

# <u>Yorkshire based Joint Venture between Renewable Fuels Ltd and Drax Power Ltd</u>

Drax Power Limited is the first power station in the UK to use 'Short Rotation Willow Coppice' in a co – firing application in their 4000 megawatt coal fired power station in North Yorkshire. The trial represents a significant step towards achieving the Government's targets under the Renewables Obligation requiring 25% of all biomass co-fired in 2009 to be derived from energy crops, 50% in 2010 and 75% in 2011.

Renewable Fuels Ltd, a specialist biomass fuel supply company located in Escrick near York, has negotiated a contract for processed energy crops produced from short rotation willow coppice to be supplied to Drax Power Limited. The energy crops have been harvested from the 1500 hectares of short rotation willow coppice (SRC) that was originally planted for the ARBRE project at Eggborough, North Yorkshire. Bob smith Managing Director of RFL said today 'that this joint venture is the first major step in creating a real biomass industry in the UK and he looks forward to a substantial growth in energy crop development'

The material will be processed into specification fuel for blending into the coal streams at Drax Power Station located near Selby North Yorkshire. Drax is the largest, cleanest and most efficient coal fired power station in the UK. Its requirement for biomass will be significant and energy crops in the form of SRC could form a substantial part of the biomass fuel input by 2009. Drax Power is keen to support rural and local economies and SRC can be grown extensively within Yorkshire given the right incentives and markets. The Drax contract is a significant step towards securing a sustainable market and the development of biomass fuel supply infrastructure in Yorkshire.

# **UK Energy Minister Stephen Timms said:**

"Today's announcement is excellent news not only for the region but also for the environment. It shows that renewable energy can bring economic and environmental benefits in equal measure.

"Drax Power Station is reinforcing it's position as the cleanest and greenest of our coal-fired power stations while at the same time making a real contribution to the local rural communities and the ARBRE farmers in particular. Equally Renewable Fuels Ltd has played an invaluable role in bringing this deal to fruition.

"This is an excellent partnership between the rural community and Drax Power with clear benefits for all concerned. "It also makes a valuable contribution to the development and deployment of bio energy and to our target of 10% of electricity supplied from renewable sources by 2010."

Renewable Energy Growers (REG) one of the first UK energy crop Producer Groups created under the DEFRA scheme, represents 60 growers and this winter has successfully harvested over 300 hectares of SRC. The 14000 tonnes plus of harvested product will be supplied to Renewable Fuels' processing facility at Pollington near Drax Power Station, where it will be processed to specification fuel.

Renewable Energy Growers and Renewable Fuels have been working for the last 18 months to secure a contract in the co – firing market. Renewable Fuels and REG are confident that this contract marks the way for continued the expansion of energy crops in the UK providing the much needed stimulus to the agricultural industry to begin to provide a significant proportion of the UK's energy requirements in the coming years.

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#### **Profiles**

### Renewable Fuels Ltd

Renewable Fuels Ltd are a company processing and trading in a variety of UK produced biomass-derived fuels. Key to their experience is the establishment, management and harvesting of energy crops in particular Willow (SRC). Renewable Fuels are have now established a commercial base at Escrick near York. Their staffs experience in biomass fuel supplies and in particular energy crop development place the company in a unique position to provide the much needed link between the producer and the end user in the biomass industry. Renewable Fuels Ltd is one of the first companies to provide full biomass services using experiences gained over many years in Scandinavia from the parent company. The joint venture with Drax will provide the key to establishing economically viable fuel supply chains from UK produced biomass.

Lantmännen Energi (Agröbransle) are major shareholders of Renewable Fuels Ltd. They have successfully established and are managing and harvesting over 15000 hectares of SRC in Sweden. They have extensive interests in several biomass industries including district heating plants and fuel pellet manufacturing. Agröbransle, part of the same group of companies, supply willow-planting material from their genetically improved stocks. The ability to supply elite planting stock from Sweden and Poland gives the essential sustainable support required for a developing biomass industry in the UK supplying up to 10000 hectares per year of planting stock. Their experience, support, planting material, harvesting and planting equipment availability provides an extensive base of knowledge and infrastructure experience in relation to SRC development to comply with the Renewable Obligation targets. <a href="https://www.renewablefuels.co.uk">www.renewablefuels.co.uk</a> info@renewablefuels.co.uk

#### Call Bob Smith 01904 720575

#### **Drax Power Ltd**

Drax Power Limited is an independent power company owning Drax Power Station, a 4000MW coal fired power station situated 15 miles south of York and close to the market town of Selby in North Yorkshire. The station comprises 6 x 660MW-pulverised coal fired units. At current output Drax supplies around 8% of the total electricity demand of England and Wales.

Drax has been developing the capability to burn biomass fuels over the past year and part of this ongoing programme is to assess the technical issues and commercial viability of co-firing energy crops such as short rotation coppice (SRC).

Melanie Wedgbury Drax Power Limited

020 7814 7315

Sophie Morton/Kelly-Ann French Buchanan Communications

01943 883990

# Renewable Energy Growers Ltd

Represent the majority of the original ARBRE Growers who own approximately 1300 hectares of SRC. In 2003 the group purchased a sugar cane harvester to harvest 7000 oven dry tonnes (odt) of SRC in 2003/4. Renewable Fuels Ltd and REG have worked closely over the last 18 months to develop a working relationship to enable the harvest to be used in a co – firing application. Contracts have been secured for the 7000+ tonnes and delivery of material is due to start in May 2004.

REG as an organisation and the first major Government funded Producer Group are keen to see the expansion of SRC in Yorkshire and will continue to work with Renewable Fuels Ltd in the future to secure new contracts and growers.

REG are keen to support a locally based initiative to enable existing crops to be utilised and the expansion of energy crops to create an active Biomass Industry in Yorkshire.

Tel:- 01777 248684 Fax:- 01777 248076

Email:- info@energycop.co.uk