



19 July 2019

## Contact Energy and Nature's Flame reducing carbon emissions together

Contact Energy and Nature's Flame have signed an agreement and broken ground to build a geothermal energy supply system that will provide process heat to Nature's Flame's wood pellet manufacturing plant in Taupō.

Nature's Flame produces a carbon neutral wood pellet fuel alternative to coal. Wood fibre in the form of sawdust and shavings is obtained from sawmill operations in the central North Island; the fibre is dried, resized and then compacted to form a durable, low moisture, low ash, energy dense fuel which burns efficiently and cleanly.

"Contact will provide direct heat energy from our geothermal facilities to the Nature's Flame plant which will be used to dry the wood fibre. The majority of the energy used to dry the wood will be derived from "used" geothermal fluid downstream of the Tenon Sawmill, which Contact has been providing with geothermal energy since 2007. This will optimise the efficiency of the production well for both companies," says James Kilty, Chief Generation and Development Officer at Contact Energy.

"Nature's Flame is thrilled to sign this deal with Contact, as we currently only operate around 45% of capacity, burning some of our own product or dried sawdust to provide heat for wood drying," says John Goodwin, Nature's Flame Operations Manager.

"Following the conversion to geothermal energy, we will be able to increase to 100% of capacity, creating jobs for up to 2 new staff, and we will no longer have to burn any of our own product for drying. The geothermal energy supply system is also capable of supporting further expansions of the Nature's Flame plant."

This extra capacity has enabled Nature's Flame to enter the Korean and Japanese markets, where the pellets will be used to provide a sustainable alternative to burning fossil fuels. By ramping up operations using direct heat from geothermal energy, Contact and Nature's Flame are helping to reduce global CO<sub>2</sub> emissions.

Geothermal energy provides reliable, low carbon process heat. The Nature's Flame operation is the latest to join Contact's family of geothermal 'direct use' customers, which includes the Huka Prawn Park aquaculture and tourism business, Wairakei Resort Hotel, Wairakei Terraces geothermal bathing experience and the Tenon Sawmill.

"Contact Energy is committed to lowering carbon emissions through collaborative partnerships that will support New Zealand's emission reduction goals. Contact is enabling Nature's Flame to increase productivity with no additional CO<sub>2</sub> emissions released, as well as displacing particulate matter emissions from use of the existing biomass boiler. Deals like this help us towards our decarbonisation goals," says Mr Kilty.



– Ends –

**Media enquiries**

Andrew Austin

021 644 167