Woodfuel Suppliers Meeting

FC England

Sage, Gateshead (Ignition 09)

Note of Meeting - 12 March 2009

Attendees

See list (Annex 1)

Welcome and Introductions

Angela Duignan welcomed everyone to the meeting and all attending introduced themselves.

Bioenergy Capital Grants

Nick Barker of AEA Technology gave some information on the Scheme

- Scheme being run by AEA Technology on behalf of DECC
- Fifth round is open for applications
- Aimed at businesses, organisations and charities in the commercial, industrial and community sectors
- Deadline for the receipt of applications is 30th April 2009
- Grant covers 40% of the difference between the cost of the biomass installation and a fossil fuel boiler
- Grant covers all goods and services, including excavation for fuel store, to enable the project to go ahead (excluding building work that will increase the value of the property)
- Max grant £0.5m, no minimum grant, average is £50k
- Not many applicants so far for this round
- For further details; http://www.bioenergycapitalgrants.org.uk/

Securing Fuel and Equipment

Brian Mahony provided details of the way the FC markets timber from the public forest estate in England.

- FC has 210K ha of woodland – about 18% of total woodland in England.
- Producing 1.4M cubic metres per annum, which is about 60% of roundwood production in England
- This represents the sustainable annual cut – no scope to increase above this figure (just a few local examples of where production could be increased in response to the right market opportunity – e.g. Isle of Wight and sweet chestnut coppice in Kent).
- Sustainable annual cut will remain at about 1.4M cubic meters for next ten years then decline, as result of age class structure of the estate. (The additional 2M tonnes figure quoted in the Wood Fuel Strategy is to come from private undermanaged woodlands).

- Production forecast is published on the FC website here http://www.forestry.gov.uk/forestry/hcou-4u8n8y
- 50% is sold through competitive tender – six tenders and 1 auction each year; these are short term contracts (around 40% sold at roadside and 60% sold standing)
- The other 50% is sold through long term contracts (LTC's)– most of these are 10 yr contracts and many are due for renewal. (Will start renewals in north of England and move south). LTC's are offered competitively – judged on value and business plan and how they support delivery of ETWF[1].
- In 2007, 60K cubic metres was offered as 5-year contracts – this was mainly small round wood (SRW)
- Intend to repeat this process this year. Quantity to be confirmed but will be less than in 2007. Will be lotted to give range of lot sizes including very small lots that might be of interest to local woodfuel producers.
- To find out more about FE timber sales see visit http://www.forestry.gov.uk/website/forestry.nsf/byunique/hcou-4u4jgu2 or contact sales team based at Bristol office.
- To discuss potential large scale purchases or purchases spanning more than one Forest District contact Alan Corson at York office.
- For small scale, local sales contact the Operations Manager from the relevant Forest District - details here http://www.forestry.gov.uk/forestry/HCOU-4U4JGN (Given the sales strategy described above little local ad hoc timber purchasing opportunities but local staff can provide details of purchasers of standing timber who may be interested in selling on to woodfuel markets.)
- In response to question about FC adopting a timber sales policy that supports growth of the woodfuel sector, Brian said that the study of the future role of the Public Forest Estate includes a public consultation this summer providing the sector an opportunity to input their thoughts on this.
- FC is interested in learning what preferences the sector has regarding purchase of FC timber. Small parcels of roadside timber sold locally was identified by Sam Whatmore and Phil Potter as a preference. Where there appears to be a local demand for it FC are considering building up a stock (mainly hardwoods) at roadside and selling once dried. This was of interest to several participants at the meeting (Considerable interest was shown in a lot like this at the recent Westonbirt auction).
- Issue of recycled wood raised. Concerns that the WRAP report of 10 million tonnes of available waste wood was significant overestimate – probably more like 5 million and currently as a result of recession more like 3 million and declining. WRAP is reassessing this figure (report due out this year). Brian confirmed that no prospect of this shortage being made up with round wood from FC. Undermanaged private woodlands were a potential source though, as identified in the Woodfuel Strategy – price will be an important factor in bringing this to market.
- Brian confirmed that FC land disposals continued at the rate of up to 1,000ha /yr. It was agreed that this did not necessarily mean a reduction in wood production.

