Increasing The Supply Of Wood For Renewable Energy Production In Scotland

Ref	Text	Action/ FPG Comment
Ex Summary		Generally no mention of the 5% heat target proposed for Scotland by 2020(see Rippengal 2005- Commercial opportunities of woodfuel heating in Scotland). This would translate to 1-2.5m green tonnes pa.
1.1	Changing Our Ways: Scotland's Climate Change Programme (Scottish Executive, 2006) estimates that 750,000 green tonnes of wood will be used by 2010, rising to 1,000,000 green tonnes by 2020	The 2010 target has already been met with Eon coming on line, and 2020 target will be met in 2009 with Balcas.
7.2	To encourage growers to bring this material to market, the Task Force recommends the development of a branch wood recovery grant to help mobilise this new woodfuel resource.	In addition a thinning for bioenergy grant to be established. (this would work in the same way as SRC grant in that you need an identified end user)
7.5	… plus we see some market displacement of Small Round Wood, circa 475,000 green tonnes, thus suggesting a total potential of circa 1.4 million green tonnes per annum	We see no mention of export roundwood (1-2m t/pa?). This is a ready market for indigenous supply where less haulage is required at the same price, thus increasing profit to the grower. FPG come from the point of view of a 5% heat market penetration. This is 2500MW of installed heat capacity (1m to 2.5m green tonnes pa)(from Rippengal, 2005). Thus we think displacement will be higher, particularly in board and export sectors.
7.7	Fluctuating, short term capital grant schemes, such as the SBSS do not inspire confidence in the sector to invest. ROCs do provide a long-term support mechanism but are driven from the demand side. The Task Force believes that a commitment to sustaining supply-chain capital grants for the next 3-5 years is essential.	FPG believes a more intelligent grant system (3-5 years) on the demand side is more sustainable. There is already a healthy woodchip and pellet supply in Scotland. More suppliers will mean less business unless the boilers are going in. We have already seen some suppliers drop out.
7.9	We need to increase the rate of new woodland creation for future biomass supplies	FPG believe that a 25% forest cover target must be pursued and, in some localities, exceed. More work to be done on integrating farming and forestry, eg coppice with standards.
8.3	Short rotation coppice offers an opportunity to help Scottish farmers diversify, whilst contributing to carbon savings in energy generation. There is a risk that if farmers do not take up this opportunity, and supply of SRC	SRC is oversupported in Scotland. As well as the establishment grant there is a double ROC for end users. Little has trickled down to the farmer in way of a fair price. Big projects can afford to pay more and must be given time to respond to the market.

	does not match demand, there may be increased imports of unsustainably produced biomass. There may also be an increase in market prices for conventional forestry – putting additional pressure on this sector. Finally, investment in biomass energy could be put at risk.	Continuing a ban on cofiring from unsustainable (non FSC) is needed. The ban on indigenous forestry in cofiring is needed.
8.5	The long-term expense associated with growing this crop is simply not known, including the costs of drainage problems, and of removing the crop and restoring the land to other uses	Not in Sweden where farmers have been doing this commercially for a long time. It has been reported over there that restoring the land can be done in 1 year with no effect to drains.
8.6	The Task Force believes that support mechanisms, through grants and buyer contracts, to bridge the establishment period would help to reduce some of the disincentives	This is a poor use of funds for marginal benefit. The extreme external pressure of grain prices will not allow SRC to take off in a big way on arable land.
8.11	SRF- The Task Force strongly recommends that further research on establishment, species choice, economics of production, and environmental implications is undertaken.	FPG strongly endorse this view
9.4	To date, there has been no formal study of arboriculture arisings in Scotland,	Report by Steve Luker showed 10,000t/pa in Glasgow