SUBMISSION BY FORESTMEDIA ON SOUTH EAST FIBRE EXPORT'S PROPOSAL TO BUILD A WOOD FIRED POWER STATION AT EDEN

This submission is in response to the proposal by South East Fibre Exports to build a 5mW wood fired power station at Eden, on the NSW south coast.

Forestmedia believes that this proposal should be rejected in light of its failure to consider and account for many of the environmental, social and economic implications of the development and operation of a wood fired power station on the NSW south coast.

Forestmedia calls on the government to instead set up a process for considering alternative energy sources on the south coast of NSW that are genuinely sustainable and do not depend on a taxpayer supported logging industry that causes immense on-going environmental degradation.

This submission highlights a number of points made in the application.

1. **Reliability of Supply**

Throughout the document, the applicant cites the improved security of electricity supply both to the operator and to the local community. It mentions long term economic benefits in the Eden area due to the increased reliability of supply during peak demand periods.

Since this is one of the main claims of the application, and a cornerstone of the rationale for this proposal, the Department of Planning will want to establish that a reliable supply can be maintained before approving this power station.

The claim of improved reliability of electricity supply cannot be supported. The Eden Chipmill was closed regularly during 2009 and for most of the year was on a 4 day week. On this basis, it cannot produce the requisite amount of 'waste' to power the plant. Because the plant cannot guarantee a reliable supply of electricity, it cannot therefore claim that it will contribute long term economic benefits to the area through increased reliability of supply during peak demand periods.

2. The productive use of material that would otherwise be wasted.

The application as part of its justification states that it will be generating electricity from renewable biomass material that is currently largely burnt for no energy recovery or commercial return. [1.1]

SEFE states that "in the course of its timber milling operations of hardwood and softwood logs, SEFE generates around 35,100 tpa of potential biomass fuel, **a proportion of which** is currently sold as landscaping materials with the balance being disposed of in a burner for no energy recovery.

What SEFE do not specify in their justification, is that of the **35,100** tonnes produced, only **1,060** tones are burnt as waste – an insignificant proportion of the whole. The rest is currently not wasted at all, but is sold for mulch and other agricultural purposes. [See Greenhouse Gas submission 1.1]

As described in Section 2.2, national guidance indicates that if fuel that would otherwise be wasted, such as wood waste, is used for electricity generated, then it is considered that the generation does not increase emissions compared to what they would otherwise be and results in emissions reductions compared to fossil fuel generation. [4.2] Since most of the wood fines are currently not wasted, but sold as mulch and other materials, this would not apply.

3. **The applicant states that the power plant will provide economic benefits to the Eden community**;

"short term through the purchase of local goods and services by the construction workforce; and long term local employment for six suitably trained operators, with anticipated flow – on employment opportunities."

SEFE's rationale of providing economic benefits to the region by building the power station cannot be supported. The economic benefit to the community is minimal at best, but there is more likely to be an economic cost rather than an economic benefit.

Major projects currently underway in the area providing solar panelling in conjunction with initiatives established by local groups are providing vastly more employment opportunities. The tourist industry is one of the biggest employers on the south coast, employing ten times more people than the logging and woodchipping industry. Why has the impact of this plant on tourism not been addressed?

If SEFE wish to cite economic factors in this proposal, these must be linked to the logging industry and woodchipping on the south coast, on which the material resources of the power station rely. The logging industry has had a negative impact on the tourist industry, and the oystering industry as well. The effects of erosion and siltation from logging on water catchments and water supplies threaten a number of industries, as well as the health and well being of the community.

4. Renewable Energy

The application claims to offer improved environmental outcomes due to lower greenhouse gas emissions per unit of output compared to conventional coal-fired power generation technologies. It states that "the generation of 28 GWh per year by the proposed plant (31 GWh minus the parasitic load from the Power Plant) would avoid the emission of approximately 23,800 t of CO2 from fossil-fuel based power generation".

In calculating 'avoided emissons' it does not compare the power station with wind and solar or other approved MRET technologies. These are the ones it will be competing with in the market place, not coal fired power.

The industrial burning of native forest wood has been calculated to generate about six times the greenhouse gas emissions as coal fired electricity when you take account of the whole life cycle of the fuel, and even accounting for the uptake of

carbon in new growth, it is about four times as GHG intensive.[1] If the carbon associated with harvesting is declared part of the emissions and added to the stock, as it should be, no argument about sustainability of biomass could be upheld.

The application states that "It is considered that a mulch disposal scenario would be the best practice wood waste processing method in terms of reduction of greenhouse gas emissions. Given that the current practice at the SEFE facility is predominantly to sell waste as mulch material (approximately 76%), current practice is considered to be very close to best practice. If its current practice is the most renewable, why is it proposing to abandon this use of its waste? A comparison between the Power Plant and a best practice mulch disposal scenario has not been made as part of this assessment. [4.1.3] If the current practice is considered the 'best practice' – this comparison cannot be ignored in the EA.

5. Human Health and Safety

There are a number of concerns for human health and safety that have not been adequately addressed:

- The application acknowledges that dioxins, furans and HAPs will be emitted. Yet it does not examine the implications of this.
- Emissions estimates assume the wood will be uncontaminated by salt. The exposure to salt, as it is a few metres from the ocean, will increase dioxin production. This has not been taken into account.
- The EA states that '*most* of the particulate matter will be controlled." Particulates bigger than 10 microns are not included. Why is this?
- The possibility of using 'municipal waste', was explicitly mentioned by Peter Mitchell, COE of SEFE, in August 2008. Why have the health and environmental implications of this not been included?
- Heavy metal content in ash. The EA notes that this will exceed allowable limits and approval from DECCW will be required to use it on the SEFE Rockton plantation. Why has this not been adequately addresed?
- It has been acknowledged that sulphur dioxide (rotten egg gas) will be produced but the consequences of this have not been addressed.

