

# Company background

## 1. Introduction

Forest Fuels is a specialist wood fuel consultant and supplier to small and medium scale heat boilers.



The company currently supplies Premium Grade wood fuel – both wood pellet and wood chip - to over 550 boilers. Clients include the NHS, where Forest Fuels has a 15 year contract to supply wood chip; the MOD; over 40 schools; most of the local authorities through the areas we operate in; and a range of charities, companies and private estates.

The business has built an excellent reputation for its expertise and reliability.

As well as fuel supply, Forest Fuels offers advice, guidance and consultancy for those considering biomass, and a “hand holding” service through the design and installation phases. Consultancy clients include local authorities, country estates and the private sector.

Forest Fuels also offers ESCOs, where we fund a new biomass boiler installed on a customer’s site. There are a number of different contract structures available, suitable for a wide range of customer and site types. These include a free boiler, and a full ESCO where we operate the boiler and sell the customer heat.

### Key strengths

- Recognised industry heavyweight
- Strong & experienced senior management
- High level of technical expertise
- Strong second tier management, including 4 Operations Managers
- Quality Assured wood fuel
- Security of feedstock supply, through well-developed networks with timber growers and suppliers

### Award winning

Finalists in the British Renewable Energy Awards in 2011, 2012 & 2013  
Highly Commended in the Green Energy Awards 2013 and Winners in 2010.



## Geographical coverage

Currently with 17 depots from Cornwall to North London to North Yorkshire, Forest Fuels offers a “locally national” service.

In the last two years the business has expanded its range by purchasing two smaller but similar businesses. Silvapower is a Premium Grade wood chip supplier based in South Yorkshire and supplies mainly local authority customers and housing associations.



English Wood Fuels operates in the East Midlands and East Anglia from 5 depots, supplying Premium Grade wood pellet and wood chip. All three businesses are now run operationally as one.



## 2. Consultancy & research experience

Forest Fuels Ltd undertakes a number of consultancy studies for a range of clients, drawing on this first-hand experience of wood fuel. Teams are built from our own staff, and our strong network of associates, all of whom we have worked with before.

Some recent projects include:-

- Rolls Court, Gloucestershire. Forest Fuels carried out a biomass feasibility and economic analysis for a collection of farm and residential buildings. Following this the client also asked us to manage the tendering process.
- Crooked Inn, Cornwall. An assessment of the feasibility of biomass heating in a rural pub and guest house. The client accepted our recommendations and the system is currently being installed.

Somerford Farm, Wiltshire. Biomass boiler scheme design, tendering and overview of installation

Camelford Leisure Centre. Design of biomass heating system for leisure centre, planning applications and tendering to various turnkey contractors. Supervision of installation

Blenheim Palace (2013). Biomass boiler scheme design, tendering and overview of installation

Munden Estate, Hertfordshire (2013). Biomass boiler feasibility and detailed scheme design, including boiler, plant room and complex district heating main. Tendering to turnkey contractors and supervision of installation

Tamar Valley AONB / Cordaile Project – “Establishment of a Wood Fuel Hub in the Tamar Valley” Assessment of the opportunities to establish a wood fuel hub in the area, recommendations & financial modelling. “Institutional Audits”. (2012). Audit of four large institutions, assessment of feasibility and viability of wood fuel.

Chilterns TIMBER Project – researching the potential for a biomass wood fuel consortium in Buckinghamshire and the Chilterns AONB, and developing different business models for biomass supply chain (2011)

Wandle Valley research project, BioRegional Development Group, (2011-12). Desk and phone based research talking to local authorities and other public sector bodies in a small geographical area in London, researching what they see as the limiting factors for installing wood fuel boilers, undertaking visits to sites which appear promising, and providing a clear “opportunities statement” for each site, detailing where wood fuel is appropriate and the next steps.

Davidstow Creamery. Initial outline supply chain study for 10 MW steam plant in North Cornwall. Assess biomass timber feedstock supply chain, present outline options of different fuel types and therefore different options for plant technology.

Bere Forest Estate, Hampshire (2012). Review of boiler installation, fuel store design and biomass heating solution. Recommendations for improvements.

South East Wales Energy Partnership – Wood Fuel Feasibility Study (2011). Building supply chain for biomass in SE Wales

Site assessment for chicken farmer in Herefordshire considering wood fuel heating to 8 chicken sheds. Farmer had previously had several boiler installers visit and specify a solution, and was ready to install the boiler. Forest Fuels provided an overview, and have re-designed the site layout and heat network specification. This will result in £40k per year (£800,000) additional RHI income.

Renewable Heat Incentive applications to OFGEM for various clients

Over 200 Biomass Feasibility Studies for those considering installing wood fuel heating. Clients have included public sector, private sector, businesses and individuals.

Forest Fuels also undertakes

- Strategic supply chain studies for clients considering biomass installations
- Wood fuel site assessment
- Feasibility studies for wood fuel, including heat load calculations, boiler sizing and detailed design
- Fuel storage and handling - outline and detailed design principles
- Project management of installation for the client, including tendering of the installation works

### 3. Wood pellets

Forest Fuels supplies high quality wood pellets, in both blown and bagged deliveries.

The pellets are high quality 6mm pellets which meet the European Standard CEN/TS 14961

Approximately one third of the business is wood pellet supply. Operations Manager Howard Towns is recognised as an industry specialist and sits on the Steering Group of the UK Pellet Council (the country's trade governing body).