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[1]Strategy for England's Trees, Woods and Forests (www.forestry.gov.uk/etwf)

- In response to a concern about roundwood being exported, Brian confirmed that hardly any wood from the FC estate was exported – just a small amount of spruce pulp to Scandinavia and hardwood pulp to France.
- Brian suggested that it was important for wood fuel suppliers to get to know who is purchasing timber and to consider partnering other businesses in the supply chain such as companies bidding for LTC's e.g partnering a sawmill to take their residues or an established timber harvesting and marketing company.

EWGS and RDPE

- Mark Prior mentioned the recently announced changes to England Woodland Grant Scheme (EWGS) including a doubling in the rate of Woodland Planning Grant (and revised template), increased range of Woodland Improvement Grant (WIG), increases in standard costs and a lifting of the threshold for certification relating to eligibility for Woodland Management Grant from 30 ha to 100ha. All with affect for applications made from 1 April 09.
- This news was welcomed but it was noted by Sam Whatmore and David Rickman that FC needs mechanisms to engage and package up measures with owners of undermanaged woodland to bring more wood onto the market. [This will be picked up by the Woodfuel Implementation Plan].
- Richard Pow described the opportunities available from rural development programme for England (RDPE) (Axis 1 and 3) to support the woodfuel supply chain. E.g. the £1.2M Bioenergy programme providing support for purchase of harvesting and processing machinery etc in the NE.
- Most people felt that this funding was too difficult to access in their regions. Only one person in the room had submitted an application and had no progress to date.
- Stuart Goodall said that many owners see FC grants as involving interference, bureaucracy and the FC seeking to persuade them to do things that are not economic so any improvements to EWGS will take considerable time to filter through to owners who have been disengaged for over a decade.
- Forest Managers were identified as crucial advocates for engaging owners.

Policy Update

Wood Fuel Strategy Implementation Plan

- Angela Duignan gave the background to the Woodfuel Strategy. One of the great difficulties in achieving the target of an additional 2M green tonnes per annum was that there was 60-000 to 100,000 non-FC woodland owners in England (10,000 in SE England alone) with no easy way of engaging with them. Estimated in the Strategy that it will cost £16M/yr to deliver.

- The 2M tonnes target represents a 60% increase in wood production in England.
- The Implementation Plan is currently being prepared and will set out how we will use the resources available to deliver the Strategy. Woodfuel suppliers views will be sought.
- It is proposed to hold woodfuel suppliers meeting twice a year alternating location from North to South.

ROC Banding and Renewable Heat Incentive (RHI)

Angela Duignan gave a brief Introduction to the above.

- ROC's (Renewable Obligation Certificates) apply to electricity generators, providing a substantial financial incentive for renewable electricity production. (Current value about £45/MWh). From next month the new banding will be:

  0.5 ROCS per MWh for co-firing (non-energy crops)
  1 ROC per MWh Co-firing with energy crops
  1.5 ROCS per MWh for dedicated electricity (non-energy crops)
  2 ROCS per MWh for dedicated energy with energy crops, CHP with regular biomass or energy crops

- The RHI will be a fixed tariff paid to those generating heat from renewables paid from a levy charged for fossil fuel use. (Like a green bonus payment). Rate of tariff will be different for the different technologies. Chris Miles said that the sector is lobbying for 3-5p/KWh to be paid for 20 years from date of installation. Econergy are advising everyone installing boilers to install heat metres.
- RHI has the potential to be a very important mechanism for dramatically increasing the demand for biomass boilers.
- **A consultation will take place on the RHI this year** www.decc.gov.uk
- Will probably be introduced by April 2011.
- DECC currently have running three public consultations on heat and energy saving, community energy and carbon emissions reduction target (www.decc.gov.uk)[2].
- REA are holding an event on renewable energy tariffs on **26 March** in London that will be attended by DECC Energy Minister and officials. Details here http://www.r-e-a.net/events/rea-events

