

From: [John Gilliland](#)
To: [Hutchinson, Peter](#)
Subject: Re: NI RHI / biomass and wood chip prices
Date: 15 November 2011 18:39:38

Dear Peter

Many thanks for your email Peter and glad you are back!

Can I answer the last question first please?

The impact of the first 15 euro per tonne carbon tax is already in the market place since last year. As a result all wood fuel prices have already risen in the last six months, including BALCAS pellets. I will send you their most recent quote to us which is up £20/t on last year.

Our woodchip prices went up in August to £120/t delivered in N. Ireland and 150 euro/t delivered Co. Louth. The £120/t can be verified if you speak to CAFRE, as we secured their next 12 months fuel provision tender in September, after a public advertising of the tender at £120. Please speak to Nigel Moore and he will confirm this. I am currently working in Austria and won't be home till Saturday, but I could ask the team to send you a contract in Co. Louth.

Now that BALCAS have put their pellets up £20/t, we will be putting our dry delivered woodchip prices up again in January by another £10/t, just to stand still, as the recent electricity price increases in NI have put our drying costs up another £10/t!!!!

This will take our delivered woodchip price up to £130/t at 20% mc

Our English prices have still not risen as they are not seeing the ROI Carbon tax impacting and they are not short of wood!!

I believe you have had your ear bent on the possible exclusion of virgin willow chip from the RHI due to DECC & DEFRA's desire to drop the emission standards to unrealistic levels for wood with bark on it. Forestry brush will also be impacted and if you discount forestry brush and the emerging willow industry, then where will NI get its wood from??!!

I hope all of this makes sense?

Best wishes

John G

-----Original Message-----

From: "Hutchinson, Peter" <Peter.Hutchinson@detini.gov.uk>
To: "jgilliland@Personal information redacted by the RHI Inquiry" <jgilliland@Personal information redacted by the RHI Inquiry>
Date: Tue, 15 Nov 2011 17:30:50 +0000
Subject: NI RHI / biomass and wood chip prices

John,

Hope you are well.

We have been going through the consultation responses to the RHI and are now in the stages of considering/developing final policy positions. You provided the attached information on biomass / wood chip prices in Northern Ireland in your response which quoted GB prices of £85 per tonne compared to £125 per tonne in Northern – do you have any other background information on this? Also, if you have any data on the recent impact of the ROI carbon tax that you wanted us to consider please send it through.

If you have any further information or up to date data that you think might be of use as we consider the biomass issue please let me know.

Thanks,

Peter

Peter Hutchinson

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Please consider the environment - do you really need to print this e-mail?

From: [John Gilliland](#)
 To: [Hutchinson, Peter](#)
 Subject: Fwd: RE: ref. Wood pellets to four Rural Generation projects
 Date: 15 November 2011 18:40:48

Peter

As promised, please see email from BALCAS below?

Any queries please come back to me?

Best wishes

John G

-----Original Message-----

From: Paula Keelagher <paula.keelagher@brites.eu>
 To: John Gilliland <jgilliland@^{Personal information redacted by the RHI Inquiry}>
 Date: Wed, 2 Nov 2011 11:57:15 +0000
 Subject: RE: ref. Wood pellets to four Rural Generation projects

John

Apologies for not getting back sooner, things are hectic. I was aware that Eddie and Gerard had been speaking and arranging to meet up this week to do site visits.

We can do delivery to Brook Hall on Friday- is this blown into a silo or loose bulk delivery? Perhaps bags maybe better solution to get conversions started, as loose bulk can get contaminated and damaged?

We price on quality delivered – 24 tonne drop is £160 and 3 tonne drop £185 excluding VAT

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Quantity delivered	Price per ton £ excl. VAT
0- 3.9	185
4- 4.9	180
5- 5.9	175
6 - 7.9	173
8-9.9	170
10- 14.9	166
15 - 19.9	163
20t plus	160

5 tonne drop to Brooke Hall would be £175, I called earlier to discuss and left message with your office.

Regards

Paula

From: John Gilliland [mailto:jgilliland@Personal information redacted by the RHI Inquiry]
Sent: 01 November 2011 09:23
To: Paula Keelagher
Subject: Fwd: ref. Wood pellets to four Rural Generation projects

Paula

I was wondering had you time to look at my email below. I know Eddie was speaking to Gerard and is hoping to meet up on Friday. What I would like to do is take a delivery to Brook Hall Estate before the end of the week of 5 tonnes, so that we can start the conversion on some of the boilers while Gerard and Eddie decide how best to deliver to each site.

Many thanks

John G

-----Original Message-----

From: "John Gilliland" <jgilliland@Personal information redacted by the RHI Inquiry>
To: paula.keelagher@brites.eu
Date: Thu, 27 Oct 2011 11:09:06 +0100
Subject: ref. Wood pellets to four Rural Generation projects

Dear Paula

Many thanks for taking my call to day. As mentioned, I am considering switching four of my projects over to wood pellet

They are as follows

1. Irrelevant information redacted by the RHI Inquiry. They have two 150kw KWB Power Fire boilers. It has one store and it is ground level upwards. The store is approximately 4m x 10m by at least 5m high. Wood pellet wood need to be blown in. I have asked Eddie how best to modify the store to do that. They used 50 tonnes last year, but have now got better utilisation of the building, so we expect their consumption to rise to certainly 70 tonnes per year. Both boiler have heavy woodchip stirer feed systems.
2. Irrelevant information redacted by the RHI Inquiry. They have a 80 kw KWB boiler with a wood chip stirer feed system. The store again is at ground level upwards and is 3m x 3m by 2.5m high. This store wood need the pellets blown into it. This system will use around 15 to 20 tonnes a year
3. Irrelevant information redacted by the RHI Inquiry. They have a 100 kw KWB boiler with woodchip stirer feedsystem. Their store is also from ground level upwards and is 3m x 3m by 3m high. We expect them to use about 40 tonnes per year and these also would need to be blown in
4. Hollybush Primary School, Culmore, Derry. This is the same as Irrelevant information redacted by the RHI Inquiry.

Please could you give me a quote to supply wood pellets to these systems, an idea of how you work out your pricing structure and the practicalities or not, of supplying me 24t loads here to Brook Hall and us delivering the pellet?

Best wishes and safe travelling in Scotland

John

Chairman
 Rural Generation Ltd
John Gilliland email and mobile redacted by the RHI Inquiry

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