

Wood Panel Industries Federation Response to DECC consultation '*Biomass Electricity & Combined Heat and Power plants – ensuring sustainability and affordability: Part B – Value for money and affordability*'

The Wood Panel Industries Federation (WPIF) believes there should be a cap on new dedicated biomass (without CHP) generation, to avoid significant feedstock lock-in. DECC states that it is proposing a cap on new dedicated biomass generation “in order to safeguard against significant expansion of new dedicated biomass”. WPIF would welcome DECC considering lowering the cap on dedicated biomass further, to prevent uptake which will further increase distortion in the domestic wood market.

The UK's wood harvest is around 10 million green tonnes. In May 2010, John Clegg & Sons published a report entitled “Wood Fibre Availability and Demand in Britain 2007 to 2025”, assessing the supply/demand balance within the UK timber market. The report collated the current and projected timber consumption from existing timber users (manufacturing and biomass energy) and prospective new entrants.

Production forecasts show that coniferous roundwood production in Britain is expected to increase until about 2020, with peak production of virgin coniferous timber of about 11.45 million tonnes per annum; thereafter production declines. Other types of wood fibre available in Britain, through their availability as defined in the Clegg report, are similarly forecast to peak around 2019, giving a combined total of around 17 million tonnes per annum, and thereafter declining.

The UK cannot therefore meet the projected demand for biomass feed stocks domestically. However, if even 10% of wood demand is met from domestic supplies, this will result in a large new subsidised entrant into the wood market. Given that dedicated biomass is the most inefficient use of the available wood harvest, WPIF believes DECC should be restricting its uptake as much as possible.

Indeed, WPIF supports the Scottish Government's position of no longer providing any subsidy for dedicated biomass plants over 10MW. Following this example would better enable DECC to “safeguard against significant expansion of new dedicated biomass”.