) Bioenergy Advisory Group to include:

- co-funding of industrial scale bioenergy co-generation;
- conversion of school boilers to wood chips pilot projects;
- cost-effective ways of collecting in-forest wood residues for fuel.

Background

Replacing non-renewable fossil fuels, such as coal, with renewables such as wood is part of the Government's plan to achieve sustainability, including carbon neutrality. The initiatives in this project will accelerate the uptake of the technology, a vital step forward in reducing New Zealand's carbon footprint.

In addition to reducing carbon emissions, greater use of wood will improve the profitability of forestry. This will encourage more afforestation and discourage deforestation.

Extending the current FIDA bioenergy budget will allow greater progress to be made in this area, especially with regard to industrial-scale demonstration pilots.

Initiatives

There are three key initiatives in this project:

- school boilers. This is a pilot project to convert a number of school boilers from fossil fuels, such as coal, to wood fuels, such as wood pellets or wood chips. It is proposed that schools in: Otago, Canterbury, Rotorua /Bay of Plenty and Auckland be converted initially, because a high proportion of schools in these areas currently use coal as fuel.
- industrial scale co-generation demonstration pilots. This project will extend the work of the FIDA Bioenergy Advisory Group to allow co-funding of industrial-scale co-generation demonstration pilots.
- collecting in-forest residues. Research will be carried out to find cost-effective technologies for collecting wood residues from forests for use as bioenergy.

Government investment

Initiative	2007/08 \$M	2008/09 \$M	2009/10 \$M	Total to 2011 \$M
Bioenergy	3.400	2.000	1.800	7.200

Links to other government initiatives

The programme is linked to other initiatives including:

- ongoing FIDA-funded projects of the Bioenergy Advisory Group;
- projects under the Govt³ sustainability and economic transformation programme;
- Energy Strategy;
- Energy Efficiency and Conservation Strategy.

Next steps and implementation

The initiative will be overseen by the FIDA Government-industry Bioenergy Advisory Group, which is managed by the Energy Efficiency and Conservation Authority (EECA). The new initiatives will be managed by EECA and reported to the FIDA Steering Group.



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