

**With expanded bioenergy based on forest resources,  
we may simultaneously and sustainably reduce  
global warming, improve economic results,  
international relations and environmental conditions**

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## **With expanded bioenergy based on forest resources, we may simultaneously and sustainably reduce global warming, improve economic results, international relations and environmental conditions**

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- In the production of district heating, electricity and many other energy outputs, we may use fossil fuels and renewable inputs, in different combinations. The optimal input mix is a function of technological options, prices of different inputs and costs of alternative levels of environmental consequences.
- Even with presently existing technology in combined heat and power plants, it is usually possible to reduce the amount of fossil fuels such as coal and strongly increase the level of forest based energy inputs.
- In large parts of the world, such as Russian Federation, forest stocks are close to dynamic equilibria, in the sense that the net growth (and net carbon uptake) is close to zero. If these forests will be partly harvested, the net growth and CO<sub>2</sub> uptake can increase.
- In Norway and UK, CCS has been applied and a commercially attractive option during many years and the physical potential is large. With increasing carbon taxes in all parts of the world, such developments could be expected everywhere.
- With increasing levels of forest inputs in combination with CCS, it is possible to reduce the CO<sub>2</sub> in the atmosphere and the global warming problem can be managed. Furthermore, international trade in forest based energy can improve international relations, regional development and environmental conditions.

- In the production of district heating, electricity and many other energy outputs, we may use **fossil fuels and renewable inputs, in different combinations.**
- **The optimal input mix is a function of technological options, prices of different inputs and costs of alternative levels of environmental consequences.**

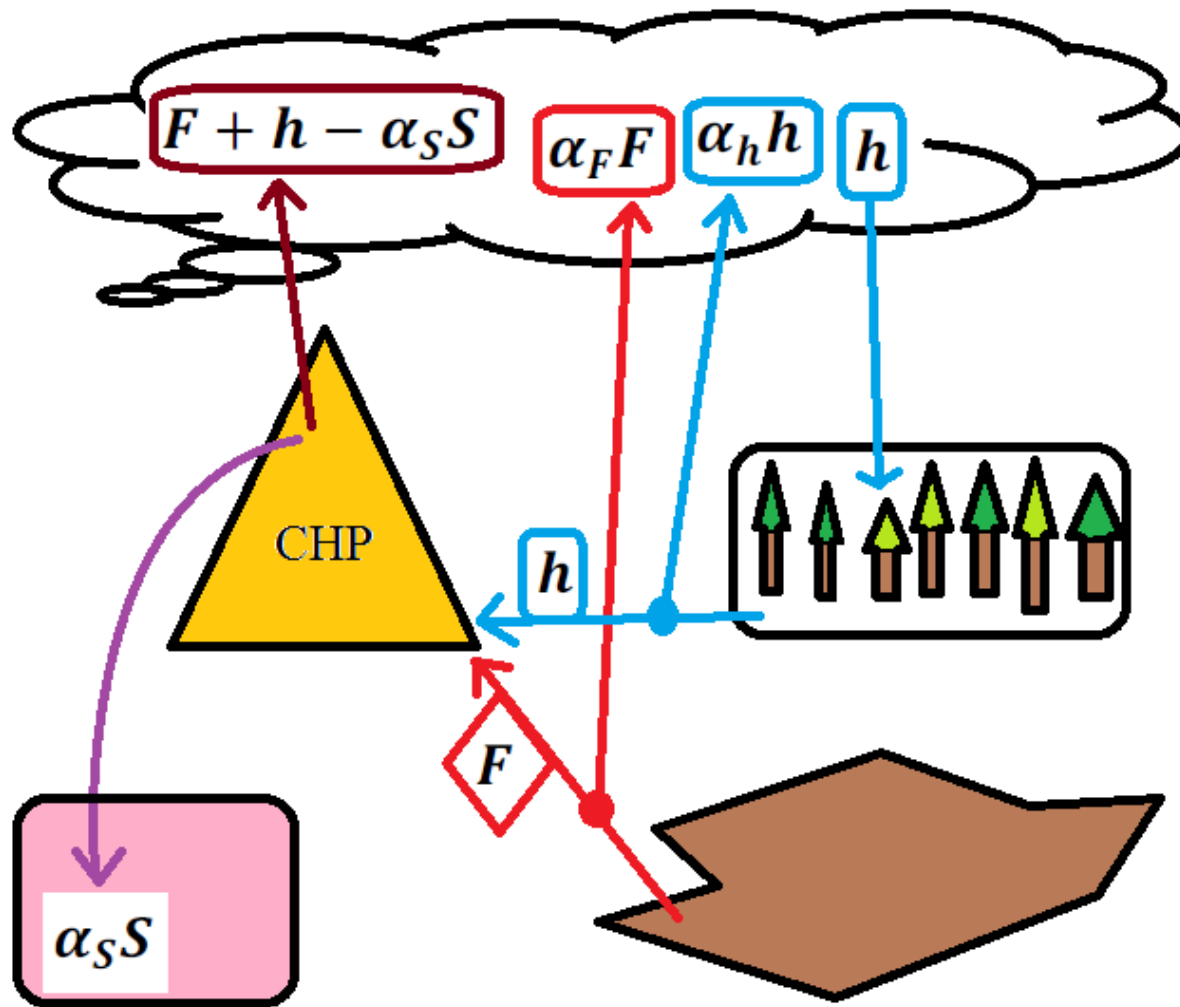
# Let us define a model that includes the most important parts of the global problem!

- Include **alternative energy sources** and **CO2 effects**.
- Include **relevant production options**.
- Make it **possible to derive policy conclusions in a transparent way**.

