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4 December 2009

Matthew Woodward
Planning Department
Barnsley MBC
Town Hall
Barnsley
South Yorkshire
S70 2TA

Dear Matthew

Re: Fuel Sources & Sustainability

Letter of Support for Application to Construct 8MWe Renewable Power Plant at Whaley Road, Baraugh, Barnsley

Introduction

As discussed the following provides further supporting information about Rocpower's application to construct the bio-fuel power plant at Whaley Road. It will also address the fuel sourcing and sustainability issues.

Rocpower

Rocpower Ltd is part of the Hargreaves Group and the business is based in Castleford West Yorkshire. Our Project & Construction and Operations & Maintenance Teams are also based at our offices in Castleford.
The current aim is to construct six bio-fuel power plants all of which will be located within the Yorkshire region. Rocpower is also investigating other forms of electricity production from renewable sources and our aim is to become a significant producer of renewable electricity utilising various technologies and bio-fuels.
The first power plant is currently under construction in Featherstone in West Yorkshire and we are proud of the fact that many of the staff who have designed and constructed this power plant are based in Yorkshire and many are also coal industry trained engineers and craftsmen.
We are also currently recruiting Operations and Maintenance staff from the area and the expectation is the numbers required will increase as we bring more plants on line during 2010.

Renewable Power Generation and the Whaley Road Site

The site will be installed with a maximum 8MWe of generation equipment and the site will be operated on 100% bio-fuels. An equivalent amount of coal fired generation will produce about 60,000 mt of CO2 annually. So when construction is completed of the total portfolio of six plants, this will lead to a reduction in the regions CO2 footprint of approximately 360,000 mt annually. The plants have been designed to operate for 20 years, so over this period the amount of CO2 that will be saved will be in excess of 7 million tonnes.
Each power plant is designed to operate 24x7 so its output will always be fully available to meet the variable demand for electricity. In addition as increasing amounts of electricity is produced from wind sources this will progressively become more important for system stability.

The Government recently published the Renewable Energy Strategy Document and in the Executive Summary The Rt. Hon Ed Miliband MP Secretary of State for Energy and Climate Change stated the following:-

To meet the challenge of climate change, we need to save carbon in every sector of the economy – this will mean a rapid transition to renewable energy. This Strategy shows how we can reach our goal of 15% of energy from renewables by 2020. Doing so will help the UK to lead the industries of the future. According to recent analysis the renewable energy sector could support up to half a million jobs in the UK by 2020. It will help safeguard the security of our energy system. The plans here can help reduce the UK's use of fossil fuel by around 10%, and so stem the rise in the UK's use of imported fossil fuels, with our need for gas imports 20-30% lower than they would have been in 2020.

The strategy then outlines in detail how the UK will radically increase our use of renewable electricity and it sets out the path for the UK to meet our legally-binding target to ensure 15% of our energy comes from renewable sources by 2020 which will be almost a seven-fold increase in the share of renewables in scarcely more than a decade, reducing the UK's emissions of carbon dioxide by over 750 million tonnes between now and 2030.

The Government in a previous Energy White Paper has recognised that the UK needs to increase the amount of distributed generation. This is defined as renewable electricity generation which is connected directly into the local distribution network. The electricity generated by such schemes is typically used in the local system rather than being transported for use across the UK. The Energy White Paper, published in May 2007, set out the potential role of Distributed Generation in meeting Government's energy policy objectives, where it can contribute to the energy mix and lowering greenhouse gas emissions by reducing electricity losses by locating generation near to electricity demand.
The Whaley Road generation proposal is classed as Distributed Generation.

BioFuel Sourcing

Rocpower and our bio-fuel supply Company Rocfuel, recognise the sensitivity that surrounds the use of virgin vegetable oils for the production of electricity. We have therefore made a public statement that **our intension is not to use** any virgin vegetable oils in our plants to produce electricity.

The bio-fuels we will use are co-products or secondary bio-fuels which are not suitable for use as food. This decision has meant that our plant design and fuel processing equipment is significantly more complex and capital intensive compared to equipment that is designed to use only virgin vegetable oils. Utilising lower co-products which are generally lower grade bio-fuels presents the Rocpower team with significant technological challenges and a far more challenging maintenance regime.

The power plant will only use bio-fuels that are OFGEM accredited and our bio-fuel Sustainability Policy means we are confident we will always exceed by a significant margin any future EU sustainability policy that will be introduced.
Friends of the Earth (FOE) have recently published a document "Biofuel Power Stations – Campaign Notes" which explains the issues associated with the growth of electricity generation in the UK using virgin vegetable oils. The main co-product that we intend using is Tall Oil, the FOE report states:-

The key point is that power generation from bio-fuels (unless so-called co-products from the paper industry are used) adds to overall global demand for what is really a food commodity and wherever the specific operator is sourcing his fuel that extra demand is displacing existing supplies and increasing competition between food and energy crops.

