



ENERGY STRATEGIES FOR FOREST OWNERS

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“Climate change offers one of the greatest opportunities of the 21st century. Adapting to and mitigating climate change is not just an environmental issue – it’s an economic opportunity.”

Jonathan Porritt

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BUSINESS OPPORTUNITIES

Creating Income

- **Sale of raw materials for energy generation (logs, chip, pellets)**
- **Production of biofuels**
- **Provision of land for renewable energy equip**
 - Energy sales to the grid (feed in tariffs)
 - Local communities
 - Carbon offsetting
 - Carbon sequestration



BUSINESS OPPORTUNITIES

Saving Costs

- **Energy efficiency savings**
 - Review arrangements with suppliers
- **On-site generation**
 - Contributing to slowing climate change and associated adaptation costs

And saving Carbon!



OUR VIEW OF WOODLAND OWNERS' ACTIONS

- Main income from firewood / logs
- Lots installing wood burners not boilers

- But increasing interest in chips & pellets
- ...but still too many barriers
- ...but still not the norm
- ...but still only early adopters

- “no link up between supply of woodfuel, and proven type of boiler...it is still seen as magic”



WOODFUEL IN THE EAST MIDLANDS

Building supply chains and support networks for the woodfuel sector
(Smiths Gore for the Forestry Commission, July 2008)

Supply chain	Annual volume (t pa)
Woodland owners (in 3 smallish areas only)	10,000
Waste wood	53,000
Contractors and tree surgeons	64,000
Woodfuel suppliers	320,000



WOODFUEL IN THE EAST MIDLANDS

- **10,000 tonnes produced a year**
- **98% by owners with 50 ha+**
 - Lots of estates
 - Want to develop woodfuel businesses
 - More likely to actively manage their woods
- **Lack of information and proven demand are key barriers**
 - Need advice on how to do it
 - Want advice on business models and profitability

WHY ESTATES ARE KEEN

Energy Conservation in historic houses: A guide for historic house Owners, Smiths Gore and Historic Houses Association, 2009

Average energy bill just under £15,000

Equivalent to 55 tonnes of CO₂ per house a year –
or 9 households





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RICS Guidance Note

ENERGY STRATEGIES FOR RURAL BUSINESSES

- Covers all technologies

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ENERGY STRATEGY

- Stage 1 Baseline assessment
- Stage 2 Forecasting “Business as Usual”
- Stage 3 Establishing the vision
- Stage 4 Reviewing the options
- Stage 5 Building partnerships
- Stage 6 Financial and carbon appraisal
- Stage 7 Setting objectives and targets
- Stage 8 Risk assessment
- Stage 9 Setting the implementation plan
- Stage 10 Reporting and communicating the strategy and implementation plan



BUSINESS AS USUAL & VISION

Business as usual

- No changes to business
- No mitigating measures
- Projected price rises in energy

Vision

- What is overall motivation?



FOR EXAMPLE: WE WILL

...‘reduce emissions by x % by a given date or dates’

...‘be a carbon neutral business by a given date’

...‘save £xx on energy costs by given date’

...‘generate x% of income from energy by xx’



REVIEWING OPTIONS & BUILDING PARTNERSHIPS

- Making absolute reductions in energy consumption
- Providing carbon sequestration opportunities
- Providing offsetting opportunities
- **Generating energy**
- **Cost savings by improving energy efficiency or cost efficiencies**
- Build partnerships with key stakeholders



FINANCIAL AND CARBON APPRAISALS

- Use Discounted Cash Flow for say 20 years with inbuilt price increases
- Reduced emissions scenario based on vision
- Plot reduced emissions against business as usual
- Build in taxes, incentives and grants and rework DCF



IMPLEMENTATION

- **Consents**
- **Partnership and delivery structures**
 - Renewable Energy Investment Clubs
 - Renewable Energy Co-operatives
 - Community Interest Company
 - Joint venture/public private partnership
 - Energy Service Company
 - Community Land Trusts
- **Management**
- **Monitoring**
- **Reporting**