

From: [Ellis, Cathal](#)
To: [Hughes, Seamus](#)
Subject: RE: Biomass versus oil costs
Date: 04 July 2016 16:32:11
Attachments: [image001.gif](#)

Seamus, As per discussion.

Generally speaking there has been little movement in the **average** cost of a 99kW wood pellet boiler (at around £30,000) or average cost of a 99kW boiler installation (around £50,000). Bear in mind that this is an average cost, so Propel boilers would have cost less, whilst the likes of KWB would have cost more. Likewise the installation costs can vary significantly depending on the type of installation.

(During 2012 I was quoted £5500, £10,000 and £12,000 (Slimpel, KWB, Froling) for a domestic 15/25kW boiler installation)

The table below is for comparison purposes as it reflects a particular set of circumstances and costs. However it does illustrate how the average cost of running an oil boiler during 2012/13 was almost twice that of running the same boiler during 2015/16, due to the price of oil. The cost of running a wood pellet boiler was initially lower, but is significantly higher during 2015/16 reflecting a change in fuel cost but also indicating increased maintenance costs. It is interesting to note that pellet fuel cost has come down during 2015/16. It may be that the pellet producers have passed on savings in transportation costs, but may also be due to increased demand and increased competition within the pellet fuel market.

	120kW Oil Boiler				99kW Wood Pellet Boiler			
	2012/13	2013/14	2014/15	2015/16	2012/13	2013/14	2014/15	2015/16
Purchase Cost	Up to £3,000	Up to £3,000	Up to £3,000	Up to £3,000	Around £30,000	Around £30,000	Around £30,000	Around £30,000
Fuel Cost - Oil/Pellets/kWh*	5.58p	5.23p	4.37p	2.81p	3.83p	4.15p	4.16p	3.36p
Increase in electricity use	0	0	0	0	0.23p	0.32p	0.30p	0.30p
Boiler Maintenance Cost/kWh*	0.04p	0.04p	0.04p	0.04p	0.19p	0.22p	0.25p	0.25p
Remedial Repairs/kWh*	negligible	negligible	negligible	negligible	0.10p	0.10p	0.10p	0.10p
Av. Running Cost/ kWh	5.62p	5.27p	4.41p	2.85p	4.35p	4.79p	4.81p	4.01p

*Based on CAFRE costs

Regards
Cathal

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From: Hughes, Seamus
Sent: 04 July 2016 12:09

To: Ellis, Cathal
Cc: Wightman, Stuart
Subject: Biomass versus oil costs

Cathal

Our discussion just now refers. Grateful if you would be able to review your attached paper and present same using historical costs for use in our ongoing RHI evaluation/VFM assessment.

Many thanks again for your help with this.

Regards

Seamus

Seamus Hughes

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