

# Community Funding for Local Wood Fuel Projects



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Wey Valley Wood Fuel Energy Co-operative

# The project background

- \* Previous energy Co-operative- Wey Valley Solar Schools
- \* Based on ideas of Rodborough School, Milford and Friends of the Earth to install solar panels at local schools
- \* Co-operative model –owned and run by and for their members (a community effort). An ethical investment; fair returns to investors; not profit maximising; broad social and environmental goals
  - \* 30% tax relief and initial return of 5%+ to investors
  - \* Free electricity to schools and share of profits
  - \* Educational and sustainability achievements; community involvement and leadership
  - \* Reduction of carbon emissions from each school
- \* £625,000 invested in 2011 by the community
- \* One of 30 similar energy co-ops in the UK; model widely used in Europe

# We Delivered.....

School Name	Size of Array kW	kWh generated In 2012
Beacon School, Banstead	42	19,905
Broadwater School, Farncombe	47.53	43,419
Godalming Sixth Form College	49.63	44,324
Guildford County School	17.48	15,453
Rodborough School, Milford	47.92	39,904
Woolmer Hill School, Haslemere	33.57	32,153
Total	238.13	195,158



# What has that got to do with Woodland Management?

- \* Our project is based in Surrey in one of the most wooded parts of the UK.
- \* The problem for many woodlands stems from the lack of management through neglect, fragmentation and commercial pressures. Woodlands are often sold into small leisure plots where damage to the environmental quality and sustainability of woodlands is caused by pests like deer and squirrels.
- \* Sustainable woodland management needs to be financially sustainable as well ecologically sustainable.
- \* Wood fuel is not cost competitive with fossil fuels and hasn't been for some years.



# Developing a Local Wood Fuel Supply Chain

- \* The introduction of the Renewable Heat Incentive (RHI)
  - \* 'A UK Government scheme set up to encourage uptake of renewable heat technologies among householders, communities and businesses through the provision of financial incentives.' (Carbon Trust 2012)
- \* A rapidly growing local market for wood fuel in the form of logs, wood chip and wood pellets.
- \* A sustainable, local wood fuel supply chain has already been established but they cannot find the customers to supply to.



# The project aims

- \* To create a co-operative structure that acts as an Energy Service Company (ESCo) to increase the need for local wood fuel.
- \* Working outside of the Wey Valley from Berkshire, Hampshire to West Kent.
- \* Finance, install and operate renewable wood heat systems, thereby
  - \* cutting carbon emissions
  - \* bringing our woods back into sustainable, productive, environmentally sympathetic management
  - \* benefiting wildlife and biodiversity
  - \* creating local employment
  - \* reducing imports of and reliance on imported fossil fuels
  - \* Reducing fuel costs and risks

# Options for funding your renewable heat installation

- \* Do it yourself (capital spend or borrow) and retain benefit of RHI
- \* Use commercial “rent-a-boiler” funding – installed usually on a turnkey basis without capital cost to you in return for the installer receiving the RHI and selling heat to you at a cost similar to gas; 20 year contract
- \* Work with your community co-operative – the commercial approach with a difference

# Benefits of co-operative community funding

- \* An ethical investment with fair returns – not seeking to maximise profits; completely different ethos
- \* Owned by, accountable to and exists to serve its members
- \* Co-operation – the portfolio effect; sharing expertise
- \* Focus on local fuel supply – support your community; profits retained within the community
- \* 20 year commitment; supportive exit terms
- \* Supportive of change and energy efficiency
- \* An opportunity to lead, support, engage and develop your local community – to make something happen



# How can you get involved?

- \* Do you know of any community buildings that could be suitable for biomass e.g residential care homes, Schools, Leisure Centres etc? Ideally off gas grid or oil fired heating.
- \* Are you a woodland owner who would be keen to see their woodland produce wood fuel to heat your community?

Any questions?



[www.weyvalleywoodfuel.co.uk](http://www.weyvalleywoodfuel.co.uk)