6. Marine Environment

Effects of the power plant on the marine environment have not been adequately addressed:

The analysis supports the selection of the seawater cooling option and states that it has **minimal** environmental impact. It also states the "The level of aquatic ecosystem protection for Twofold Bay is "slightly to moderately disturbed". It is not explained

[1] http://www.john.greens.org.au/media/adjournment-speech-eden-chipmill-and-green-power

how the power plant can have minimal environmental impact if the ecosystem is **'moderately' disturbed**.

Some issues:

- Hot water discharged into Twofold bay will have important consequences for wildlife. The threatened Weedy Sea Dragon can only survive in temperature less than 22 degrees.

- Green Sea Turtles are regularly trapped in cooling water pipes because they are attracted by the warmer temperatures. Ways of avoiding this have not been adequately addressed.

- Anti-fouling treatments may threaten marine life and mussel culture. This has not been addressed.

7. Fuel Supply

a. Regional Forest Agreements:

This application for a cost intensive power station is based on the assumption that Regional Forest Agreements will continue well into the future, otherwise a large amount of money would not be allocated to this project.

It is incumbent upon the Department of Planning therefore to establish that this plant would be able to securely acquire its fuel supply on an ongoing basis well into the future. However, this is not the case, given the dependency on this power station on the terms of the Regional Forest Agreements.

There is no indication that the Regional Forest Agreements will continue after the ten years left on the current agreement is finished. The RFA process has attracted a lot of criticism, and there are calls for the agreements to be scrapped.

There is no satisfactory accountability process in place for the RFAs. Despite the regulation that an RFA report must be produced every five years, none has yet been produced for the current SE forests agreement, even though it has been in place for over ten years.

b. Supply of Logs for Woodchipping

ForestsNSW has already told community groups that there will be no sawlogs left in those forests in 2-3 years time. Only regrowth will remain.

These forests cannot sustain the current rate of systematic heavy industrial logging. Logging these forests over many years has had a profound effect on the timber supply.

This submission has already mentioned increasing difficulties in supplying contracted minimum volumes for the chipmill. To supply the logging contracts, half of all the

currently available forest would be logged over the remaining ten years of the RFA agreements, largely clearfelled.

c. Economic Issues

This industry currently makes a very large loss, and is heavily subsidized by the NSW taxpayers, last year alone by $14.4 million. It seems illogical that the government would allow a loss-making industry to continue to be subsidized by taxpayers into the future.

d. *Purchase of Woodchips from native forest sources*

Currently, paper manufacturers require only the controversial Australian Forestry Standard certification for the purchase of woodchips. More and more Japanese Pulp and Paper companies are requiring the much more rigorous Forest Stewardship Council certification. Japanese paper manufacturers are increasingly reluctant to accept AFS as an adequate label of sustainability and are insisting on woodchips supplied from plantations instead of native forests. A change such as this would mean native forest wood could not be supplied to the chipmill and therefore no 'waste' would be available for the power station.

8. Current Regulations Preventing the use of Native Forest material for electricity generation

While S.97 of the Protection of the Environment Operations (General) Regulation 2009 prevents the use of native forest material for electricity generation, there are powerful incentives for changing these regulations, given the unreliability of supply under the current legislation.

The capacity to earn Renewable Energy Credits from biomass burning creates a desire to maximise the use of native forest inputs by seeking to broaden the scope of the Regulations. In addition, changes to the Regulations do not require Parliamentary approval.

The Department of Planning must take these wider implications into account

9. The Environment

A proposal such as this cannot stand in its own right without an examination of the wider implications of the sustainability of native forest logging for woodchips.

The steady conversion of native forest into managed plantations and the devastation of native species and biodiversity are the antithesis of sustainability. An industry that destroys priceless native forests could never be called 'renewable'.

Not only does this biomass fuel make no environmental sense, but it allows the destruction of native forests to continue unabated, with the inevitable effects of continuing to destroy biodiversity and condemning more native animals to extinction. Australia currently has the worst rate of small mammal extinction in the world.

The forests are currently logged on shorter and shorter cycles, with 20 year cycles now becoming the norm and even shorter cycles sometimes used. There is no time for older hollow bearing trees to develop, and these are the ones that many species of animals depend on for survival.

Logging for woodchips dries out the forests and makes them more fireprone, as researcher David Lindenmayer at ANU has established. The increasing frequency of fires is testimony to this.

Waterways and catchments are profoundly affected by logging for woodchips. Logging causes erosion and threatens the supply of clean water to much of the region.

Disturbed and unhealthy ecosystems promote the incursion of bell-miner related dieback, a condition that is causing significant destruction in the forests and is recognised by ForestsNSW as a major problem.

Summary:

As set out in this submission there are significant deficiencies in the proposal and Environmental Application for a Biomass power station at Eden. Even though some of these deficiencies could be addressed, the profound flaw in this process is the dependency of the proposed plant on the on-going supply of fuel as a by-product of woodchipping native forests.

The approval of the power plant by the Department of Planning based on narrow guidelines that begin at the furnace door would mean a drastic failure to consider the wider implications of this proposal, including its duty of care in relation to the forests in south eastern NSW and the people who live in that region.

The Department of Planning should instead investigate the potential for genuine renewable and sustainable power for south eastern NSW, and base their strategies on a better deal for the people of south eastern NSW and for the forests.