## **OBSERVATION:**

*More details can easily be included in the model. Then, however, a transparent analysis and presentation are no longer possible.*





The Lohmander Energy, Forest, Fossil Fuels, CCS and Climate System Optimization Model

**Max**  $Z =$

**Objective  
function**

$$-k_{\pi} \left( C_F(F) + C_h(h) + C_S(S) \right)$$

**Costs of  
operations**

$$-k_G \left( (1 + \alpha_F)F + \alpha_h h - \alpha_S S \right)$$

**Costs of CO2 in  
atmosphere**

**s.t.**

$$F + h \geq M$$

**Energy input  
constraint**

**This presentation focuses on problem definition and a transparent derivation and summary of central results.**

**A complete mathematical analysis with a more detailed model is of course also possible but would take much more time.**

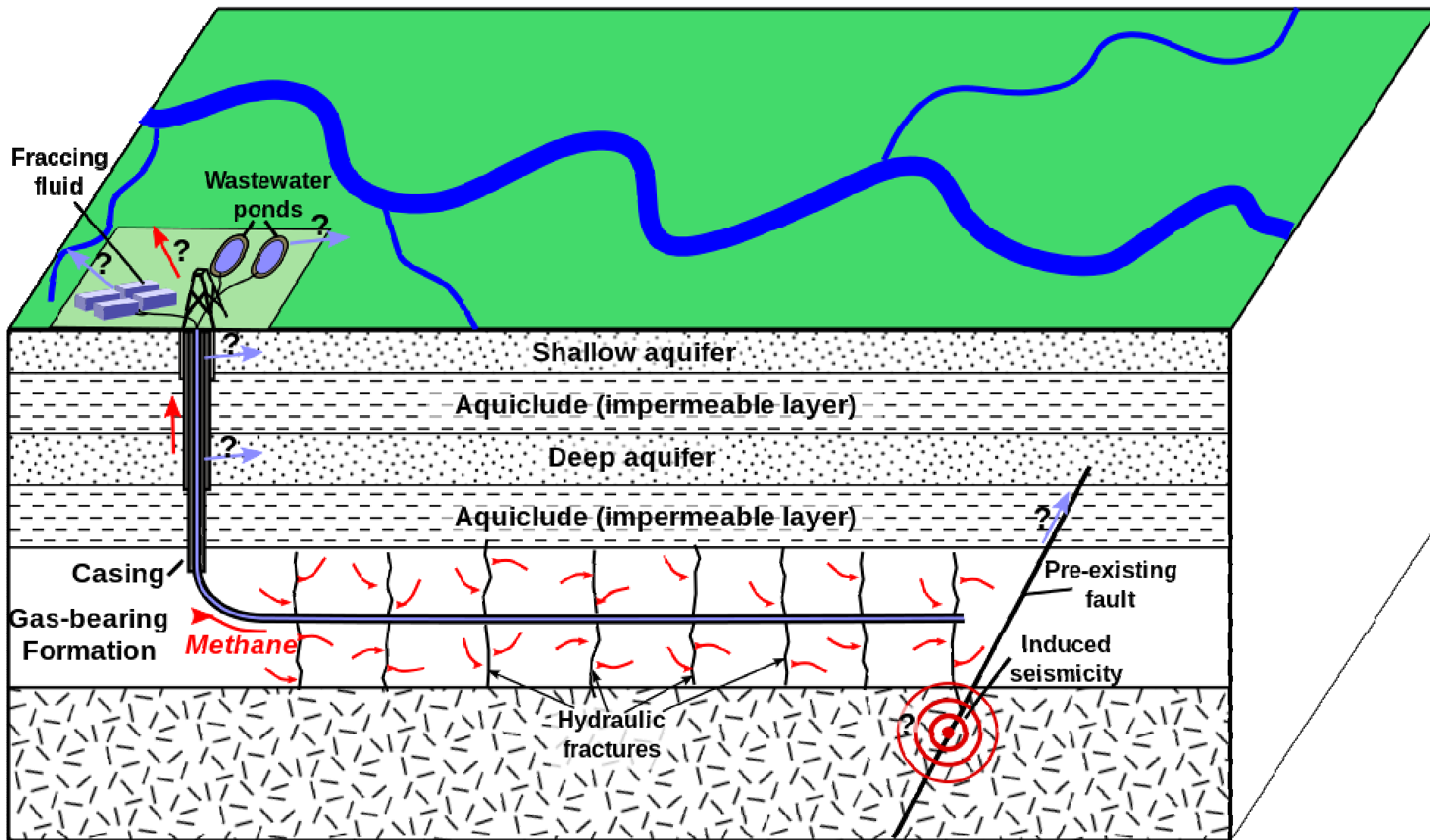


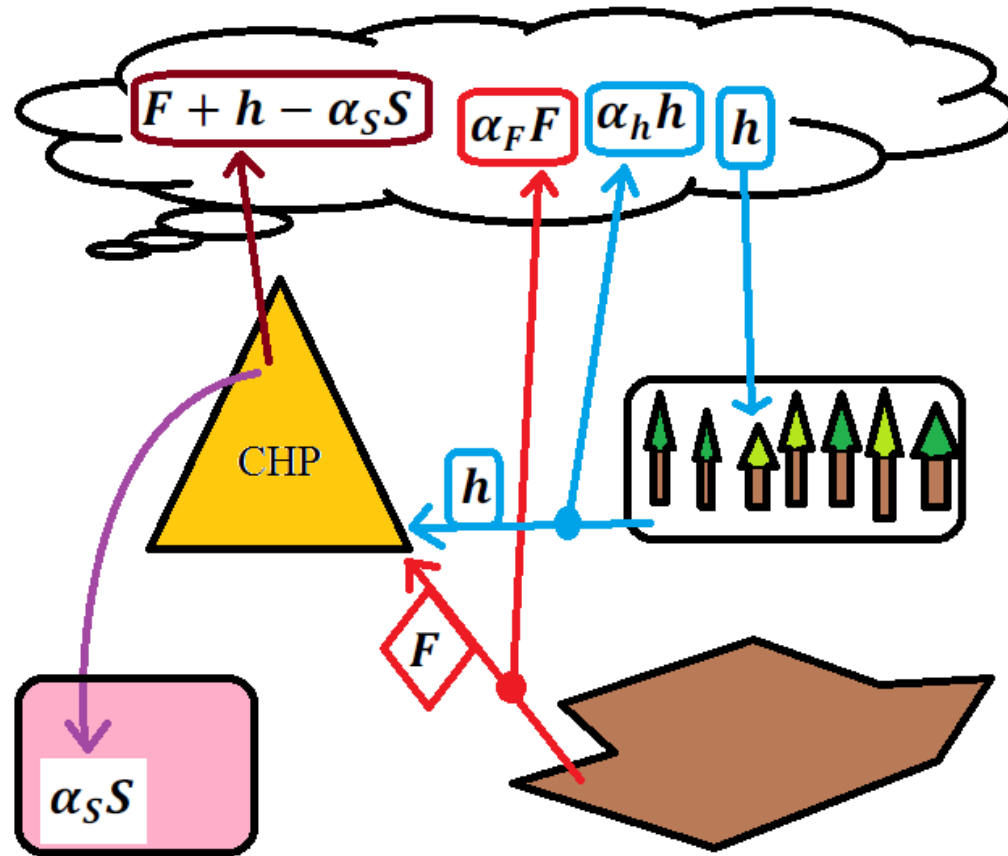
*The model does not include constraints on the total availability of fossil fuels.*