Economic Study

- There is a need to publish accurate figures on prices for woodfuel heating to help present the case for wood fuel and improve customer confidence. FC statisticians will be contacting members of the group for figures – Angela hoped group members would be able to help.
- Sam Whatmore referred Angela to the work done on this **ACTION: Sam to provide Angela with details.**

[2] http://www.decc.gov.uk/en/content/cms/consultations/open/open.aspx

- Angela confirmed that the figure in the Woodfuel Strategy of 1p/KWh for generating heat from woodchip is wrong and it will be changed on the website to 2.5p/kWh and revised regularly. **ACTION Angela**

Model Contracts

Angela encouraged the development and use of model fuel supply contracts to provide consistency to customers and save time for all parties in negotiations using off the shelf solutions. The Carbon trust, and Future Energy Yorkshire have model contracts available from their websites focused on the customer. Please note these are examples and not a recommendation for use. Also the RHI is not included in these as the RHI is a new mechanism.

www.fey.org.uk/site/WIPBiomass/Contracts/tabid/183/language/en-GB/Default.aspx or
www.carbontrust.co.uk/technology/technologyaccelerator/biomass.htm

Certification and Government procurement Policy

John Vaughan presented his paper (see attached Annex 2).

- In response to questions John said that there was not yet clarity about the sort of evidence required under category B from field trees and material produced from tree surgery operations.

- It is the FC intention to develop procedures with DECC that minimise the administrative burden on the sector.

- Stuart Goodall indicated that it was not the intention of the policy to capture domestically produced woodfuel. He suggested that many procurement officers might not ask for evidence of sustainability.

- There will be a link between the RHI and sustainability. It is likely to require evidence that the biomass feedstock is legal and sustainable.

Fuel Quality and Sustainability Standards

Ian Tubby provided an update

- Gideon Richards is chair of the standards committee on biomass fuels
- This group is preparing documents to provide standards for logs, pellets, briquettes, and chip
- Existing fuel suppliers should be able to self declare the quality/grade of fuel being supplied
- CEN standards will lead to the development of ISO standards
- Final version of the CEN standards are likely to be available some time in 2010
- BEC are working on producing a non-technical guide to the CEN standards.

Sam Whatmore, Chris Miles and others made it clear that the current standard used almost universally was the Austrian Önorm standard. Suppliers had to supply chip to the standard quoted by the boiler manufacturer and in most cases this was the Önorm standard. Whilst it is appropriate to make people aware of the forthcoming CEN standards until they are introduced important that there is good understanding of standards *currently* used by the industry. It was suggested that it is made clear on the BEC website that the CEN standard has not yet been introduced and to explain the current standard(s) that are in use. **ACTION: BEC**

- CEN process has started for sustainability aspect of quality but it is very early days. Ultimately this will lead to an ISO standard.

Suggested that anyone wanting further details could contact Gideon Richards from REA [grichards@r-e-a.net].

Air Emissions

Ian Tubby provided an update:

- BEC continue to receive a large number of queries on emissions from biomass boilers.
- An overview on emissions from biomass boilers is shown on this page of the BEC website http://www.biomassenergycentre.org.uk/portal/page?_pageid=77,103200&_dad=portal&_schema=PORTAL
- In February 2009 Defra published 'Local Air Quality Management. Technical Guidance LAQM. TG(09)'. http://www.defra.gov.uk/environment/airquality/local/guidance/pdf/tech-guidance-laqm-tg-09.pdf Chapter 6.58 covers biomass boilers. Pages 98 - 106, 221 and 243 of the pdf are the main areas of interest. The implications of this guidance have not yet been fully identified by BEC.
- Independently collected data on emissions from woodfired boilers is still hard to come by. Some data on pellet, chip and log boilers is shown in report prepared by AEA for the Scottish Government in September 2008. The report is available at http://www.scotland.gov.uk/Resource/Doc/243574/0067768.pdf
- Forestry Commission are aware that emissions and air quality issues associated with wood-fired boilers need addressing and are currently identifying work that could be funded in the short/medium term.

