



BIOENERGY NETWORK Bulletin

Winter 06/07
Issue 2

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POLICY UPDATE

Biomass Action Plan

The Scottish Executive circulated among key stakeholders a draft copy of its Biomass Action Plan in January 2007, expected to be published towards the end of the month. This document was committed to within [Scotland's Climate Change Programme](#), following the [EU Biomass Action Plan](#).

The Action Plan aims to set out a programme for the coordinated development of the bioenergy sector, ensuring Scotland's biomass resource is properly supported and exploited. It provides a route-map for future policy and support and offers a comprehensive picture of the activities being undertaken to develop the sector here. Key strategic drivers are already in place across the heat, electricity and transport sectors. On the heat side in particular, the new **Scottish Biomass Support Scheme** and the publication by the end of 2007 of a **Renewable Heat Strategy for Scotland** will be important milestones for development.

Scottish Renewables has examined the document in detail submitted a [response](#) on behalf of its members. The final report will be available on the Executive's [renewable energy website](#) once complete.

FREDS Sub-Group on Renewable Heat

The Scottish Executive has established a new sub-group of the Forum for Renewable Development in Scotland ([FREDS](#)) focusing on renewable heat which will inform development of a [Renewable Heat Strategy](#) for Scotland by the end of 2007. The group, which held its first meeting last month, is tasked with developing recommendations to Scottish Ministers and the Executive on the key components of a Scottish renewable heat strategy, including:

- a review of the potential of the various renewable heat technologies;
- development of targets for the production of renewable heat up to 2020;
- review of existing and proposed mechanisms for supporting renewable heat;

A range of stakeholders from industry and public sector sit on the group, including the enterprise agencies, SEPA, Forestry Commission Scotland, SDC Scotland, Scottish Renewables and others.

The aim of the **Renewable Heat Strategy** will be to increase business opportunities, reduce greenhouse gas emissions, decrease energy costs to consumers and improve energy supply security by ensuring a vibrant market is developed for renewable heat in Scotland. The strategy will review the potential for successfully deploying the different technologies in Scotland and focus on their capacity to be manufactured locally and thus contribute directly to Scotland's economic development. It will evaluate their respective climate change benefits and the need or otherwise for support mechanisms. The strategy will lay down targets for the production of renewable heat for the period up until 2020 and how the achievement of these targets will be monitored.

Scotland's National Transport Strategy

The Scottish Executive published Scotland's National Transport Strategy in December 2006, which commits the Executive to continue working closely with the UK Government to meet the Renewable Transport Fuel Obligation (RTFO) targets for 2010 and beyond, and to work with the Department for Transport, and other government departments, as it develops its carbon and environmental assurance schemes. The RTFO requires 5% of road transport fuels sold in the UK to comprise renewable fuels, such as biodiesel and bioethanol, by 2010. The report also commits the Executive to work with the DfT on mechanisms to establish carbon saving targets as part of the RTFO Scheme, once systems have been established.

The UK Energy Review, published in July 2006, produced some welcome proposals to support biofuels, including enhancing public awareness of climate change and transport, raising the RTFO target beyond 2010 (e.g. to 10% by 2015), developing sustainability and carbon standards for biofuels, and developing new fuel quality standards at EU level to ensure vehicles can run on biofuel blends higher than 5%.

Scottish Forestry Strategy

The Scottish Executive launched its updated [Scottish Forestry Strategy](#) in October 2006. Climate change and renewable energy feature more prominently in the revised strategy. Priority actions include preparing a forestry action plan on climate change, developing the Scottish Biomass Action Plan and Renewable Heat Strategy, increasing the area of new woodland and encouraging the development of short

rotation coppice and short rotation forestry. Forestry Commission Scotland has now commenced an Implementation Plan for putting its actions into practice, and held its first meeting with key stakeholders in December to advise on this Plan. Scottish Renewables, ConFor and the Executive are all represented on this group.

FUNDING

Scottish Biomass Support Scheme

The Scottish Executive has now officially launched its £7.5 million Scottish Biomass Support Scheme as part of the Clean Energy Programme, which aims to promote a wide range of renewables in Scotland as a means of developing the economy and tackling climate change. The Scheme provides grants to support supply chain, heat, electricity and CHP installations and is open to a range of organisations from community groups to businesses. All grant monies must be spent by March 2008. Further information, application forms and guidance notes can be found on the [Scottish Executive website](#).

The scheme is aimed at promoting biomass (primarily woodfuel) in Scotland. Support will fall into 2 key categories: (1) support for supply chain infrastructure directly related to developing the woodfuel/biomass supply chain, (2) support for biomass installations including eligible kit/pipe work and boiler plant. Additional information is available via the Forestry Commission www.usewoodfuel.co.uk website, by email to biomass.scotland@forestry.gsi.gov.uk, or by calling the support team on 01349 860 919. Applications must be received by the Scheme Administration team by 17.00 on **Friday 2nd February** 2007. Grant letters will be issues in early April 2007.