*Motive:*

*Such constraints are assumed not to be binding in the optimal total solution.*

**Hydraulic fracturing also called fracturing and fracking has recently shown that there are very large quantities of fossil fuels available in the world.**





$$\begin{aligned}
 \text{Max } Z &= -k_{\pi}(C_F(F) + C_h(h) + C_S(S)) - k_G((1 + \alpha_F)F + \alpha_h h - \alpha_S S) \\
 \text{s.t. } &F + h \geq M
 \end{aligned}$$

## Mathematical Analysis:

$$\text{Max } Z = -k_{\pi}(C_F(F) + C_h(h) + C_S(S)) - k_G((1 + \alpha_F)F + \alpha_h h - \alpha_S S)$$

s.t.

$$F + h \geq M$$

## Parameter assumptions:

$$k_{\pi} > 0$$

$$k_G > 0$$

$$\alpha_F > 0$$

$$\alpha_h > 0$$

$$0 < \alpha_S < 1$$

$$\alpha_h < 1 + \alpha_F$$



**This constraint is not binding:**

$$S < F + h$$

## Cost function assumptions:

$$C'_F > 0$$

$$C''_F > 0$$

$$C'_h > 0$$

$$C''_h > 0$$

$$C'_S > 0$$

$$C''_S > 0$$

The Lagrange function,  $L$ , is:

$$\begin{aligned} &= -k_{\pi}(C_F(F) + C_h(h) + C_S(S)) \\ &- k_G((1 + \alpha_F)F + \alpha_h h - \alpha_S S) \\ &\quad + \lambda(F + h - M) \end{aligned}$$

The Kuhn Tucker conditions are:

$$F \geq 0; h \geq 0; S \geq 0$$

$$\frac{dL}{dF} \leq 0; \frac{dL}{dh} \leq 0; \frac{dL}{dS} \leq 0$$

$$F \frac{dL}{dF} = 0; h \frac{dL}{dh} = 0; S \frac{dL}{dS} = 0$$

$$\lambda \geq 0$$

$$\frac{dL}{d\lambda} \geq 0$$

$$\lambda \frac{dL}{d\lambda} = 0$$

Here, we have four of the constraints:

$$\frac{dL}{d\lambda} = F + h - M \geq 0$$

$$\frac{dL}{dF} = -k_{\pi} C'_F(F) - k_G(1 + \alpha_F) + \lambda \leq 0$$

$$\frac{dL}{dh} = -k_{\pi} C'_h(h) - k_G \alpha_h + \lambda \leq 0$$

$$\frac{dL}{dS} = -k_{\pi} C'_S(S) + k_G \alpha_S \leq 0$$

**Assumption:**

**The optimal solution is an interior solution.**

$$F > 0; h > 0; S > 0; \lambda > 0$$

**As a consequence, we know that:**

$$\frac{dL}{d\lambda} = 0; \frac{dL}{dF} = 0; \frac{dL}{dh} = 0; \frac{dL}{dS} = 0$$

This means that the following equation system should be solved:

$$\frac{dL}{d\lambda} = F + h - M = 0$$

$$\frac{dL}{dF} = -k_{\pi} C'_F(F) - k_G(1 + \alpha_F) + \lambda = 0$$

$$\frac{dL}{dh} = -k_{\pi} C'_h(h) - k_G \alpha_h + \lambda = 0$$

$$\frac{dL}{dS} = -k_{\pi} C'_S(S) + k_G \alpha_S = 0$$

**The system with four equations and four endogenous variables is partly separable.**

**It may be split into one system with three equations and three endogenous variables ( $F$ ,  $h$  and  $\lambda$ ) and a separate equation with only one endogenous variable,  $S$ .**

**Stars denote optimal values.**



First, we investigate  $S^*$  .

$$\frac{dL}{dS} = -k_{\pi} C'_S(S) + k_G \alpha_S \leq 0$$

$$\left( \frac{dL}{dS} = 0 \right) \Rightarrow \left( C'_S(S) = \frac{k_G \alpha_S}{k_{\pi}} \right)$$

We differentiate the first order optimum condition:

$$-k_{\pi}C''_S(S)dS^* - C'_S(S)dk_{\pi} + \alpha_S dk_G + k_G d\alpha_S = 0$$

$$dS^* = \frac{1}{k_{\pi}C''_S(S)} (-C'_S(S)dk_{\pi} + \alpha_S dk_G + k_G d\alpha_S)$$

## The optimal level of CCS

decreases if we put more weight on the costs of operations.

increases if the marginal cost of global warming increases.

increases if the technical efficiency of CCS increases.

*The derivatives of  $S^*$  with respect to the parameters are the following:*

$$\frac{dS^*}{dk_\pi} = \frac{-C'_S(S)}{k_\pi C''_S(S)} < 0$$

$$\frac{dS^*}{dk_G} = \frac{\alpha_S}{k_\pi C''_S(S)} > 0$$

$$\frac{dS^*}{d\alpha_S} = \frac{k_G}{k_\pi C''_S(S)} > 0$$

Next, we investigate  $F^*$ ,  $h^*$  and  $\lambda^*$  .

The first order optimum conditions are found from this three dimensional equation system:

$$\frac{dL}{d\lambda} = F + h - M = 0$$

$$\frac{dL}{dF} = -k_{\pi} C'_F(F) - k_G(1 + \alpha_F) + \lambda = 0$$

$$\frac{dL}{dh} = -k_{\pi} C'_h(h) - k_G \alpha_h + \lambda = 0$$

We differentiate the equations:

$$\begin{bmatrix} 1 & 1 & 0 \\ -k_{\pi} C'_F & 0 & 1 \\ 0 & -k_{\pi} C'_h & 1 \end{bmatrix} \begin{bmatrix} dF^* \\ dh^* \\ d\lambda^* \end{bmatrix} = \begin{bmatrix} dM \\ C'_F dk_{\pi} + (1 + \alpha_F) dk_G + k_G d\alpha_F \\ C'_h dk_{\pi} + \alpha_h dk_G + k_G d\alpha_h \end{bmatrix}$$

