

RHI Team  
Department for Business, Energy & Industrial Strategy,  
1 Victoria St  
London, SW1H 0ET

26<sup>th</sup> November 2018

## **Consultation Response: Renewable Heat Incentive: Biomass combustion in urban areas**

Dear Sir/Madam,

Scottish Renewables is the representative body for the renewable energy industry in Scotland, working to deliver secure supplies of low-carbon, clean energy for heat, power and transport at the lowest possible cost. We represent around 260 organisations ranging from large suppliers, operators and manufacturers to small developers, installers and community groups, and companies right across the supply chain. We have around 60 members active in heat, predominantly in the district heat, biomass and electric heat pump sectors.

Please see our response to the consultation questions below.

Yours Sincerely,

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**1. Does your interest in the RHI relate to the operation of the scheme in a particular geographical area? (indicate all those that apply)**

- a) England
- b) Wales
- c) Scotland

**2.**

- a) Do you agree with the proposal to remove RHI support for biomass in urban areas on the gas grid?**

No

- b) Please provide any available evidence in support of your response.**

We are concerned that the proposed approach will compromise:

- The use of biomass CHP as a low-carbon input to district heat networks
- Low-carbon heating options for some large towns in rural Scotland

The proposed blanket ban approach risks excluding biomass from suitable uses in urban areas, where the main sources of PM emissions come from the transport sector<sup>1</sup>. Similarly, as pointed out in the consultation, open stoves are a far larger problem in terms of emissions, and these are not funded through the RHI. The proposed definitions will disproportionately limit the above potential areas of biomass deployment, in order to minimise a very small volume of projects likely to go ahead in on-gas, urban areas that have air quality problems. We set out our specific concerns below:

### **Large district heat networks**

Biomass boilers and CHP are a key potential low-carbon input for district heat networks, and we are concerned that a blanket ban as proposed will curtail this. Large heat networks are being developed in Scotland in urban areas, but the proposed definition would prevent their use of biomass boilers or biomass CHP. Revenue from the RHI is critical to make these projects viable – see for example a biomass district heating scheme in Banchory, Aberdeenshire. Given the larger boiler/CHP size required for large installations, these would either be covered by the Medium Combustion Plant directive or regulations set out in local air quality management zones. We believe this to be a more appropriate method to control emissions from medium to large biomass installations.

Biomass should play an important role in providing low-carbon heat to district heat networks in Scotland. The Scottish Government has a clear intention to increase the use of such networks to meet its climate change targets<sup>2</sup>, which will likely require a 10 fold increase in the volume of heat served by heat networks by 2030<sup>3</sup>. The majority of installations today use gas CHP as a heat input, which will need to shift rapidly to low-carbon alternatives if these heat networks are to provide a low carbon benefit.

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<sup>1</sup> [Air Quality Expert Group report to Defra, 2012, Fine Particulate Matter \(PM2.5\) in the United Kingdom](#)

<sup>2</sup> Scottish Government Energy Strategy, 2017

<sup>3</sup> Committee on Climate Change, Scottish Emissions Targets 2027 – 2032, 2016

## Large towns in rural areas of Scotland

We are also concerned that the proposed definition for Scotland will limit potential heat decarbonisation options in some large towns in rural areas, particularly in Moray and the Scottish Borders – areas that can be considered on the periphery of the gas network. These towns do not have air quality issue given their size (for example Forres in Moray) but would be included in the proposed definition (being both ‘urban’ and on the gas grid). Given their proximity to Scotland’s large forestry resource, and prevalence of older and harder to insulate homes, biomass may well be a solution of choice for a high proportion of these areas, either with individual homes or through small local district heat networks.

Although BEIS analysis points to only 8% of existing RHI accredited installations being in urban/on-gas areas, we caution that overall deployment of low-carbon heat in rural areas is only a fraction of the total heat demand. This figure may therefore underestimate the biomass-suitable heat load that is located in the proposed exclusion areas. Again, local air quality management plans are already recording larger biomass installations, and were there to be a glut of domestic installations sufficient to cause air quality concerns, local exclusions could be put in place. It is worth noting that towns such as these on the periphery of the gas network are likely to require a switch to electric heating or biomass. Deployment of low-carbon gases (such as hydrogen) are unlikely to be concentrated around suitable urban areas, with National Grid suggesting that only a third of the national gas network could be converted to run on this alternative fuel source<sup>4</sup>

3.

- a) **Do you agree that for the purposes of this restriction, the criterion should be based on being both urban and having access to the gas network?**

No.

- b) **Please provide any available evidence in support of your response.**

See our answers above – we believe that the proposed approach risks excluding viable and safe uses of biomass in urban areas and some large rural towns.

4.

- a) **If ‘you have answered No’ to Question 3, what method would be more appropriate and why?**

We suggest a ban is inappropriate and local controls through the Clean Air Act / Local Air Quality Management Areas should be the approach to tackling local pollution issues.

Various actions can be taken to reduce and mitigate the impact of emissions on local air quality such as; increased chimney height, abatement technologies (bag, ceramic and electrostatic precipitators being the most effective), and in operation, through use of clean, dry fuels, and regular maintenance and monitoring

- b) **How could this criterion be verified by Ofgem?**

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<sup>4</sup> National Grid (2018) Future Energy Scenarios

c) **Please provide any available evidence in support of your response.**

5.

a) **Should installations that comply with stricter emissions criteria, such as those, under the Medium Combustion Plant Directive be included in this proposal? Yes / No.**

No – the Medium Combustion Plant Directive will already provide suitable air quality standards to which new installations will need to comply.

b) **Please provide any available evidence in support of your response.**

6.

a) **Should biogas combustion remain eligible without geographical restriction? Yes / No**

b) **Please provide any available evidence in support of your response.**