

BSW TIMBER

WRITTEN SUBMISSION

Low Carbon Scotland: Meeting our Emissions Reduction Targets

2013 - 2027

BSW Timber

BSW Timber is the UK's largest domestic sawmilling group, processing around fifteen per cent of the UK's annual timber harvest. The group has an annual turnover in excess of £175m, directly employing over 900 people; indirect employment in timber harvesting and haulage accounts for another 2,500 jobs. The company has six mills across the UK (and one in Latvia), four of which are located in Scotland (Fort William, Dalbeattie, Boat of Garten and Petersmuir). It has been involved in sawmilling since 1848.

BSW is currently implementing a five-year capital investment programme, worth £52m, in modernising the mills and expanding capacity to produce more than 1.3 million m³. As such it is one of the largest buyers of timber in the UK.

Woodland Expansion

BSW is a firm proponent of the need for the expansion of sustainably managed forestry and therefore welcomes RPP2's new woodland creation target of 100,000 hectares of new woodland by 2022. BSW, along with others in the forestry sector, is dependent on access to sustainably managed woodland and this target is a positive step in expanding that access and supporting Scotland's timber industry. We are particularly pleased to see the acceptance of the Woodland Expansion Advisory Group's recommendation for a pre-2020 review to set new targets for woodland expansion beyond 2022.

As the report rightly highlights, wood possesses valuable carbon storage properties and woodland expansion will therefore support efforts to reduce emissions. Sawmilling supports this carbon sequestration by allowing wood to be turned into products that store carbon. It is also positive that the report highlights ongoing research to improve the accuracy of the Greenhouse Gas Emissions Inventory in estimating emissions from land use. This research should also look at emissions from Land Use Change and Forestry, including considering taking into account the carbon stock in harvested wood products when calculating emissions as the European Commission is currently doing.

Construction

The carbon sequestration properties of wood make it a valuable low carbon construction product and BSW is a firm proponent of the need to increase the use of timber used in construction. As RPP2 states 'The Committee on Climate Change has identified timber in construction as a cost effective carbon abatement technology and in its Bioenergy Review it published a carbon hierarchy which placed timber in construction at the top of that hierarchy.' BSW welcomes this and RPP2's comment that the Forestry

Commission Scotland (FCS) has been working on increasing the timber used in construction and refurbishment since RPP1.

BSW is also supportive of the work being done by FCS, Scottish Enterprise, Edinburgh Napier University and a range of SMEs on a Wood Products Innovation Gateway research programme in order to exploit the market opportunities of wood as a low energy building material. Using timber in construction should be a key focus of the sustainable homes strategy outlined in the report. Using timber to build/retrofit homes can improve energy efficiency as well as contributing to wider emissions reduction targets through the storage of carbon. Ongoing work on this is positive and BSW encourages the Scottish Government to take this further and actively encourage the use of timber in its housing strategy.

Biomass

BSW has raised concerns with the Scottish Government in the past about the impact of large-scale biomass energy generation on the sawmilling and the wider forestry sector. Subsidies for energy generators to purchase wood to burn for energy generation have distorted the wood market and have impacted on existing users' access to sustainable, local timber. BSW therefore welcomes the Scottish Government's recognition of the finite nature of woody biomass feedstocks and the need to take into account the needs of existing wood users in biomass policy. We also support the report's statement that biomass 'should be used in the most efficient and beneficial applications at a scale that is appropriate to make the best use of finite bioenergy sources i.e. heat-only or CHP applications'.

Using woody biomass for heat generation is a far more efficient use of this limited resource; indeed BSW generates its own renewable heat at some of its sites. BSW's biomass installations source wood from their respective sites and use sawmilling co-products as the main fuel source. This ensures that the company is able to reduce emissions through efficient renewable heat generation.

BSW therefore welcomes the Scottish Government's plan to cap support for dedicated biomass at 15MW and supports the policy of promoting the use of biomass plants for heat or CHP as opposed to electricity generation. However, improvements could still be made to the CHPQA criteria so that only the most efficient CHP, ideally c.75% efficiency, is supported as opposed to the 35% efficiency which is currently subsidised.

The report also states that 'Wood fuel use for energy production has more than tripled in the last five years.' It is positive that the Scottish Government has recognised this as this increased demand in the wood market has been of concern to BSW. In order to preserve the Scottish timber sector more must be done to mitigate the impact of rising wood prices on existing wood users. Although the subsidy levels for energy generators to purchase wood to burn for electricity will be reduced BSW is concerned about the impact of the demand from other UK biomass plants for Scottish wood. There are currently no restrictions to prevent subsidised energy generators in England and Wales

from purchasing Scottish wood to burn for large-scale electricity generation. Wood travels across borders and until the UK Government reduces its support for large-scale biomass electricity generation the threat to Scottish wood, and the Scottish timber industry, will remain despite restrictions on biomass in Scotland.

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