**When we apply Cramer's rule, we need to know  $|D|$ .**

$$|D| = \begin{vmatrix} 1 & 1 & 0 \\ -k_{\pi} C_F'' & 0 & 1 \\ 0 & -k_{\pi} C_h'' & 1 \end{vmatrix}$$

$$|D| = k_{\pi} (C_h'' + C_F'') > 0$$

The derivatives of  $F^*$ ,  $h^*$  and  $\lambda^*$  with respect to  $M$  are determined via Cramer's rule:

$$\frac{dF^*}{dM} = \frac{\begin{vmatrix} 1 & 1 & 0 \\ 0 & 0 & 1 \\ 0 & -k_{\pi} C''_h & 1 \end{vmatrix}}{|D|}$$

$$\frac{dF^*}{dM} = \frac{C''_h}{C''_h + C''_F} > 0$$

$$\frac{dh^*}{dM} = \frac{\begin{vmatrix} 1 & 1 & 0 \\ -k_{\pi} C_F'' & 0 & 1 \\ 0 & 0 & 1 \end{vmatrix}}{|D|}$$

$$\frac{dh^*}{dM} = \frac{C_F''}{C_h'' + C_F''} > 0$$



$$\frac{d\lambda^*}{dM} = \frac{\begin{vmatrix} 1 & 1 & 1 \\ -k_\pi C_F'' & 0 & 0 \\ 0 & -k_\pi C_h'' & 0 \end{vmatrix}}{|D|}$$

$$\frac{d\lambda^*}{dM} = \frac{k_\pi C_F'' C_h''}{C_h'' + C_F''} > 0$$

# If the total energy consumption increases

- the optimal level of fossil energy input increases.
- the optimal level of forest energy input increases.
- the marginal cost of energy input increases.

$$\frac{dF^*}{dM} = \frac{C''_h}{C''_h + C''_F} > 0$$

$$\frac{dh^*}{dM} = \frac{C''_F}{C''_h + C''_F} > 0$$

$$\frac{d\lambda^*}{dM} = \frac{k_\pi C''_F C''_h}{C''_h + C''_F} > 0$$

The derivatives of  $F^*$ ,  $h^*$  and  $\lambda^*$  with respect to  $k_G$  are:

$$\frac{dF^*}{dk_G} = \frac{\begin{vmatrix} 0 & 1 & 0 \\ (1 + \alpha_F) & 0 & 1 \\ \alpha_h & -k_\pi C''_h & 1 \end{vmatrix}}{|D|}$$

$$\frac{dF^*}{dk_G} = \frac{\alpha_h - (1 + \alpha_F)}{k_\pi (C''_h + C''_F)} < 0$$

$$\frac{dh^*}{dk_G} = \frac{\begin{vmatrix} 1 & 0 & 0 \\ -k_\pi C_F'' & (1 + \alpha_F) & 1 \\ 0 & \alpha_h & 1 \end{vmatrix}}{|D|}$$

$$\frac{dh^*}{dk_G} = \frac{(1 + \alpha_F) - \alpha_h}{k_\pi (C_h'' + C_F'')} > 0$$

$$\frac{d\lambda^*}{dk_G} = \frac{\begin{vmatrix} 1 & 1 & 0 \\ -k_\pi C_F'' & 0 & (1 + \alpha_F) \\ 0 & -k_\pi C_h'' & \alpha_h \end{vmatrix}}{|D|}$$

$$\frac{d\lambda^*}{dk_G} = \frac{C_h''(1 + \alpha_F) + C_F''\alpha_h}{C_h'' + C_F''} > 0$$

**If the marginal cost of global warming increases**

**the optimal level of fossil energy input decreases.**

**the optimal level of forest energy input increases.**

**the marginal cost of energy input increases.**

$$\frac{dF^*}{dk_G} = \frac{\alpha_h - (1 + \alpha_F)}{k_\pi (C''_h + C''_F)} < 0$$

$$\frac{dh^*}{dk_G} = \frac{(1 + \alpha_F) - \alpha_h}{k_\pi (C''_h + C''_F)} > 0$$

$$\frac{d\lambda^*}{dk_G} = \frac{C''_h (1 + \alpha_F) + C''_F \alpha_h}{C''_h + C''_F} > 0$$

The derivatives of  $F^*$ ,  $h^*$  and  $\lambda^*$  with respect to  $k_\pi$  :

$$\frac{dF^*}{dk_\pi} = \frac{\begin{vmatrix} 0 & 1 & 0 \\ C'_F & 0 & 1 \\ C'_h & -k_\pi C''_h & 1 \end{vmatrix}}{|D|}$$

$$\frac{dF^*}{dk_\pi} = \frac{C'_h - C'_F}{k_\pi (C''_h + C''_F)} \begin{cases} > \\ = \\ < \end{cases} 0$$

## Observation:

The sign of  $\frac{dF^*}{dk_\pi}$  is expected to change over time, since fossil fuels in the long run become more scarce and more costly to extract.

In most cases, it is assumed that  $\frac{dF^*}{dk_\pi} > 0$  in the year 2014. At some future point in time,  $\frac{dF^*}{dk_\pi} = 0$  and at later points in time  $\frac{dF^*}{dk_\pi} < 0$ .



$$\frac{dh^*}{dk_\pi} = \frac{\begin{vmatrix} 1 & 0 & 0 \\ -k_\pi C_F'' & C_F' & 1 \\ 0 & C_h' & 1 \end{vmatrix}}{|D|}$$

$$\frac{dh^*}{dk_\pi} = \frac{C_F' - C_h'}{k_\pi (C_h'' + C_F'')} \begin{cases} > \\ = \\ < \end{cases} \mathbf{0}$$

## Observation:

The sign of  $\frac{dh^*}{dk_\pi}$  is expected to change over time, since fossil fuels in the long run become more scarce and more costly to extract.

