

22 March 2017

## Position statement

### HIGH LEVEL REPORT IGNORES LOW HANGING FRUIT TO ACHIEVE GREENHOUSE GAS EMISSIONS REDUCTION

The Bioenergy Association says it's disappointed that the report for GLOBE-NZ, *Net zero in New Zealand - Scenarios to achieve domestic emissions neutrality in the second half of the century* ignores the immediate opportunities for climate change which New Zealand can pursue.

The report completed by consultancy firm, Vivid Economics was commissioned by GLOBE-NZ which is an across party group in Parliament.

Association Executive Officer Brian Cox says "The work by Vivid Economics provides some useful context but misses the mark on understanding how local solutions are our most valuable options."

"The report provides a reasonably even handed view of the future options for meeting the Paris greenhouse gas emission reduction targets and it usefully provides a framework for macro policy. However the report ignores the easily achievable opportunities that we already have available and can be implemented without significant additional research and development. In other words **there is more that we can do and it is low cost and immediate.**"

A support for renewable energy solutions NOW would result in immediate greenhouse gas emissions reduction and provide greater value to NZ Inc than the purchase of international carbon credits which the Government is currently relying on. While the immediate reductions from renewable energy such as bioenergy would only partly meet the Paris climate change targets at least we would be doing something rather than waiting for possible research and long term solutions which may never come."

"On the transport front NZ is particularly exposed to international transport that will require biofuels in some shape or form, and the Vivid report excludes this because it is focused on electricity."

"The report underestimates the contribution from bioenergy as it is based on an economic model and under estimates consideration of markets and communities. The report ends up having electricity solve everything and suggests that we give up all our existing industries to achieve the climate change goals. We should focus on keeping our current business **and** reduce greenhouse gas emissions."

"It is good to be doing long term research but we can't sit back and wait to see if it is successful. We should be taking advantage of low-cost opportunities to reduce our carbon emissions here in New Zealand by increasing our use of bioenergy, particularly in the heat sector.

Mr Cox says the Parliamentarians should see climate change targets as an opportunity for New Zealand business and the economy, not a cost. A strategy around such an approach could have immediate results

“Bioenergy has the potential to add revenue of \$6 billion per year to the country’s economy, and to create jobs and economic growth – particularly in the regions.

“In the short term, we’d like the Government to encourage the heat market to use wood fuel, farmers to process farm waste to produce bioenergy and local authorities to use organic waste for heating and transport fuel instead of dumping it in landfills. Currently we have Government still focused on purchasing coal at Burnham Military Camp when they could be using wood fuel.”

“Such leadership would show other potential users the viability of bioenergy and support expansion of the wood fuel and biogas markets. Our bioenergy opportunities are based on well-proven technology, so don’t require further research or exploration. What we need is Government support to speed up growth of the market.”

Mr Cox says there are many economically viable niche bioenergy opportunities. “With Government support and near zero cost, the number of opportunities could increase considerably, using New Zealand’s good supply of renewable natural resources to achieve significant economic, employment and environmental benefits.”

"Bioenergy is the lowest hanging "low carbon fruit" for New Zealand's larger heat users but we have to develop the biomass fuel market through a healthy forest and wood processing sector in order to meet those opportunities. .

In a future where NZ's gas reserves are reducing and supply costs are likely to be increasing, the reliance on international emissions trading leaves our largest heat processors and economy vulnerable to high carbon costs.

The Association is working with other like-minded clean industry groups to improve Government’s understanding of how to build capability from the bottom up in our economy, rather than just looking for "silver bullets" like electric vehicles or South Island gas finds to reduce our emissions. The bottom up analysis of reducing emissions clearly shows that gains must be made across all sectors if we are to achieve our reduction targets.

“Bioenergy is a very important part of that future mix as it can be used in gas, liquid and solid fuel forms, is available everywhere in New Zealand and can be integrated into local communities so creates wider economic benefits that will never be achieved through imported emissions credits.”

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### **For further information contact**

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## About the New Zealand Bioenergy Association

The Bioenergy Association helps its members to develop and grow their bioenergy businesses, raises awareness of the benefits of bioenergy and provides the latest information about the bioenergy sector, both in New Zealand and internationally.

Bioenergy Association advocates on behalf of its members and those interested in using bioenergy and biofuels on many important issues constraining growth in the use of biomass by business and the community to achieve economic growth, employment and achievement of sound environmental outcomes.

Its Vision is for 25 percent of New Zealand's consumer energy supply to be from bioenergy, including 30 percent of the country's transport fuels, by around 2040.

For more information about the potential economic benefit of this Vision see the [BERL analysis](#) of the [New Zealand Bioenergy Strategy 2010](#).

