



**Submission to**

**THE ENERGY GREEN PAPER**  
**Department of Communications, Marine & Natural Resources**

**From**

**THE COUNTY CLARE WOOD ENERGY PROJECT**

**November 30<sup>th</sup> 2006**

### **Introduction**

The County Clare Wood Energy Project (CCWEP) was established in 2005 to promote the development of the wood energy market. Funded by the Forest Service, it is working to create a local wood chip supply chain and to promote the installation of a cluster of large scale wood chip boilers in buildings with a high heat demand. Examples of projects being assisted include hotels, industrial/factory buildings, hospitals, schools and leisure centres. Farmers with plantations at first thinning stage and forestry contractors are being facilitated to become involved in a local wood chip supply chain.

The CCWEP is jointly managed by Rural Resource Development (Co. Clare LEADER group) and Teagasc.

### **Proposals**

Based on the very practical experience of the CCWEP over the past year, we have identified a number of issues which need to be addressed in order to ensure the successful establishment of the wood energy/wood chip market.

#### **(i) Wood Energy Incentive Payments**

On a study visit to Finland earlier this month with farmers and forestry contractors, we learned that the wood energy sector receives a number of incentive payments to encourage forest owners to thin their forests and release the pulpwood resource into the wood energy market. These incentives are as follows;

- Pre-commercial silvicultural thinning grant of €200/ha
- Wood energy harvesting grant of €7 per cubic metre
- Chipping grant of €3 per cubic metre

These supports will also enable growers to carry the harvesting cost for up to one year while the wood energy assortment is drying on roadside in the forest.

Our original belief when the project commenced in 2005 was that a sufficient financial incentive would be for farmers not to lose money on thinning. However, one of the conclusions we have now reached is that farmers actually need to make a profit on thinning. Because of the cultural barriers that exist, farmers need a greater financial incentive than just the minimal break-even, to take the major step of moving into a new market. The smaller plantations in particular are going to require an incentive, as their harvesting/thinning costs will be higher.

#### **(ii) Training Needs**

There is a significant and immediate need for the following training needs to be addressed;

- Technical Operative Training
- Heat Entrepreneurship Training

This training needs to be delivered locally for supply chain operators who are entering the wood energy market.

#### **(iii) Other Needs**

These other needs relate to the development of the wood chip market and include;

- Setting of quality standards for wood chip to include moisture content, chip size and contaminants
- Establishment of a wood chip quality control system. In an emerging industry quality standards must be pegged at a high level to build consumer confidence and must include a robust monitoring system.
- Moisture content testing needs to be available locally so that both growers and chipping entrepreneurs can assess moisture content readily.

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