In most cases, it is assumed that  $\frac{dh^*}{dk_\pi} < 0$  in the year 2014. At some future point in time,  $\frac{dh^*}{dk_\pi} = 0$  and at later points in time  $\frac{dh^*}{dk_\pi} > 0$ .

$$\frac{d\lambda^*}{dk_\pi} = \frac{\begin{vmatrix} 1 & 1 & 0 \\ -k_\pi C_F'' & 0 & C_F' \\ 0 & -k_\pi C_h'' & C_h' \end{vmatrix}}{|D|}$$

$$\frac{d\lambda^*}{dk_\pi} = \frac{C_h'' C_F' + C_F'' C_h'}{C_h'' + C_F''} > 0$$

## If the costs of operations are considered more important

the optimal level of fossil energy input increases (now) and decreases (later).

the optimal level of forest energy input decreases (now) and increases (later).

the marginal cost of energy input increases.

$$\frac{dF^*}{dk_\pi} = \frac{C'_h - C'_F}{k_\pi (C''_h + C''_F)} \begin{cases} > \\ = \\ < \end{cases} 0$$

$$\frac{dh^*}{dk_\pi} = \frac{C'_F - C'_h}{k_\pi (C''_h + C''_F)} \begin{cases} > \\ = \\ < \end{cases} 0$$

$$\frac{d\lambda^*}{dk_\pi} = \frac{C''_h C'_F + C''_F C'_h}{C''_h + C''_F} > 0$$

The derivatives of  $F^*$ ,  $h^*$  and  $\lambda^*$  with respect to  $\alpha_F$  are:

$$\frac{dF^*}{d\alpha_F} = \frac{\begin{vmatrix} 0 & 1 & 0 \\ k_G & 0 & 1 \\ 0 & -k_\pi C''_h & 1 \end{vmatrix}}{|D|}$$

$$\frac{dF^*}{d\alpha_F} = \frac{-k_G}{k_\pi (C''_h + C''_F)} < 0$$

$$\frac{dh^*}{d\alpha_F} = \frac{\begin{vmatrix} 1 & 0 & 0 \\ -k_\pi C_F'' & k_G & 1 \\ 0 & 0 & 1 \end{vmatrix}}{|D|}$$

$$\frac{dh^*}{d\alpha_F} = \frac{k_G}{k_\pi (C_h'' + C_F'')} > 0$$

$$\frac{d\lambda^*}{d\alpha_F} = \frac{\begin{vmatrix} 1 & 1 & 0 \\ -k_\pi C_F'' & 0 & k_G \\ 0 & -k_\pi C_h'' & 0 \end{vmatrix}}{|D|}$$

$$\frac{d\lambda^*}{d\alpha_F} = \frac{C_h'' k_G}{C_h'' + C_F''} > 0$$

If the CO<sub>2</sub> emissions from fossil energy operations (per unit) increases, ( $\alpha_F$  increases over time since you have to extract from deeper levels and in more remote places.)

the optimal level of fossil energy input decreases.

the optimal level of forest energy input increases.

the marginal cost of energy input increases.

$$\frac{dF^*}{d\alpha_F} = \frac{-k_G}{k_\pi (C''_h + C''_F)} < 0$$

$$\frac{dh^*}{d\alpha_F} = \frac{k_G}{k_\pi (C''_h + C''_F)} > 0$$

$$\frac{d\lambda^*}{d\alpha_F} = \frac{C''_h k_G}{C''_h + C''_F} > 0$$



The derivatives of  $F^*$ ,  $h^*$  and  $\lambda^*$  with respect to  $\alpha_h$  are:

$$\frac{dF^*}{d\alpha_h} = \frac{\begin{vmatrix} 0 & 1 & 0 \\ 0 & 0 & 1 \\ k_G & -k_\pi C_h'' & 1 \end{vmatrix}}{|D|}$$

$$\frac{dF^*}{d\alpha_h} = \frac{k_G}{k_\pi (C_h'' + C_F'')} > 0$$

$$\frac{dh^*}{d\alpha_h} = \frac{\begin{vmatrix} 1 & 0 & 0 \\ -k_\pi C''_F & 0 & 1 \\ 0 & k_G & 1 \end{vmatrix}}{|D|}$$

$$\frac{dh^*}{d\alpha_h} = \frac{-k_G}{k_\pi (C''_h + C''_F)} < 0$$

$$\frac{d\lambda^*}{d\alpha_h} = \frac{\begin{vmatrix} 1 & 1 & 0 \\ -k_\pi C_F'' & 0 & 0 \\ 0 & -k_\pi C_h'' & k_G \end{vmatrix}}{|D|}$$

$$\frac{d\lambda^*}{d\alpha_h} = \frac{C_F'' k_G}{C_h'' + C_F''} > 0$$

If the CO2 emissions from forest operations (per unit) decrease, ( $\alpha_h$  may decrease thanks to more railways in remote areas etc.)

the optimal level of fossil energy input decreases.

the optimal level of forest energy input increases.

the marginal cost of energy input decreases.