RECENT CONSULTATIONS

Scottish Planning Policy (SPP) 10 – Planning for Waste Management

Scottish Renewables responded in November to the Executive's consultation on its draft Scottish Planning Policy 10: Planning for Waste Management. Although a generally positive document, Scottish Renewables recommended that the Executive work closely with SEPA to ensure that clear, consistent guidance is in place in both regulatory and planning policy documents. Such guidance should recognise that any feedstock to be used to generate energy should not be classed as waste, but rather as a resource with an end use. Scottish Renewables believes that installations designed to recover energy from organic materials should be regarded by the Executive and planning authorities as a positive means of managing and reducing 'waste', and recovering valuable resources. We recommended that the use of biomass to produce heat, electricity and/or biofuel should be more positively promoted in SPP 10 as a means of not only recovering resources but also helping to generate green energy and ultimately reduce Scotland's carbon emissions. The full response can be accessed on the Scottish Renewables [website](#).

Reform to the UK Renewables Obligation

The UK Government's Energy Review report, published in July, concluded that a banded obligation, based on the award of Renewables Obligation Certificates (ROCs) in multiples and fractions, would provide the best means of delivering additional support for emerging renewable technologies. The Energy Review report commits the UK Government to liaise with the Scottish Executive and to promote complementarity

between the two approaches.

The Department of Trade and Industry's consultation on the proposed reform closed on 5 January 2007. Scottish Renewables' response is available on our [website](#).

EVENTS – UPCOMING

Scottish Renewables Annual Conference – 22-23 March 2007

Scotland's leading green energy trade body hosts its [Annual Conference](#) at a crucial time for Scottish politics. With the **Scottish Parliament and Local Council elections** taking place in May, the Conference on 22-23 March could not be better timed. Energy and climate change are certain to dominate the news pages and airwaves in the May elections and so the conference, at the Glasgow Hilton for a second year, provides the industry with an opportunity to influence the debate and help set the agenda.

Major policy issues and cross-cutting themes, such as grid, planning and finance, will be discussed alongside more focussed sessions on specific technology areas, including wave and tidal energy. At last year's conference and exhibition in Glasgow, more than 300 delegates attended the two-day event.

To register for this year's event, see the Scottish Renewables [website](#) or contact calum@scottishrenewables.com - tel. 0141 222 7921.

Biomass Seminar & Demonstration – 28 February 2007

The Business Environment Partnership is holding a FREE seminar on biomass energy at Pentland Plants, Midlothian on the 28th of February (see attached invitation). The event will include a series of short presentations on developing a biomass project, followed by practical demonstrations of a working biomass boiler, a large scale wood chipper and a small scale pellet fired boiler. The boiler at Pentland Plants is a 2MW system, one of the largest in the UK and successfully demonstrates that woodfuel can offer both a cost effective and environmentally friendly solution for businesses. The system will reduce Pentland Plants' energy costs by a third. To attend, contact Jo.Paulson@thebep.org.uk – tel. 0131 561 6257 / 6262.

EVENTS – REVIEW

Scottish Green Energy Awards 2006

Over 700 guests joined leading figures from Scotland's renewables community to celebrate the Scottish Green Energy Awards 2006 on December 7th, at the Royal Museum in Edinburgh. The 2006 Awards were compèred by BBC Scotland's Jackie Bird with singer/songwriter, Eddi Reader, providing musical entertainment along with guitarist Boo Hewardine. SNP Leader, Alex Salmond MP, was the keynote speaker. He said "The Green Energy Awards is the perfect way to recognise the effort put in by those individuals, communities and companies who want to see a greener, energy efficient and productive Scotland."

The evening was a great success, not least for the award winners, including Deputy First Minister Nicol Stephen, who was awarded Best Politician. Mr Stephen said, "I want Scotland to be the renewables powerhouse of Europe. It's an ambitious plan and we can make it happen. Next year I am determined to support wave machines generating electricity here in Scotland. Renewable energy can create thousands of jobs and billions of pounds of new investment."

Other winners included Balmoral Group for Best Business Achievement, currently

developing systems for wave and tidal energy projects, and Alan Mortimer, Head of Renewables Policy at ScottishPower Renewables, who won the most prestigious award of the night for Outstanding Contribution to the Industry. Mr Mortimer is currently involved in plans to develop Scotland's first offshore wave energy project at the European Marine Energy Centre in Orkney using Ocean Power Delivery's Pelamis wave energy converter.

