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## **"DASH TO BIOMASS" COULD DAMAGE ENVIRONMENT AND ECONOMY**

A NEW REPORT highlights that large-scale biomass plants - hailed as a key part of the renewable energy revolution - could actually have a detrimental effect on the environment and the economy, threatening jobs and releasing millions of tonnes of carbon into the atmosphere.

"Diverting wood from existing users to large-scale biomass plants will be bad for the environment and bad for jobs - surely the opposite of what governments wish to achieve," warns Stuart Goodall, Chief Executive of the Confederation of Forest Industries (ConFor) (Note 1).

The independent report, by Edinburgh-based John Clegg Consulting (Note 2), looks at future demand from existing wood-using businesses and new large and medium biomass energy plants - including sites planned in Scotland by Forth Energy – a collaboration between Scottish and Southern Energy and Forth Ports.

The four sites - on Forth Ports land at Leith Docks in Edinburgh, Rosyth, Grangemouth and Dundee – would have a total generating capacity of around 400 MW. See...

[http://www.scottish-southern.co.uk/SSEInternet/index.aspx?id=20480&TierSlicer1\\_TSMMenuTargetID=1366&TierSlicer1\\_TSMMenuTargetType=1&TierSlicer1\\_TSMMenuID=6](http://www.scottish-southern.co.uk/SSEInternet/index.aspx?id=20480&TierSlicer1_TSMMenuTargetID=1366&TierSlicer1_TSMMenuTargetType=1&TierSlicer1_TSMMenuID=6)

There is also a plan for a 225MW biomass site at Hunterston, Ayrshire, as well as a number of other significant proposals in England and Wales. But the Clegg report compares demand with existing supply, including imports - and concludes potential demand for wood far outstrips projected supply.

"Large-scale biomass plants are simply not the most efficient way to use wood and woody material. This valuable, finite resource has a major part to play in the low-carbon economy by locking up carbon in both forests and wood products, and through generating heat and power locally", adds Mr Goodall.

The report's foreword says: "If new large users of British grown wood and other wood fibre enter the marketplace, supported by subsidy, then it can only be at the expense of existing users, impacting negatively and disproportionately on sustainability, employment, carbon sequestration, and mitigation of climate change."

Total wood production in the UK is expected to peak at about 20 million tonnes around 2019, the report concludes, with demand from existing markets at a similar level. Large-scale biomass plants currently proposed in the UK would need at least 27 million tonnes of additional wood every year (Note 3).

Demand for wood could exceed supply as early as next year (2011) - before the impact of most large-scale biomass plants is felt. The report warns that even if a "small proportion" of the new proposed wood energy plants become operational, this would put huge pressure on finite wood resources. New sites cannot rely on imports, the report says, because global supplies of wood for biomass are severely limited. This could mean biomass plants that propose to import wood will have to turn to domestic supplies, creating greater pressures. (Note 4)

Mr Goodall says: "There is a role for biomass in replacing traditional fossil fuels. However, our argument is that burning huge quantities of wood in large biomass plants is just not the best use of a finite resource."

Forest businesses employ around 40,000 people directly or indirectly in Scotland - (Note 5) and generate around £1 billion for the economy, while locking up significant quantities of carbon in wood products. ConFor says government incentives for biomass put existing businesses at a disadvantage when trying to buy limited wood supplies. Mr Goodall says: "We want a level playing-field. By subsidising the dash to large-scale biomass, the government threatens to damage its own stated aim of a low-carbon economy - creating an artificial market that undermines its own environmental and economic objectives."

Mr Goodall is urging the government to work towards the best use of wood for a low-carbon economy. "In the first instance, we should lock up as much wood as possible in solid wood products. This is where wood has its greatest carbon and economic benefit. Small-scale biomass has a part to play as an efficient way of using wood that is low-quality or at the end of its life to supply heat and power at a local level, creating jobs and reducing timber miles.

"Such plants can operate at up to 90 per cent efficiency. Large-scale biomass plants of the number and scale envisaged will only work at around 30 per cent efficiency, with most of the wood burned just going up in smoke - literally. Large-scale biomass should really be an option of last resort."

ConFor, the UK Forest Products Association and the Wood Panel Industries Federation, who jointly commissioned the report, will use its findings in their lobbying of politicians at Westminster and in the devolved administrations. Their message will be that a dash to biomass is not a suitable response to meeting renewable energy targets. The emphasis will be on maximising the use of solid wood products and securing future supplies from sustainable sources.

"The dash to biomass will create a huge demand for wood that isn't there," Mr Goodall concludes. "Forestry is one of the few genuinely low-carbon sectors, which reduces carbon emissions and creates more jobs the more it produces. There is a need for joined-up government thinking, ensuring we optimise the use of wood and secure further sustainable supplies – delivering for a low-carbon economy. Large-scale biomass is in danger of totally undermining this message."

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**Note 1** - ConFor is based in Edinburgh but represents around 2000 woodland owners and forest businesses across the UK. [www.confor.org.uk](http://www.confor.org.uk)

**Note 2 - *Wood Fibre Availability and Demand in Britain, 2007-2025*, by John Clegg Consulting Ltd**, April 2010, was commissioned jointly by ConFor, the UK Forest Products Association and the Wood Panel Industries Federation.

**Note 3** – The report says: “There are 33 companies that are operating, or have plans to operate, 63 wood energy plants and of these 16 larger-scale commercial wood energy plants are operating [now].” It also says there are at least five more larger-scale proposals where the companies did not wish to provide information.

Major biomass plants currently proposed:

**South-East:** Tilbury, Essex - Tilbury Green Power – 60MW

**South-West:** Bristol - Helius Power – 100MW and Bristol - EON - 150MW

**Yorkshire and Humberside:** Selby, Immingham and Hull – Drax – each 300MW;  
Stallingborough, Lincs – RWE Innogy – 65MW

**North-East:** Tees Port, Teesside – MGT Power – 300MW

**Wales:** Port Talbot – Prenergy Power – 350MW

Newport - Welsh Power – 50MW

**Scotland:** Hunterston, Ayrshire – Ayrshire Power – 225MW

Edinburgh, Dundee, Rosyth and Grangemouth, Forth Energy – 4 x 100MW

**Note 4** - The report says that the entire global trade in biomass is only slightly larger than the 27 million annual tonnes that would be needed to service the large-scale biomass plants proposed in the UK.

**Note 5** - A report by the Centre for Economics and Business Research in 2005 showed that the forest industries employed around 170,000 people across the UK and were worth more than £7billion to the economy.

**Note 6:** The report says: "The plans for developing wood energy plants appear to be largely in response to Government financial incentives (Renewable Obligation Certificates) that are designed to encourage a move to generating more of Britain's energy from renewable sources because of concerns about climate change." It also warns: "No allowance has been made for the relatively small demand at present for wood fibre for heating domestic or small scale industrial buildings in Britain. Demand for the latter uses could grow significantly depending on the incentives on offer under the government's proposed Renewable Heat Incentive (RHI) which is intended to be launched in April 2011 and run until at least 2020."