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CEFC backs bioenergy as reliable baseload renewable

The Clean Energy Finance Corporation (CEFC) in its submission to the Finkel Review has recognised bioenergy produced from sustainable biomass can provide baseload energy and substantially reduce emissions using established technology.

Chief Executive Officer of the Australian Forest Products Association (AFPA) Mr Ross Hampton said, “The Government has committed to a ‘technology neutral’ policy approach to ensure energy markets embrace renewable energy options but remain secure and affordable. What CEFC has reinforced is that bioenergy is the ‘reliable renewable’ uniquely providing both renewable and secure baseload energy. Our sustainable forest product industries could make a significant contribution to reduce emissions while also providing much needed investment and regional jobs.”

“Bioenergy is a unique renewable that can be used across all three energy sectors (transport, heat and electricity). Bioenergy is also reliable and flexible being both a baseload and dispatchable renewable. Bioenergy can be cofired and used in cogeneration,” said Mr Hampton.

In 2015, bioenergy only contributed 9.1% of total renewable energy and 1.3% of total electricity generated in Australia. In contrast, bioenergy contributes more than 24% of the total energy consumption in Finland, more than 22% of total energy consumption in Sweden and more than 17% of total energy consumption in Denmark. Many countries are adopting ambitious climate targets by incentivising their businesses to transfer from baseload energy sourced from coal, oil and gas to renewable biomass sources (e.g. from sustainable forest residues or wood wastes or other sources).

Bioenergy produced from sustainable biomass is renewable. Under the Kyoto Protocol, bioenergy is regarded as CO₂ neutral. The United Nations Framework Convention on Climate Change also defines bioenergy as renewable, if it is produced from biomass that is sustainably managed. Australian governments recognise it as an eligible renewable source under the current Renewable Energy Target. The CEFC recognises the significant potential for bioenergy to contribute to renewable energy, biofuels and carbon emissions, creating the \$100 million Australian Bioenergy Fund to invest in bioenergy and waste to energy projects. As at June 2015, the Australian Renewable Energy Agency (ARENA) had invested over \$7.6 million in bioenergy projects and wants to invest more in this renewable.

AFPA urges policy makers to embrace the potential of renewable bioenergy, including industrial renewable heat, in their deliberations on lowering emissions and energy policy reform.

AFPA represents forest growers, harvesters, and manufacturers of timber and paper products.

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