If you would like to book your place for the 2007 [Scottish Green Energy Awards](#), contact calum@scottishrenewables.com - tel. 0141 222 7921.

Scottish Renewables Bioenergy Seminar 2006

Scotland's premier annual conference on bioenergy took place on 24 November 2006 in Perth. [The Heat is On](#), hosted by Scottish Renewables, it focussed on the industry's progress and next steps towards creating a thriving market for renewable heat from biomass in Scotland.

Following the announcements from Scottish Ministers to provide funding support, create a Biomass Action Plan and compile a Renewable Heat Strategy in 2007, the event marked a significant step forward for the industry. The seminar included speakers from the Scottish Executive, DTI and SNH alongside project developers, and presentations on a number of schemes from Balcas' CHP project at Invergordon to Albyn Housing Society's district heating system in Aviemore. The event also informed delegates of new research from the forestry industry on projected supply and demand for wood fibre in Scotland up to 2016, and explored the challenges that remain to be tackled to ensure this sector makes a significant contribution to Scotland's renewable energy ambitions. To access presentation slides from the day's proceedings, see the [Scottish Renewables website](#).

Wood Heat Seminar, Huntly – December 2006

Forestry Commission Scotland and Aberdeenshire Council, in partnership with the Scottish Rural Property and Business Association (SRPBA), hosted a one-day seminar last month to explore the business opportunities from renewable heating from wood. The seminar took place in The Stewart's Hall in Huntly. During the seminar, the opportunities for woodfuel in the North East were discussed alongside opportunities for businesses and the local community. The event received a great deal of interest, with 90 delegates attending.

HGCA Biofuels Workshops, 2006

The Home-Grown Cereals Authority, in association with the REA, held a series of workshops around Britain last autumn on biofuels, including one in Grangemouth on 9 November. These events provided the opportunity for the developing supply chain to come together and focus on practical requirements for the biofuels market and covered updates on the RTFO from the UK Government, a market outlook for biofuels, local information on biofuels production, agronomic issues and environmental benefits. The workshop attracted a large amount of interest and was very well attended by both farmers and other organisations. Further information is available from the HGCA: www.hgca.com

INITIATIVES

Scottish Renewables Biomass Projects Survey

In November 2006, Scottish Renewables circulated a survey to the Bioenergy Network to gauge the quantity and range of bioenergy projects likely to apply for funding under the scheme, and to highlight the main barriers hampering bioenergy development. The collated results were submitted to the Executive prior to the scheme launch. Overall, we received information on 99 bioenergy projects in development, supplying a variety of markets: heat, transport and electricity. The vast majority of projects were between 50kW and 5MW in scale and producing heat only - individual boilers, district heating and larger heat projects. However those with the highest capacity were for electricity or CHP generation.

Local authorities, industrial and commercial end users will be supplied by the majority of the projects, however those with the highest capacity will supply to the national grid and commercial consumers.

For larger-scale, bioenergy plants, the main barriers are cost, regulation and supply chain issues. For smaller-scale, public and commercial projects, cost and perceived risk/unfamiliarity are the main barriers.

This information will help inform the Bioenergy Network and Scottish Renewables' Biomass Group's work over the year ahead.

Grampian Bioenergy Working Group

A working group has been formed for those interested in biomass, biofuels and anaerobic digestion within the Grampian area. The group is an informal network led by a partnership of government agencies, local authorities, foresters, harvesters, local businesses and Aberdeen Renewable Energy Group (AREG). The network will act as a forum for sharing local information on bioenergy and aims to hold two formal meetings per year. Contact Dan Gates, Woodfuel Information Officer at Forestry Commission Scotland for details: dan.gates@forestry.gsi.gov.uk

Wood Pellet Trial Programme, Aboyne

The North Sea Bioenergy Project, a non-commercial technical trial of automatic wood pellet production, is now underway in Aboyne. The pellet plant at James Jones sawmill has begun producing pellets as part of a technical research project. The initiative will gather data on technical requirements and parameters. Further information is available from the Forestry Commission Grampian office: grampian.cons@forestry.gsi.gov.uk

RESOURCES

Route Map to Renewable Future

Scottish Renewables - members and partner organisations – were among those who responded to the UK Energy Review consultation in April. Underpinning [Scottish Renewables' Energy Review response](#) was a valuable study of the contribution renewables can make to meet Scotland's energy demand. Put together with the assistance of select industry and academic experts, the report – "[*Delivering the New*](#)

Generation of Energy: Route Map to Scotland's Renewable Future" - set out projections for what is deliverable in renewable energy by 2010 and 2020, and a scenario for 2050. Key findings included that renewables could produce over 50% of Scotland's electricity requirement and, together with micro-CHP and fuel cell boilers, up 10% of Scotland's heat needs by 2020.

[Scottish Renewables resources](#)

