



BIOENERGY NETWORK Bulletin

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SCOTTISH BIOENERGY NETWORK

This is the fourth edition of the six-monthly Bioenergy Network Bulletin. The Bioenergy Network was established by Scottish Renewables as a result of the recommendations in the 2005 biomass report of the Forum for Renewable Energy Development in Scotland (FREDS). The network aims to coordinate activities and inform representatives from across the bioenergy community in Scotland in order to promote development of the sector overall. This Bulletin provides an update on recent policy developments in bioenergy, events and other relevant initiatives. The Network is supported by the Scottish Government, Highlands & Islands Enterprise and the Confederation of Forest Industries.



POLICY UPDATE

EU Policy



European Policy on Biofuels

The European Energy Commissioner Andris Piebalgs confirmed in July 2007 that EU policy would soon set increased targets for renewable energy, including increased targets for biofuel consumption. The proposed policy so far is that renewable energy should account for 20% of overall EU energy consumption, and that biofuels should account for a 10% share of the transport market in 2020.

These targets are due to be set on a legally binding basis, and incorporated into a single directive, alongside other renewable energy measures. The directive is also proposed to contain a sustainability scheme, stipulating that only biofuels meeting minimum sustainability standards would count towards the targets. Specific proposals for the legislation, in the form of a 'Framework Directive on Renewable Energy' are expected later in January 2008.

Find out about [renewable energy and the European Commission](#).

UK Policy



Gordon Brown talks heat

Prime Minister Gordon Brown made his first speech on environmental issues at an event hosted by the World Wildlife Federation in November 2007. In the speech, he made special mention of renewable heat as a priority area for policy stating that there would be "a call for evidence" in January 2008, prior to a full consultation on specific policy measures. The

full text of the Prime Minister's speech is available [here](#).

Reform of the Renewables Obligation

The Reform of the Renewables Obligation consultation ended on the 6th September 2007. In setting out means to address financial barriers to further deployment of renewable energy in the UK, key proposals of the consultation were:

- to increase obligation levels up to 20% on a 'guaranteed headroom'
- to introduce a system of banding whereby less mature renewable energy technologies are eligible to receive a greater level of support.

The UK Government on the 10th January 2008 set out its response to the consultation, which now proposes the following bands in relation to bioenergy:

ROCs/MWh	Technology
0.25	landfill gas
0.50	sewage gas; co-firing of non-energy crop (regular) biomass
1.00	co-firing of energy crops; energy from waste with CHP ¹
1.50	dedicated regular biomass
2.00	fuels created using advanced conversion technologies (anaerobic digestion, gasification and pyrolysis); dedicated biomass burning energy crops (with or without CHP); dedicated regular biomass with CHP; microgeneration

The UK Government intends to have the banded RO mechanism in place by the 1st April 2009.

For more information on changes to the UK RO system, visit the [BERR RO webpages](#).

Scottish Policy

New Scottish Renewable Energy Target

November saw the release of the Scottish Government's Spending Review 2007 document. The document contained a commitment from the Scottish Government to increase renewable electricity targets in Scotland by a third, based on generation figures for 2020. According to analysis by Scottish Renewables, the previous target of 6GW renewable electricity by 2020 has been replaced by a new target of 8 GW by the same date. There is an interim target of 31% renewable electricity generation by 2011. Scottish Renewables estimates that this year, roughly 20% of Scottish electricity demand has been met by renewables. See the Spending Review 2007 document [here](#).



Renewables Obligation (Scotland) Consultation

The Scottish Government Statutory Consultation on the Renewables Obligation (Scotland) Order 2008 ran from September to the 13th December. This consultation dealt mainly with marine energy issues relating to the Marine Supply Obligation, but left scope for initial comments on banding of the ROS mechanism. The document made it clear, however, that definitive changes to the ROS will be subject to more in-depth consultation, stating "any changes to introduce banding under the ROS will only take place following a separate and detailed consultation with stakeholders in Scotland, and will also need the agreement of the Scottish Parliament." The response to this consultation from the Scottish Government is awaited. See the consultation document [here](#).

