

26th September 2011

Dear Sir or Madam,

eed@decc.gsi.gov.uk

Biofuelwatch is commenting specifically on the proposals in Article 10 dealing with Co-Generation.

1. The UK plans to make extensive use of renewable and low carbon electricity to meet its carbon budgets, and to rapidly increase the amount of electricity generating capacity using biomass solid and liquid fuels. It is essential that all thermal electricity generation is as efficient as possible, to minimise carbon emissions both from conventional fuels and from biomass. Furthermore it is critical to make the most prudent use possible of biomass since its production for the UK market - both here and particularly in overseas countries - will result in serious adverse economic, social and environmental impacts.

2. The majority of fuel for the currently planned large scale biomass power stations in the UK is intended to be imported. Consequently, reducing the weight of fuel required by increasing efficiency at the point of consumption will have a significant positive impact on fuel costs and the long-term availability of fuel; on the use of fossil fuels for shipping; and on the price of electricity for UK consumers. Reducing imports will also help reduce adverse effects on the UK trade balance. But our main concern, if biomass is used inefficiently in this country, is the undesirable, indeed immoral, waste of natural resources with attendant negative impacts on social, environmental and economic sustainability in producing countries .

3. Several large-scale biomass power stations have been granted planning permission, even though no CHP facilities were incorporated to make use of waste heat. For example the 299MW development at Penhros was granted recently - see https://www.og.decc.gov.uk/EIP/pages/projects/Anglesey_Penhros_Works_Biomass_Power_Station_Decision_Letter.pdf - with the Decision Letter noting that the development is compliant with existing DECC guidance requiring developers to "demonstrate that opportunities for CHP have been seriously explored" .

4. This is one of many planning applications for large biomass and bioliquid power stations located at sites which facilitate direct fuel imports by shipping. Those port locations give the developer a huge advantage in securing access to global markets and the best prices for fuel. However, these locations do not allow economic use of waste heat. Developers can (and do) circumvent the spirit of the existing DECC guidance because they know that a study exploring the opportunities for CHP will lead to a grant of permission, even if no opportunities are found. The existing Guidance is effectively toothless, and needs to be updated and applied rigorously.

5. Biofuelwatch would therefore very much like to see DECC and HMG adopt and implement the spirit of the draft EC Directive where it requires:

"Member States must ensure that all new thermal electricity plant above 20MW allow for recovery of heat by means of a high efficiency co-generation unit and is sited where waste heat can be used. Similarly, when existing thermal electricity plant above 20MW is significantly refurbished or its permit is updated, it must be converted to allow operation as a high-efficiency co-generation installation provided it is sited where waste heat can be used."

6. It is essential that there is clarity on what is meant by 'high-efficiency' and that this is applied consistently. The enacted EU Renewable Energy Directive, in its attempt to drive efficient use of bioenergy resources, says at Article 13.6:

"In the case of biomass, Member States shall promote conversion technologies that achieve a conversion efficiency of at least 85 % for residential and commercial applications and at least 70 % for industrial applications."

We urge you to work with the European Commission to ensure that these levels of efficiency are specified as firm requirements for biomass usage in the final Energy Efficiency Directive.

7. Consideration should also be given to reducing the threshold to a lower figure than 20MW for biomass. The RED does not set a threshold above which biomass consumption should be efficient.

8. Finally, the opportunities for developers to claim special treatment under exemptions as proposed in the draft Directive must be greatly restricted. Biomass has significant adverse environmental impacts and it is incumbent on the UK to make the most prudent use possible of this valuable natural resource. It would be wrong for biomass fuelled power station developers to claim exemption because they choose to site their schemes where fuel imports are cheaper and where heat loads are not viable. All biomass consumption for energy generation must be required to operate at the highest level of efficiency.

Regards

Robert Palgrave