Developing New Zealand’s Forest Residues Market

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Outline

Two barriers exist:
- Energy from forest residue – it’s currently unsustainable
- Knowledge

EECA’s role
What is sustainability?

It’s environmental sustainability…
Can we tell forests’ environmental story better?

“We must burn less diesel and wood” says Gore

Headline - Carbon News, 1 May 2009
Energy from New Zealand forest residue is not currently sustainable

Why not?

Sustainability is:
- environmental
- social
- economic
- cultural?

Forest energy means jobs and social sustainability
**Forest energy means jobs**

<table>
<thead>
<tr>
<th>Process</th>
<th>Employment (work years / 1000 m³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Penticton Residue logs</td>
<td>0.3</td>
</tr>
<tr>
<td>Okulu Chipping at landing</td>
<td>0.3</td>
</tr>
<tr>
<td>Rekshi Chipping at landing</td>
<td>0.5</td>
</tr>
<tr>
<td>Penticton Mechnized cutting</td>
<td>0.6</td>
</tr>
<tr>
<td>Rekshi Manual cutting</td>
<td>0.8</td>
</tr>
<tr>
<td>Perthi Heat entrepreneurs</td>
<td>1.4</td>
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</tbody>
</table>

- **Indirect, other Finland**: Indirect employment related to the forest industry, but not in the area where the chips are produced.
- **Indirect, local**: Indirect employment related to the local economy, but not directly connected to the chip production.
- **Direct**: Direct employment within the chip production process.

**Economic sustainability – the problem is cheapness**
Is price the opportunity or the problem?

Cost more, sell energy for more
Wood energy users should pay for fuel value

Wood Fuels Trading Platform
Engineering Solutions Research

Case Studies
Detailed ‘long term’ information on:
- productivity
- breakdowns
- logistics, and
- costs
- machinery / system options

Biomass Recovery Guide for Contractors

Project duration One year

Demonstrating Supply Technology
Demonstrating Supply Technology

Residues to Revenues 2009
Demonstrating Supply Technology

Residues to Revenues 2009
Residues to Revenues 2009

Conclusion