Close

Every one was thanked for their attendance and lunch provided on the balcony.

Appendix 1

List of Attendees

FORESTRY COMMISSION WOOD FUEL SUPPLIERS MEETING IGNITION '09

12TH MARCH 2009.

Attendance List

Name	Company	**Contact E-mail**
Alker, Gillian	Forestry Commission England	gillian.alker@foresty.gsi.gov.uk
Barker, Nick	AEA Technology	nick.barker@aeat.co.uk
Clubb, David	Rural Development Initiatives	david.clubb@ruraldevelopment.org.uk
Duignan, Angela	Forestry Commission England	angela.duignan@forestry.gsi.gov.uk
Elstone, Neville	Cumbria Woodlands	Neville@cumbriawoodlands.co.uk
Fern, Richard	Fern Tree Services	annc.kendrick@hotmail.co.uk
Gallagher, Jason	Silvapower	jason@silvapower.co.uk
Goodall, Stuart	Confor	stuart.goodall@confor.org.uk
Harrison, Caroline	Confor	caroline.harrison@confor.org.uk
Howarth, Stuart	Howarth Environmental	stuart@howarthenvironmental.co.uk
Iain Sutherland	Tilhill	iain.sutherland@upm-kymmene.com
Ingoldby, Mike	Bowland Bioenergy	info@bowlandbioenergy.co.uk
MacKinnon, Duncan	Tilhill	duncan.mackinnin@upm-kymmene.com
Maskery, Nick	Besco Fuels	nick@greenenergysupplies.co.uk
Miles, Chris	Econergy	chris@econergy.ltd.uk
Packwood, Steven	RES	steven.packwood@res-lltd.com
Pollard, Angela	Small Woods Association	angelapollard@smallwoods.og.uk
Potter, Phil	Woodfuel East	philip.potter@forestry.gsi.gov.uk
Pow, Richard	Forestry Commission England	richard.pow@forestry.gsi.gov.uk
Prior, Mark	Forestry Commission England	mark.prior@forestry.gsi.gov.uk
Reiss, Gesa	England Forest Industries Partnership	gesa.reiss@confor.org.uk
Rickwood, David	Forest Fuels Ltd	david.rickwood@forestfuels.co.uk
Ridley, Robin	South Yorks Forest Partnership	robin.ridley@syforest.co.uk
Sweeny, John	Mynydd Timber Services Ltd	spasweeny@uwclub.net
Tubby, Ian	BEC	ian.tubby@forestry.gsi.gov.uk
Vaughan, John	Forestry Commission England	john.vaughan@forestry.gsi.gov.uk
Vaux, Steve	Biojoule	stephen.vaux@biojoule.co.uk
Walker, Sherod	Nationwide Wood Recycling Ltd	swalker@woodwaste.biz
Waterhouse, Adrian	Tree World	info@treeworld.uk.com
Waterhouse, Karen	Tree World	info@treeworld.uk.com
Whatmore, Sam	Forest Fuels Ltd	sam@woodfuelsolutions.co.uk
White, Colin	Colin White Tree Surgery	colinwhite.ts@btopenworld.com
Whitton, Anthony	TV.Bioenergy	Anthony.whitton@tvenergy.org

Appendix 2

NEW GOVERNMENT REGULATIONS FOR SUSTAINABLE TIMBER PROCUREMENT

Procurement Policy

1. Current policy requires UK Government departments and agencies to actively seek to purchase legal and sustainable timber and timber products.

2. From 1st April 2009 all Government departments (and their executive agencies and NDPBs) will be required to purchase only timber and wood-derived products that can be demonstrated to be both legal and from a sustainably managed source. The regulations are part of the UK Government's wider commitment to combatting illegal logging and timber trading.

