

Government right to lower tariff level for 'large' biomass boilers, says Viessmann

Quote from Graham Russell, managing director, Viessmann Ltd.:

Viessmann welcomes the announcement from the Department of Energy and Climate Change (DECC) that, following reservations by the European Commission about the proposed tariff levels for 'large' biomass boilers (over 1 MW), the non-domestic Renewable Heat Incentive (RHI) tariff level has been reduced from 2.7p per kWh to 1p per kWh. Perhaps more importantly, we are pleased to hear that the RHI is back on track and will commence at the end of November.

We agree with the European Commission's concerns over the unnecessarily generous 'large' biomass tariff level, and believe that even 1 p/kWh is disproportionately high compared to the end-user benefits from proposed levels for smaller biomass boilers and other renewable technologies. It is hard to see what category of commercial heat consumer would be tempted to switch from fossil fuel-burning boilers to biomass by such an incentive. There are only certain sites for which it makes financial, logistical and environmental sense to operate a 1 MW-plus biomass boiler e.g. farms, woodworking industries or where there is a need to dispose of large amounts of combustible material.

Where there is already a negative cost of fuel, the consumers probably already have one. The UK's carbon emissions reduction efforts are not going to benefit from these operations receiving a cash boost.

For the small number of operations for which a 1 p/kWh *would* incentivise purchase of a large biomass boiler, we should ask if the RHI should be encouraging the transportation of vast amounts of material for burning around the country. Carbon savings through renewable heat generation would surely be considerably negated by fuel emissions from trucks.

The RHI will have most positive environmental impact by converting the sub-1 MW mass commercial market to renewable heating technologies and this is where incentives can make a real difference.

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About Viessmann Limited

Viessmann Limited is part of the Viessmann Group of Companies which is one of the leading international manufacturers of heating systems. Founded in 1917, the family business is overseen by the chairmanship of Managing Partner Dr. Martin Viessmann. The Group has annual turnover of EUR 1.7 billion and employs a staff of approximately 9,400. Viessmann's comprehensive product range encompasses all fuel types and applications, allowing it to deliver high quality, efficient and fully integrated solutions. With an output range of 1.5 to 20,000 kW, Viessmann offers oil and gas-fired boilers, solar thermal and photovoltaics, combined heat and power modules (CHP), ground, air and water sourced heat pumps and biomass boilers.