The FOE report therefore specifically excludes Tall Oil which is a co-product of the paper industry and this is the main bio-fuel that we will utilize at the Yorkshire sites.

The FOE report also makes reference to Rocpower's statement dated 19 October 2009:-
"which refers to products coming from the food industry and claim that NGOs categorise these types of fuel as second generation Bio-fuel and support its use in the energy market."

The document then makes no further comment about our fuel sourcing policy.

In addition Rocpower can confirm that:-

1. All bio-fuels that will be supplied will be OFGEM accredited bio-fuels.
2. Our Corporate Fuel Sustainability Policy will more than meet the developing sustainability standards that are currently being discussed and which are expected to be implemented in the near future.

3. Our intension is not to use any virgin vegetable oil in any of our power plants.

Biofuel Sustainability – Political Background

The use of biomass and bio-fuels for the production of Renewable Electricity and Transport Fuels is covered by the Renewable Obligation Order (2009) and the Renewable Transport Fuel Order (2007). Each of these Legislative Instruments has introduced sustainability reporting requirements, but the UK Government issued a Consultation Document in June 09 that states that the sustainability requirements of the ROO and RTFO will be harmonised and amendments to the legislation will be made when the EU Directive on Biomass Sustainability is issued. This EU public consultation process has already commenced and the results of this consultation process were issued in June 09

The various documents associated with the above legislation and consultation processes have been attached and the following notes highlight the relevant sections of each document.

1. ROO Order April 09
    a. This the Renewable Obligations Order, which outlines how the ROC scheme operates.
    b. This amendment became Law in April 09.
    c. Article 54 of the Act (page 41) has introduced Sustainability Reporting.
    d. If these reporting requirements are not adhered too, then all issued ROC's are revoked.
2. RTFO Order 2007
    a. This is the Renewable Transport Fuels Order which outlines how the RTFO operates.
    b. Article 13 (4) of the Act "Power to Require Information" page 9, requires Sustainability Data re source fuels to be supplied.
    c. If these reporting requirements are not adhered too, then all issued RTFO certificates could be revoked.
    d. It is the duty of the Administrator of the RTFO to submit a Sustainability report to Parliament each January.
3. UK Government Consultation on Renewable Financial Incentives 2009
    a. Announces Joint Initiative by Renewable Fuels Agency (RTFO) & OFGEM (ROO) to study and develop a methodology to measure the indirect impact of bio-fuels.
    b. Makes note that the EU Commission is required to report on a sustainability scheme by the end of 2009.
    c. These proposals would then be issued is the form of an EU Directive.
    d. The content of this EU Directive would then be implemented in Law in the UK, by amending the ROO and RTFO Legislation.
    e. See pages 52 to 54.
4. EU Consultation: Results Biomass Sustainability Scheme – June 09

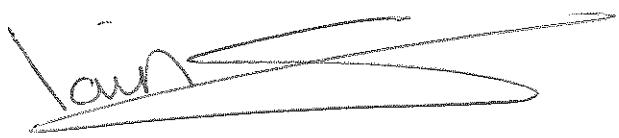
a. This report outlines the results of the public consultation on the requirements for a sustainability scheme for energy uses of biomass.
b. This consultation process will eventually lead to an EU Directive that the UK will introduce into Law via the ROO & RTFO Acts.
c. Tall Oil is specifically commented on page 9, where it is viewed that any Sustainability Requirements would not be applicable to a bio-fuel such as Tall Oil, for reasons stated.
d. The above point is further reinforced on page 10:-
    i. Examples of types of biomass which some respondents felt should be excluded from counting towards renewable energy targets:-
    · *Protein biomass should enter animal feed markets instead of being incentivised for power generation.*
    · *Very humid forestry or agricultural residues should not count towards the targets, as they should instead be used for soil improvement purposes.*
    · *Imported biomass from non-EU countries should never be counted especially from tropical countries where many productions of biomass create large environmental and social problems.*

We have stated very clearly that is not our intension to supply the plant with any virgin vegetable oils and our Sustainability Policy would fully comply with the above suggestion regarding bio-fuels that should be excluded from counting towards renewable energy targets.

Attached are the relevant documents the content of which Rocpower will have to adhere to throughout the life of the plan.

It is hoped that this letter clarifies the position on sustainability and fuel sourcing but if you require any further information please do not hesitate to contact me.

Yours sincerely



Iain Slater
Development Manager

Atts.