

Biomass Policy in Scotland

**ENERGY FORESTRY GROWING IN
SCOTLAND**

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The Scottish Government
Riaghaltas na h-Alba

Content of the Presentation

- Wider policy context - targets
- Role of biomass
- Biomass policy position and rationale
- Current incentives and support
- Commitment to a review of support
- Opportunities for biomass
- Summary



Targets

Climate Change

- **42% emissions cuts by 2020** and at least **80% cuts by 2050**, compared to 1990

Renewable energy

- **100% of Scotland's electricity demand and 11% of heat demand from renewables by 2020.**



Role of biomass

- Key to meeting renewable heat target
 - Currently provides 91% of Scotland's Renewable Heat Output
- Deployment of biomass is increasing but significant progress is still required
- Biomass policy and support need to encourage most efficient and beneficial use of this finite resource



Policy Position

- The Scottish Government prefers to see biomass deployed in heat-only or combined heat and power schemes, particularly off gas-grid, at a scale appropriate to make best use of both the available heat, and of local supply.



Policy Rationale

- Biomass is a limited resource and maximum efficiency needs to be encouraged.
- Heat only = 80-90% energy efficiency
- CHP = 50-70% energy efficiency
- Electricity only c. 30% energy efficiency



Incentives

- The UK electricity market reform (EMR) exercise – will change the market fundamentals for investment in new sources of electricity generation.
- Forthcoming Renewable Heat Incentive
- Renewables Obligation Scotland
- Feed in Tariff – does not currently incentivise biomass



Renewable Heat Incentive

- **For small and medium scale biomass there will be a tariff breakpoint at 1314 peak load hours p.a.**
- **Below this:**
 - small biomass will receive 7.6p/kWh
 - medium biomass will receive 4.7p/kWh
- **Above this:**
 - both will receive 1.9p/kWh.
- **Large biomass plant will receive a flat rate of 2.6p/kWh**



Renewables Obligation Scotland

Technologies	Level of Support (ROCs/MWh)
Co-firing on non-energy crop (regular) biomass	0.5
Co-firing of energy crops Co-firing on non-energy crop (regular biomass with CHP)	1.0
Co-firing of energy crops with CHP Dedicated regular biomass 1.5	1.5
Fuels made using anaerobic digestion, advanced gasification or pyrolysis Dedicated biomass burning energy crops (with or without CHP) Dedicated regular biomass with CHP	2.0



Review of Support

- UK banding review – Summer 2011
- Scottish Consultation on ROS following that (late summer)
- Will review support for large scale biomass electricity plant
- The new bands would come into effect on 1 April 2013 (1 April 2014 for offshore wind), subject to Parliamentary and State Aid approval.



Capital Grants

- Current Grant Support:
 - Scotland Rural Development Programme
- Previously Grant Support:
 - Scottish Biomass Support Scheme
 - Scottish Biomass Heat Scheme
- Financial incentives will limit the future of any grant support



Actions being Taken by Scottish Government

- Loan Funds for Community Energy and District Heating
- Review support for large scale biomass electricity only plant
- Working to influence UK Government Strategy on bioenergy to make case for small scale heat
- Will raise awareness of opportunities for renewable heat for businesses through supporting the Carbon Trust work in this area



Actions

- Support the Forestry Commission Scotland's Fuel Good factor campaign
- Forestry Commission Scotland and the Scottish Government will continue to work on requirements for sustainability in biomass in the UK through the Department of Energy and Climate Change sustainability working group.
- Will continue to work to maximise the resource potential
- Will produce a roadmap for the bioenergy and Energy from Waste Sectors



Planning and Consents

- National Planning Framework II, s36 Thermal Guidance, and the s36 Biomass Scoping Opinion guidance all there to guide biomass development
- Permitted development rights
- Air Quality Guidance



Summary & Conclusions

- The target is sustainable economic growth
- Biomass has a large role to play and will be crucial in meeting renewable heat targets
- Commitment to supporting biomass but also to review support for large scale electricity only
- RHI Offers enormous opportunities for the biomass sector and will increase demand for wood fuel – making it a more commercially attractive product – grasp the opportunity!



THANK YOU



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