

# CHARACTERISTICS OF THE BIOENERGY CONTRACT AND ITS ROLE IN SUPPLY CHAIN INTEGRATION IN THE BIOENERGY BUSINESS CASE

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It is widely acknowledged that dependence upon fossil fuels for heat and power presents considerable risk for countries throughout the world. Driving the renewable energy agenda is beset with barriers. One of the issues relates to the transition from policy to practice. Renewable energy production is constrained by numerous challenges that mitigate against its implementation as a viable and competitive industry. The purpose of this paper is to present the findings from a five year study in supply chain integration of the bioenergy industry based in the West Midlands region, UK. For clarification this involves the biomass-to-bioenergy supply chain from the point of origin to the point of conversion. Central to effective supply chain integration is the rigour of the contract which is determined by supplier relationships and collaboration from both stakeholder and process integration factors. Long-term rather than short-term contractual agreements challenge a bioenergy organisation due to lack of flexibility and this, in turn renders them more vulnerable to national government budgetary fluctuations and policy changes.

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