Media Release

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Renewable bioenergy can help keep the lights on

The Australian Energy Market Commission (AEMC) <u>final report</u> released today recommends a package of reforms to secure Australia's power system but still does not recognise the renewable baseload potential of bioenergy.

This omission is despite the Government's recent announcement on the scale of the energy crisis in 'Securing Our Energy Future', continued calls for establishing baseload renewables, and Fairfax recent <u>reports</u> on co-firing renewable wood waste as part of Australia's clean energy future.

The Australian Forest Products Association (AFPA) Chief Executive Officer Mr Ross Hampton said, "Forest product manufacturers are facing business-destroying electricity and gas price increases of up to 250%. Greater uptake of renewable bioenergy, including recognition of renewable heat, in Australia's energy mix would not only reduce our industries' significant energy costs and increase energy supply security – it can also make a major contribution to Australia's emissions reduction efforts."

"Australian energy policy makers, including the AEMC, should recognise bioenergy uniquely provides both renewable and secure baseload energy, which would complement intermittent renewables like wind and solar."

Mr Hampton said renewable wood waste can be co-fired in existing coal-fired power generation plants across Australia significantly reducing their emissions profile and extending their operational lives, which is already done throughout Europe, US, UK and Asia.

Bioenergy is a unique renewable that can be used across all three energy sectors (transport, heat and electricity). 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 – as Australia's commercial forestry operations are.

"While the Government recognises bioelectricity generated from biomass as an eligible renewable source under the current Renewable Energy Target, with the right policy settings and investment support bioenergy (and renewable heat) could play a much greater role as a provider of renewable baseload energy," Mr Hampton said.

"Other industry sectors with bioenergy potential such as agriculture, landfill and waste-to-energy could also contribute to Australia's secure energy future, while substantially reducing emissions and reusing waste by-products.

"AFPA will urge consideration of bioenergy in AEMC's upcoming 'frequency control frameworks' review and monitor the implementation of AEMC's other recommendations."

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