

Biomass use boost to our wildlife and bank balance – August 1st 2014

I know of several estates that have installed wood boilers and the owners are now reaping the benefits under the Renewable Heat Incentive by burning biomass sourced from their own woodlands. Biomass is now the largest heat producer from the incentive and up to the end of March 2014, over 909,000 MWh of heat have been produced, 94% of which has come from biomass. The launch of the Domestic RHI and changes to the Non-domestic RHI large solid biomass rate, i.e. over 1 MW boiler tariff increasing to 2p/kw, will only increase the demand in the future for this type of renewable energy for the heating market. In fact, the European Union has just filed its annual biofuels report with the USDA Foreign Agricultural Service's Global Agricultural Information Network, reporting the European Commission expects heat and power production from biomass to account for about 45 percent of the renewable use in 2020. Wood pellet demand is expected to grow from 17.5 million metric tons last year to 21 million metric tons in 2015. Assuming trade flows remain consistent with current patterns, the report predicts the U.S. could supply half of EU pellet imports, representing a trade value of \$600 million in 2015 and more than \$1 billion in 2020. Of course, the knock-on effect of using biomass has not just been of economic benefit to humans - wildlife have benefited too. Many UK estates are self-supplying, which means that activities such as thinning and coppicing are creating habitat for fauna such as birds and butterflies. The high brown fritillary and pearl-bordered fritillary for example require large sunlit clearings in which to breed and wide ride networks to enable them to move between the clearings. Prior to the development of the biomass market many estates were "high-grading" and only felling the larger-diameter material to supply the more lucrative firewood business and to be used in-house for fencing. The smaller material from birch thinnings, for example, was either felled-to-waste or burned on site. Now many owners are utilising everything they've got, including branch-wood from once-overlooked species such as birch and hazel, and practising coppicing once again. The cut coppice material is baled in such a way as to power a boiler. Material is stacked in piles 1 metre high and the bundles are trimmed to the requisite length with chainsaws before being secured with straps. The brash bales are then stacked and allowed to dry before being transported to a storage area for use in the boiler. Four or five bales provide enough fuel to run a medium-sized boiler for a day. Ride-widening and scalloping the woodland edges provide the richest butterfly habitat whereas coppice management is best for breeding birds with an ever growing range of species.

Regarding the forecast for the small roundwood market, which also includes fuelwood, some commentators are suggesting that pressure from the Renewable Heat Initiative may cause prices to rise a further 5% in 2015 and 3% in 2016. It's also good news for the timber market in general, with the standing sales index for conifers for the 12 months to 2014 recording a 13.5% increase and a conifer log price recording a 16% increase from September 2013 to March 2014.

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