3. Defra has set up the Central Point of Expertise on Timber (CPET), managed by ProForest, to give buying agencies and timber suppliers more detailed advice and guidance on the regulations (www.proforest.net/cpet).

Coverage

4. The policy change will initially apply to England, GB and UK departments and agencies but it is anticipated that the devolved administrations in Scotland, Wales and Northern Ireland will follow suit. Other public bodies, including local authorities, will be encouraged to follow the Government's lead.

5. The new regulations will apply to both imported and domestic timber. They cover both raw and processed timber, including woodfuel, and 'wood-derived products' e.g boarding, paper etc.

Definitions

6. 'Legal' means that whoever felled the trees from which the wood is derived must have had legal rights to use the forest, must have complied with all relevant local and national laws and codes of practice, including environmental, labour and health and safety laws, and must have paid all relevant royalties and taxes.

7. 'Sustainable' refers to forest management that minimises harm to ecosystems, maintains forest productivity, ensures forest ecosystem health and vitality and maintains biodiversity.

Exemptions

8. The regulations apply to all virgin timber but will allow for three exemptions:

- **Specific timber types** required for special situations where no demonstrable legal and sustainable source is available.

- **Recycled** timber ~ recovered wood that prior to being supplied had an end use as a standalone object or as part of a structure. The term 'recycled' covers:
  - Pre consumer recycled wood, wood fibre or by products (e.g from furniture production). Sawmill co-products fall within the category of virgin timber and not recycled.
  - Post consumer recycled wood and wood fibre (e.g recycled paper) and drift wood
  - Reclaimed timber which was abandoned or confiscated at least ten years previously

  Recycled timber must be supported by evidence tracing it back to its previous use.

- **Short-rotation coppice** from a specific management regime aimed at producing biomass for energy. The exemption only refers to "short-rotation coppice" and not 'conventional' coppice which is subject to this guidance. It should be noted that the European Commission is considering the development of sustainability criteria applicable to renewable sources of energy, including woody biomass.

Evidence Requirements

9. From 1st April Government buyers will be able to request verifiable evidence from contractors and suppliers that all material they provide is from a legal and sustainably managed source. It will be necessary to demonstrate:

   - Full chain of custody from forest source to end user.

   - That the forest source was legally and sustainably managed.

10. This evidence can take two forms:

    - **Category A** evidence is independent certification by any of the forest certification schemes that meet the policy requirements (including FSC and PEFC schemes)

    - **Category B** evidence comprises alternative documentary evidence that the source forest is known and is legally and sustainably managed

Potential Woodfuel Implications

11. All woodfuel made from timber from certified woodlands will meet Category A criteria for both legality and sustainability and should therefore be accepted under the new regulations.

12. Certification currently allows for the inclusion of up to 30% of uncertified, low-risk, 'controlled wood' in 'mixed source' products. This should allow a proportion of timber extracted under a felling licence to be amalgamated with certified timber and still meet Category A criteria.

13. However, a significant area of UK woodland remains outside certification, including many smaller woods. Woodfuel from these sources will not meet Category A requirements and will need to be supported by alternative evidence of legality and sustainability under Category B.

14. While it has previously been accepted that possession of a valid felling permission provided adequate evidence for the acceptability of extracted timber, from 1st April this will not be considered sufficient to meet the extended requirement to demonstrate both legality and sustainability. FC England is currently working with Defra, DECC and Proforest to agree a new protocol, linked to the UK Forestry Standard and English Woodland Grant Scheme, to underpin Category B evidence.

15. A range of other sources of timber currently used to make woodfuel, including timber from small copses and field trees, sawmill offcuts, arboricultural arisings, conventional coppice material and previously stockpiled fellings and thinnings will also require alternative evidence of legality and sustainability under Category B, including chain of custody from original source to end user.

John Vaughan
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6th March 2009