$$\frac{dF^*}{d\alpha_h} = \frac{k_G}{k_\pi (C_h'' + C_F'')} > 0$$

$$\frac{dh^*}{d\alpha_h} = \frac{-k_G}{k_\pi (C_h'' + C_F'')} < 0$$

$$\frac{d\lambda^*}{d\alpha_h} = \frac{C_F'' k_G}{C_h'' + C_F''} > 0$$



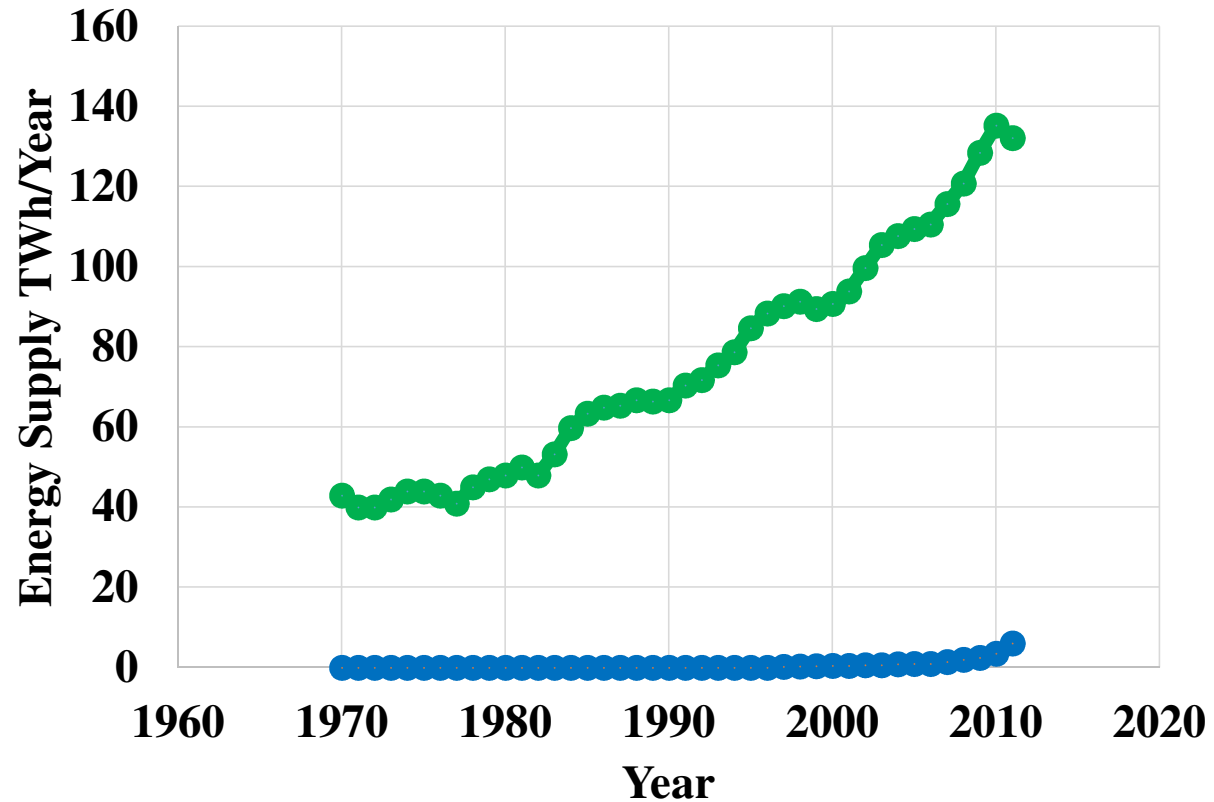
*Now, we investigate  
the real world!*

*First, let us look at the  
"total energy supply"  
in a small country, Sweden:*