¹ CHP – Combined heat and power

Woodfuel Task Force Report

On the 15th June 2007, the Environment Minister announced his request that the Forestry Commission Scotland convene a Woodfuel Task Force with a remit to consider how to increase the supply of wood for renewable energy production. Specifically, the Task Force was asked to:

- identify currently under-exploited sources of woody material suitable for woodfuel
- identify barriers to accessing woody material for bioenergy and actions to overcome the barriers; and to
- advise on a range of issues in relation to woody material for bioenergy (e.g. environmental limits, trading mechanisms, technologies issues).

The Task Force presented its report to the Minister on the 9th January 2008. Key recommendations of the report included the following:

- to improve the availability of good quality data on raw material sources
- to continue to foster co-ordination of bioenergy supply chains
- to continue to provide support and incentives for the bioenergy sector

The Minister is due to establish a working group to monitor the implementation of the report's findings.

Read the full report on the [Forestry Commission webpage](#).

FREDS Renewable Heat Group update

The Scottish Government's Forum for Renewable Energy Development in Scotland (FREDS) Renewable Heat Group met twice since the publication of the last Network Bulletin in Summer 2007. The aim of the group is to review the various renewable heat technologies currently employed in Scotland, and to develop targets for renewable heat production 2020.

The Sub-Group's final report is hoped to be published at the end of this month, or beginning of February, and is expected to inform the content of a Renewable Heat Strategy for Scotland.

Scottish Renewables is represented on the FREDS heat group by its Chief Executive, Jason Ormiston, its Chief Technical Officer, David Cameron, and the Chairman of the Bioenergy Work Group, Fergus Tickell. There are a range of other governmental, regulatory and industry groups contributing to the work of the sub-group, including the Forestry Commission, the Sustainable Development Commission, SEPA and the enterprise agencies. Read more information on [FREDS](#).

FUNDING



Scottish Budget Spending Review 2007

In November 2007, John Swinney, Cabinet Secretary for Finance and Sustainable Growth, Scottish Government set out its Spending Review for 2007. Key points to note were a £33m annual budget for Energy and Climate Change spending, which will be used in part to fund grant support for the "development and deployment of renewable technologies (marine, biomass and hydrogen) and for encouraging the adoption of microgeneration technologies by householders and communities."

There was also the announcement of a £2 million annual Saltire Prize to encourage innovation in industry, which in its first year will focus on the renewable energy industry, and a £10 million Horizon prize. Read the full [Spending Review 2007](#).

Rural Development Programme

The 2007 – 2013 Scottish Rural Development Programme (SRDP) awaits approval by the European Commission. The Programme sets out a strategy for support mechanisms to:

- “improve competitiveness of the agriculture and forestry sector;
- improve the environment and countryside through land management; and
- improve the quality of life through diversification of economic activity.”

These support mechanisms will be largely nationally financed, but will receive some co-finance from the European Union.

In terms of the proposed structure for finance, the SRDP, consulted on in 2006, has set out a new system of Land Management Contracts as a way of delivering support to rural areas of Scotland. These contracts are proposed to make payments for “the delivery of environmental, economic and social benefits” and incorporate grants to the forestry and short rotation coppice sectors. The SRDP is expected to be considered in January 2008 and hoped to be approved by February 2008, after which more detail should be available. For more information on the SRDP, see the following pages on [Rural Development](#) at the Scottish Government website.

Woodland Creation Measure

In July 2007, the Forestry Commission announced a one-off funding mechanism to encourage planting in the 2007/08 planting season, specifically for the purpose of tackling climate change. A fund of £3 million was made available on a competitive basis to stimulate the planting of around 2,000 hectares of conifer and broadleaf woodland as well as Short Rotation Coppice. The deadline for applications was the end of October. Contracts under the scheme will be issued once the Scottish Rural Development Programme is approved and enabling legislation enacted.

Further information on the Woodland Creation Measure is available [here](#).

EVENTS – UPCOMING

Scottish Renewables Annual Conference 2008

Scottish Renewables Annual Conference will be held on the 19th and 20th March at the Sheraton Hotel in Edinburgh. Last year the conference attracted over 300 delegates, and it provides an excellent opportunity for networking with others involved in all sectors of the renewables industry. The event is planned to contain breakaway focus sessions on big topics within both heat and bioenergy fields. Further details will be circulated and are also available on [Scottish Renewables' Annual Conference webpage](#).