Our pellets are manufactured from 100% virgin timber, all of which is sourced from sustainably managed woodlands in the UK. This means that the raw material is transported over a relatively short distance and so has low carbon impact; and also that it is a by-product of Forestry Commission-approved sustainable woodland management which has many other environmental & economic benefits. No timber is imported from overseas for the pellet manufacture.

We deliver in 6 or 8 wheel bulk blowing delivery lorries with drivers specifically trained in the delivery of wood pellets.

We have long-term relationships with all of the big UK pellet manufacturers.

We are also able to supply Grade B pellets. These are cheaper, and a viable option for larger boilers.

We hold the Quality Assurance standard ENplus Trader certification for our wood pellet deliveries



#### 4. Premium Grade wood chip

Forest Fuels currently supplies around 100,000m<sup>3</sup> of wood fuel per year to around 400 biomass boilers, the majority in the size range 50-1000kW. (Note that high volumes of ungraded virgin or recycled chip into power stations are easy to achieve; this is not our expertise. We supply small & medium scale boilers where moisture content, chip specification and customer service are paramount).

The Company is focussed on the “localness” of its service – timber is sourced from local woodlands and sawmills.

Forest Fuels Ltd has built a distribution & supply network from 15 local depots. Now clearly established as the leading fuel supplier, the company is structured for significant growth over the next 1-2 years.



Forest Fuels specialist blown delivery lorry

Forest Fuels depots are certified as supplying Woodsure Quality Assured wood fuel.



#### Security of timber supplies

We have forward commitments on the majority of our timber for the year 2014/2015, and a proportion of our predicted 2015/16 season timber.

We have strong relationships with the forestry sector for timber sourcing.

All timber is sourced locally to the depots, reducing transport and carbon costs. We have a variety of arrangements for sourcing timber, as we believe that this spreads the risk. We have developed strong links with estates, sawmills & woodland owners to ensure continuity of supply, and the flexibility to increase capacity in the future.

#### Woodchip processing

At our local depots we aggregate feedstock locally (sawmill residues, forestry roundwood, tree surgery residues etc) and allow material to season to reduce its moisture content. On a regular basis we undertake a 'batch' chipping operation with large, specialist wood fuel chippers to process material to the specification required.

The wood fuel is stored in large covered storage barns, free of any source of contamination. Material is then loaded into various types of delivery vehicle and transported to our local customers. This system of operation keeps the fuel supply operation local whilst being



operated centrally from our Okehampton Headquarters, providing robust administrative and technical back-up.

#### Forest Fuels' woodchip:-

- Has low fuel-miles, so minimising the carbon footprint of fuel supply
- Ensures local employment in both the loading & delivery part of the process
- Stimulates improved forestry management in the locality, through sourcing of local timber - with all the associated downstream benefits to woodland management, local rural employment and ecology.

All of our depots have locally-based staff who operate them.

Our model is local woods- local depots- local employment.

#### Kit and machinery

We operate the following kit:-

- Heizohack HM 10-500 chipper,
- MAN Hookloader lorry with Priden wood chip blower fitted.
- 36 cubic metre wood chip delivery ro-ro container made for use with blower
- Various telescopic loaders.
- Specialist wood chip Screener.
- 25m3 ro-ro container, with hydraulic tailgate.
- 10-15 delivery vehicles

Heizohack HM 10-500 chipper in operation



#### Closed loop wood fuel supply – use of your own timber

Using one's own timber to supply a wood fuel boiler provides a closed-loop and gives unparalleled fuel security for the future. However being 100% reliant on this can be difficult, for example leading to over-thinning of woodlands because there is an imperative to produce enough wood fuel in a particular year.

Forest Fuels can work with clients to design a bespoke self-supply system that uses their own timber as much as possible but de-couples woodland management from wood chip supply. One way of doing this is to join the Forest Fuels "Wood Bank" concept. Here, Forest Fuels buys the timber which is available from your woodlands when it is available and feeds it into the local supply chain; and in years when it is not available the shortfall is simply made up from the Forest Fuels supply chain. In essence, the "bank" can be in credit (with

more timber supplied into it than has been withdrawn as chip) or in overdraft; and as with any bank you do not always receive the same piece of timber back which you deposited with the bank, but you do receive timber to the same value.

This allows estates to take the benefit of using their own timber for a wood fuel boiler as much as possible, whilst avoiding poor woodland management decisions being made because fuel is needed for heating, or quality timber being chipped for fuel rather than sold to higher value markets. Particularly for a bigger boiler, it is a low risk way of achieving self supply.

All of our solutions are bespoke, and designed to suit the specific circumstances and constraints.

## 5. Forest Fuels' senior team

The Company has been structured to cope with a significant growth in the woodfuel industry. The head office in Devon has good administrative and logistical back-up staff.

Managing Director, Peter Solly heads up the business. Peter joined Forest Fuels Ltd in early 2010 and was previously a shareholder / Director at [www.silvanus-services.co.uk](http://www.silvanus-services.co.uk). He brings business and operational management to the Forest Fuels team.

We have a National Sales Manager; and four Operations Managers (one based in South Yorkshire, one in the north, in the East Midlands and one on the South West) who run day to day operations.

All of our Operations Managers are acknowledged wood fuel specialists, with several years of experience in wood fuel in the UK. For example, Howard Towns, Operations Manager in the Midlands & East, sits on the Steering Group of the UK Pellet Council.

The business has 18 staff in total.