## Two sources of energy supply in Sweden

Bioenergy = Green

Wind power = Blue

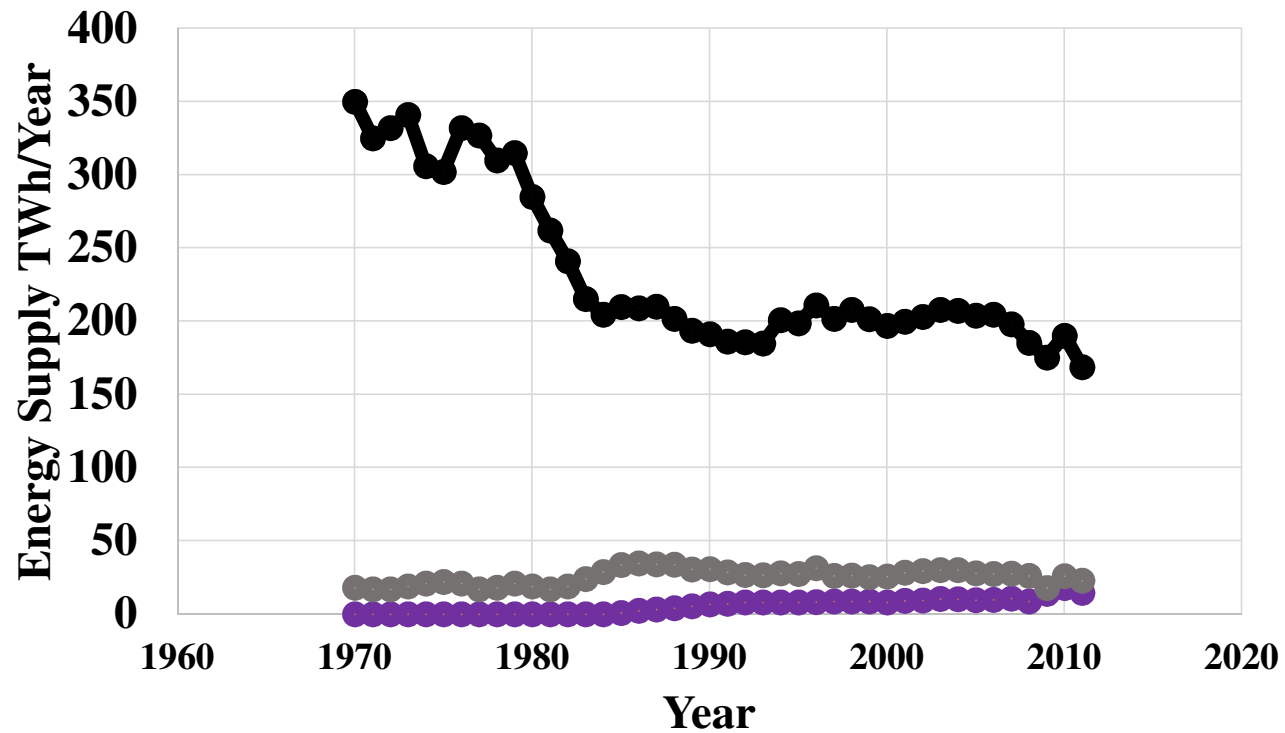


## Three sources of energy supply in Sweden

Oil = Black

Coal = Grey

Natural Gas = Purple



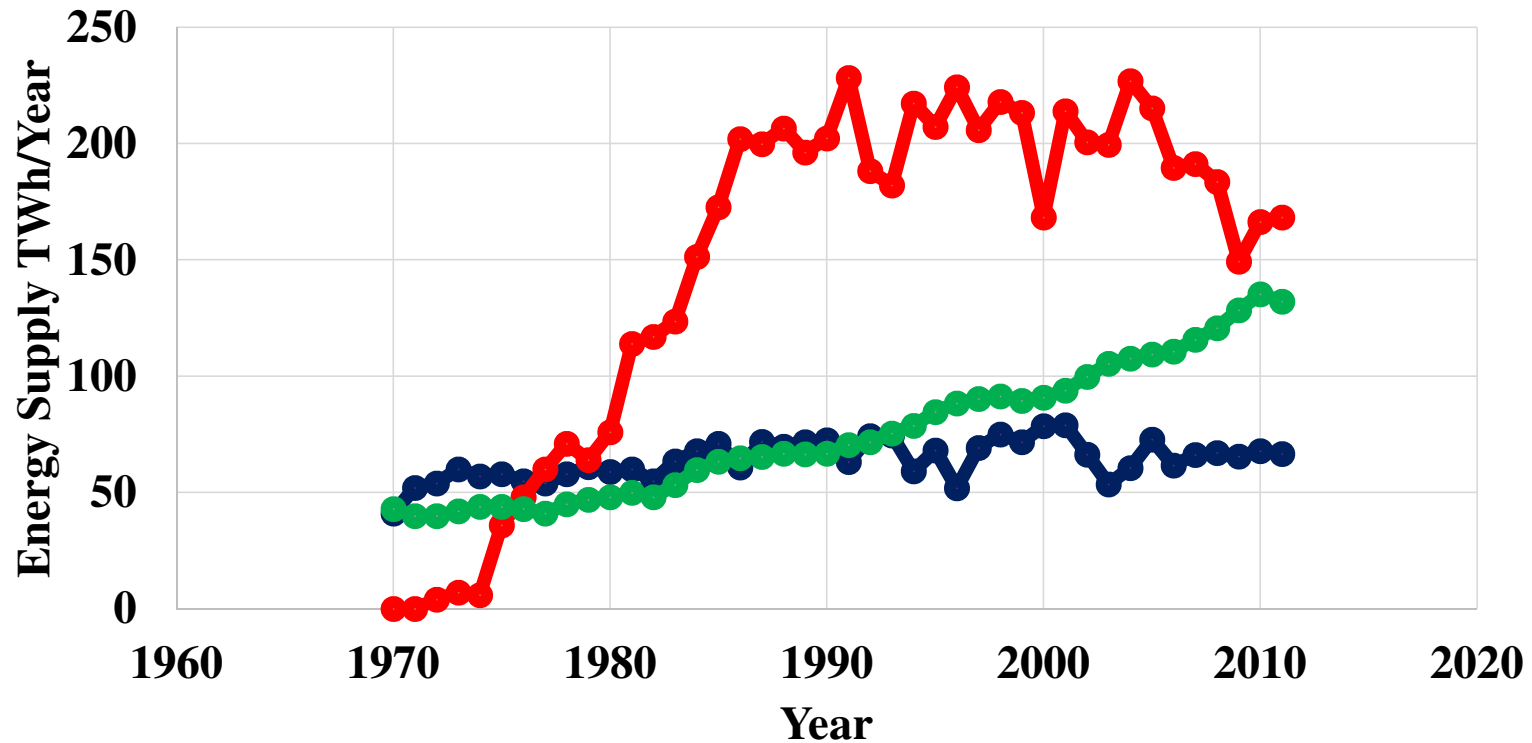


**Three sources of energy supply in Sweden**

**Nuclear energy (Gross value) = Red**

**Bioenergy = Green**

**Hydro energy (Gross value) = Dark Blue**



*Now, let us look at the  
"total energy supply"  
in combined heat and power plants  
in Sweden:*



**e.on**

Händelö CHP

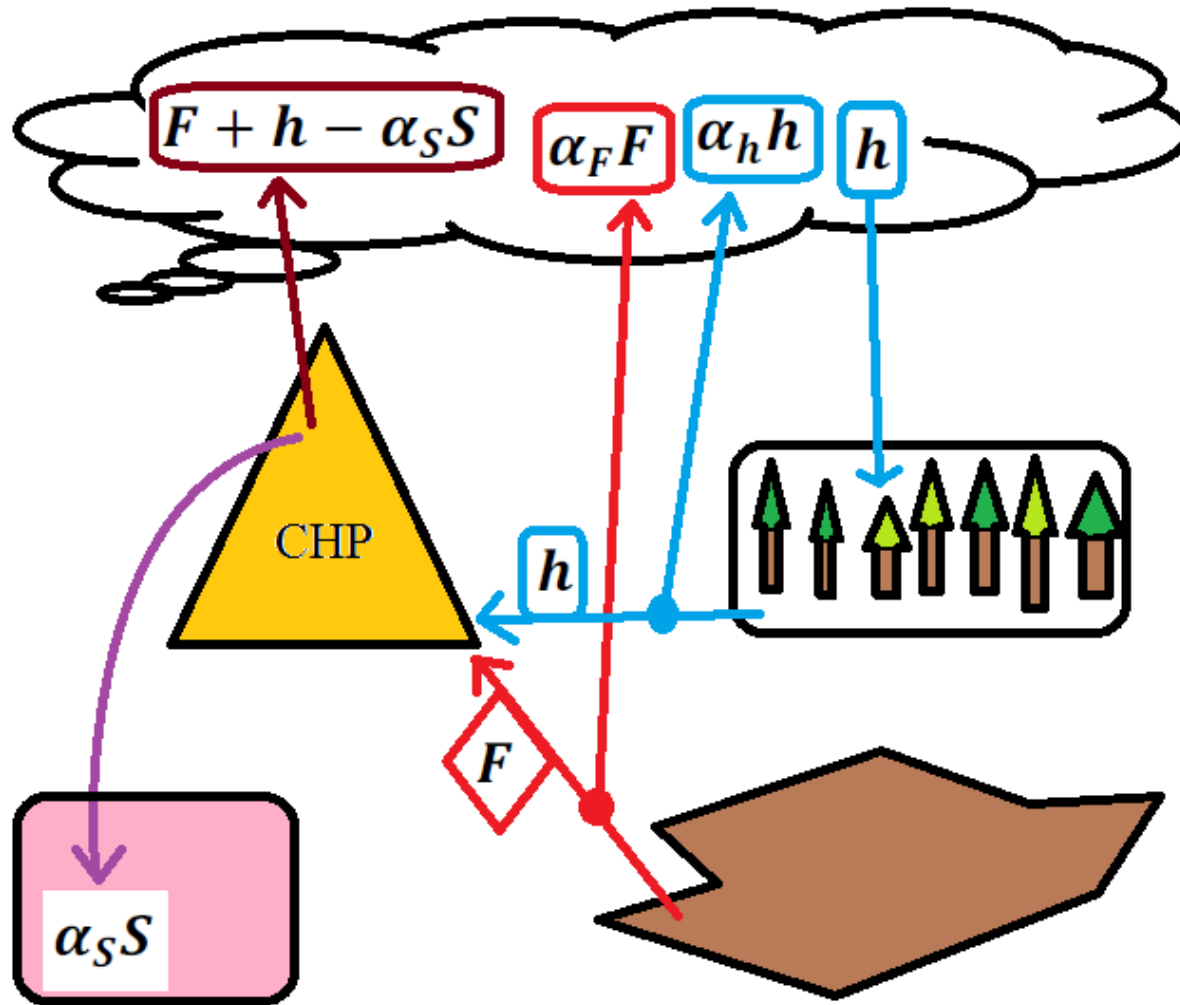
Norrköping, Sweden

*Pictures by*

*Peter Lohmander*

*2008-12-11*





The Lohmander Energy, Forest, Fossil Fuels, CCS and Climate System Optimization Model