'Energy from Waste - The Burning Issue' BEP event

The Business Environment Partnership is running an event on the 25th January. This event will explore issues relating to 'the technical, environmental and socio-economic status of modern EfW technologies in an effort to stimulate debate and interest amongst the local business community.' For more information on speakers and content, please see the [BEP webpage](#) for details.

All Energy '08

All Energy is the UK's largest renewable energy exhibition and conference. This year's conference is the eighth of its kind, and will be held in Aberdeen on the 21st and 22nd of May. Admission to the conference is free to all who have a professional interest in renewable energy and the event will feature more than 200 speakers. For more information please see the [All Energy '08 webpage](#).

EVENTS – REVIEW

Bioenergy Annual Seminar 2007



The 2007 Annual Seminar was held in September, was entitled 'Land Management for Energy Production', and aimed to gather together representatives from different land-use sectors to discuss Bioenergy production. The event kicked off with a special message to delegates from Environment Minister Michael Russell MSP, and attracted a large number of delegates, and received extremely positive feedback from attendees.

The Annual Seminar again proved to be a crucial part of the Network's remit to inform and progress the debate on bioenergy in Scotland, facilitate industry coordination and engagement on policy matters. Another Bioenergy Network Annual Seminar will be held in September 2008, and the more details on the event will be released in subsequent Bulletins.

To keep up-to-date with Bioenergy Network and SRF events, see the [Scottish Renewables webpages](#).

Green Energy Awards 2007

The Green Energy Awards provide an opportunity to celebrate the success of the Scottish renewable energy industry, and last year's awards were the sixth of their kind. Held on the 9th at the Royal Museum in Edinburgh, more than 800 guests enjoyed an evening of fine dining, entertainment from Karen Matheson and X, and an inspirational speech from Minister for Enterprise Jim Mather MSP.

This year's awards winners were as follows:

- **Best Politician Award** – Alex Salmond MSP
- **Best New Business Award** – REpower UK
- **Best Environmental Initiative Award** – Blacklaw Habitat Management Extranet, ScottishPower Renewables
- **Best Renewable Project Award** – Steven's Croft, E.ON
- **Best Community Initiative Award** – Angus Village Halls Renewable Energy Group
- **Business Achievement Award** – SgurrEnergy
- **Best Renewable Innovation Award** – Tidal test facility, European Marine Energy Centre
- **Outstanding Contribution to Industry Award** – Gordon Proven

Nominations to the awards are entirely open. To find out about how to nominate a project, person or business for the 2008 awards, please visit the [Green Energy Awards webpage](#).

INDUSTRY NEWS

The Burning Issue – Sustainable Development Commission

On the 17th December, the Sustainable Development Commission Scotland published '[A Burning Issue](#)', its review of waste policy in Scotland, focusing on Energy from Waste. Key conclusions of the review include:

- that energy from waste could play a role in a Zero waste society, but only with strict criteria and within an overall context of waste minimization
- that Scotland is ahead of schedule on delivery of recycling targets
- that there is a need for more action by business to contribute towards achieving zero waste.

It is expected that the report will help inform the Scottish Government's forthcoming waste strategy.

Port Talbot consent

The 20th November saw the UK government approve the world's largest biomass burning power station, to be built at Port Talbot in South Wales. The £400 million plant will be built by Prenergy Power, will run on wood-chips and is due to be completed by 2010.

RESOURCES

Use Woodfuel Website

The www.usewoodfuel.co.uk website provides a wealth of basic and practical information on the use of woodfuel, from heating your home to developing a large-scale energy plant. There is a broad overview of the key features of woodfuel as well as further information on wood burning technologies or how to set up a woodfuel supply. The website also provides useful contacts, links and further information.

The Bioenergy Network is coordinated by Scottish Renewables' Bioenergy Development Officer. Morna Cannon will be taking over as the permanent representative for this role from 9 July 2007. In the meantime, for further information about the Network, please contact Catriona Prebble (0141 222 7925; catriona@scottishrenewables.com). Copies of previous editions of the Bioenergy Network Bulletin and details of Network events are available on Scottish Renewables' website at: www.scottishrenewables.com

