

Local Energy Generation

Regional threats:

- Rotorua faces an infrastructure investment lag that risks the creation of insufficient power generation and fragile distribution network problems.
- Forecasted energy demand (from 6000MW today to 8000MW in 2025) will create extreme pressures on current energy sources, distribution lines and on methods of extraction.
- Rotorua is vulnerable to energy supply shortages (and consequently energy price rises) that would result from extreme weather conditions and other geo-political risks.

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- Biomass into energy from forest residues utilisation (saw mills and forest).
- This opportunity can feed into the wood processing sector thus facilitating an evolution towards self-sufficient energy generation (already in action).
- Potential to produce more energy for re-sale, however, finding markets is the challenge.
- This involves understanding how people/organisations use energy so that effective energy solutions can be provided at competitive prices.
- Use of wood pellets to upgrade biomass into energy is happening on a small scale with an opportunity to become large scale.
- Solid Energy plant development to accelerate bio-mass activity in Rotorua.
- Issue around cost effectiveness needs to be clarified to industry participants.
- Possibility of a 100% renewable scenario if other generation methods are developed in sync (i.e. geothermal, solar, landfill gas, hydro and wind).
- It is about identifying the opportunities, researching these and putting a plan into action.

Barriers

- Resource Management Act (RMA) stands in the way of development by infringing on investor certainty.
- RMA's qualitative standards are different for development plans and there is a need for more quantitative standards (similar to standards in the European Union).
- Large scale Regional biomass-to-energy operations are ready to go and being capable of marketing electricity at 4 cents/KW, yet RMA is causing a hold up to progress.
- Renewable energy development in the region lacks leadership and cohesion. Council should be stepping up its responsibility and commitment to the sector and engaging with local developers.
- There is a need for knowledge to be passed onto the community in order to generate public awareness and support on energy issues.
- Distribution lines need to be upgraded.

Summary

- Many opportunities available to Rotorua in becoming self-sufficient and utilising renewable energy resources, however, there is a desperate need for leadership and the development of an organised framework (steering group), to move forward.