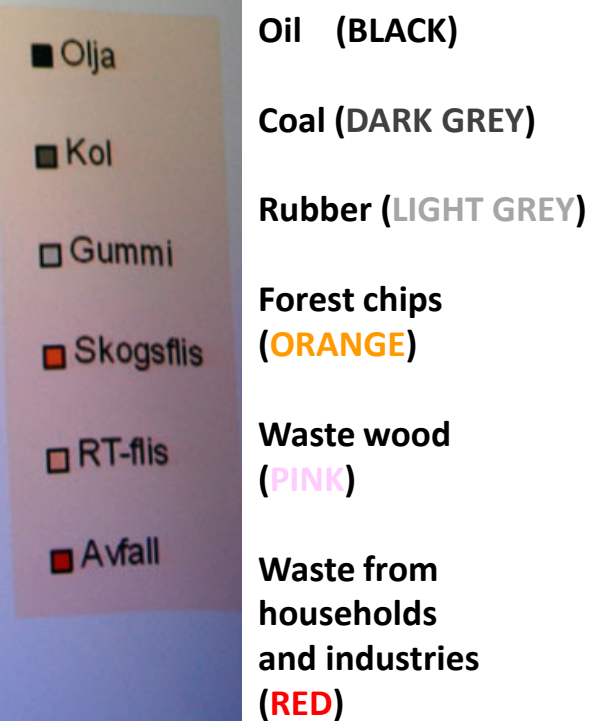
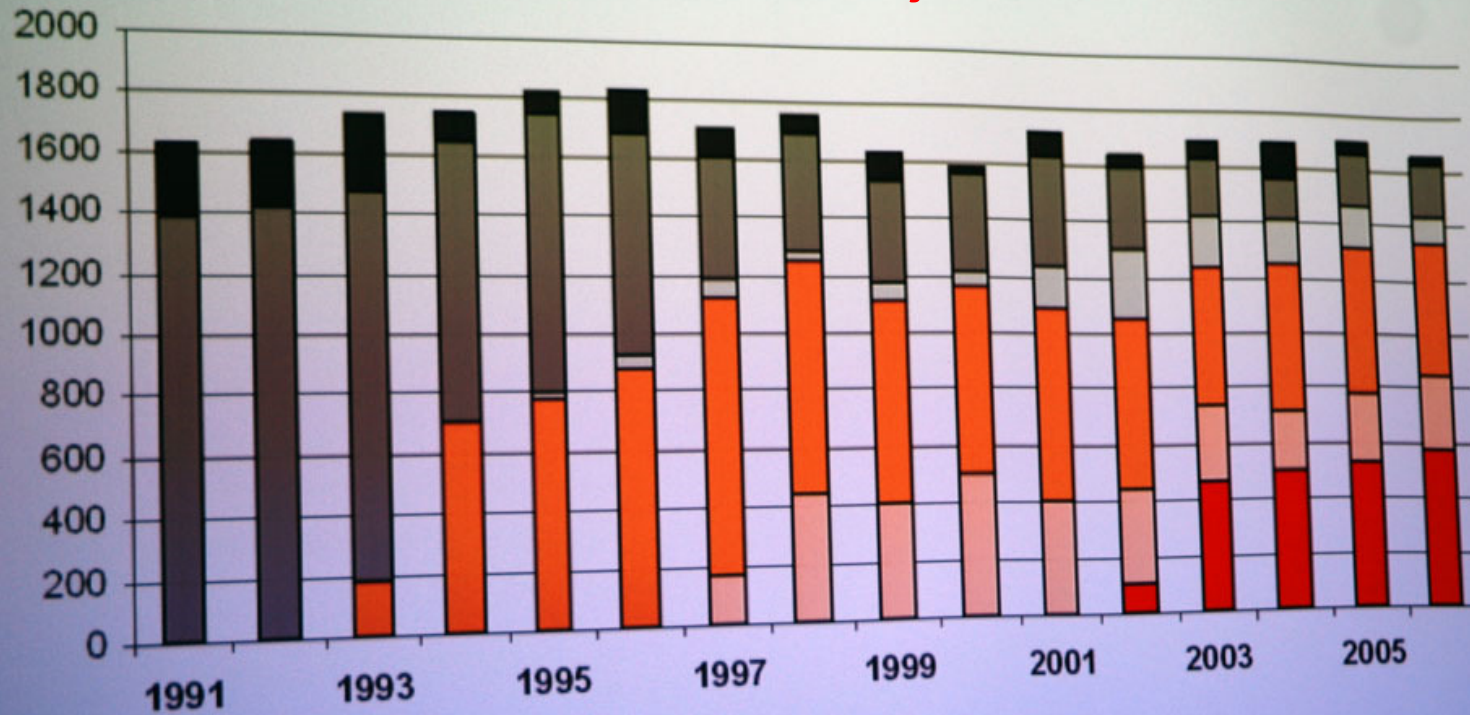




# Bränslemix 1991 - 2006

## Fuel mix 1991 – 2006 E.On, Händelö CHP

GWh



**The increasing use of bioenergy and decreasing use of coal and oil can be explained by the increasing tax on fossil fuels (“CO2 taxation”).**

*Summary of the CO2 tax policy in Sweden from the International Institute for Sustainable Development*  
<http://www.iisd.org/greenbud/sweden.htm>

### **The Policy in Brief**

- Economic Instrument: Carbon dioxide tax.
- Problem: Emissions of greenhouse gases which may induce global warming.
- Goal: Reduce or stabilize CO2 emissions, generate revenue for the national budget and serve as a model for applications internationally.
- Description: A tax on CO2, levied primarily on fossil fuels including oil, coal, natural gas, LPG and gasoline. Part of the wider energy taxation system, the tax is generally higher for the household sector than for the industrial one so as not to hamper competitiveness on international markets.
- Administering Institution: National Tax Board (Sweden).

## Can we increase the bioenergy supply from forests without negative effects on the CO<sub>2</sub> net uptake?

- In large parts of the world, such as Russian Federation, **forest stocks are close to dynamic equilibria**, in the sense that the net growth (and net carbon uptake) is close to zero.
- **If these forests will be partly harvested, the net growth and CO<sub>2</sub> uptake can increase.**



























# The classical dynamic natural resource model (Verhulst 1837):

$$\frac{dx}{dt} = sx \left( 1 - \frac{x}{K} \right)$$

$$x(t) = \frac{K}{1 + Ce^{-st}}$$

$$\lim_{t \rightarrow \infty} x(t) = K$$

$(s > 0)$

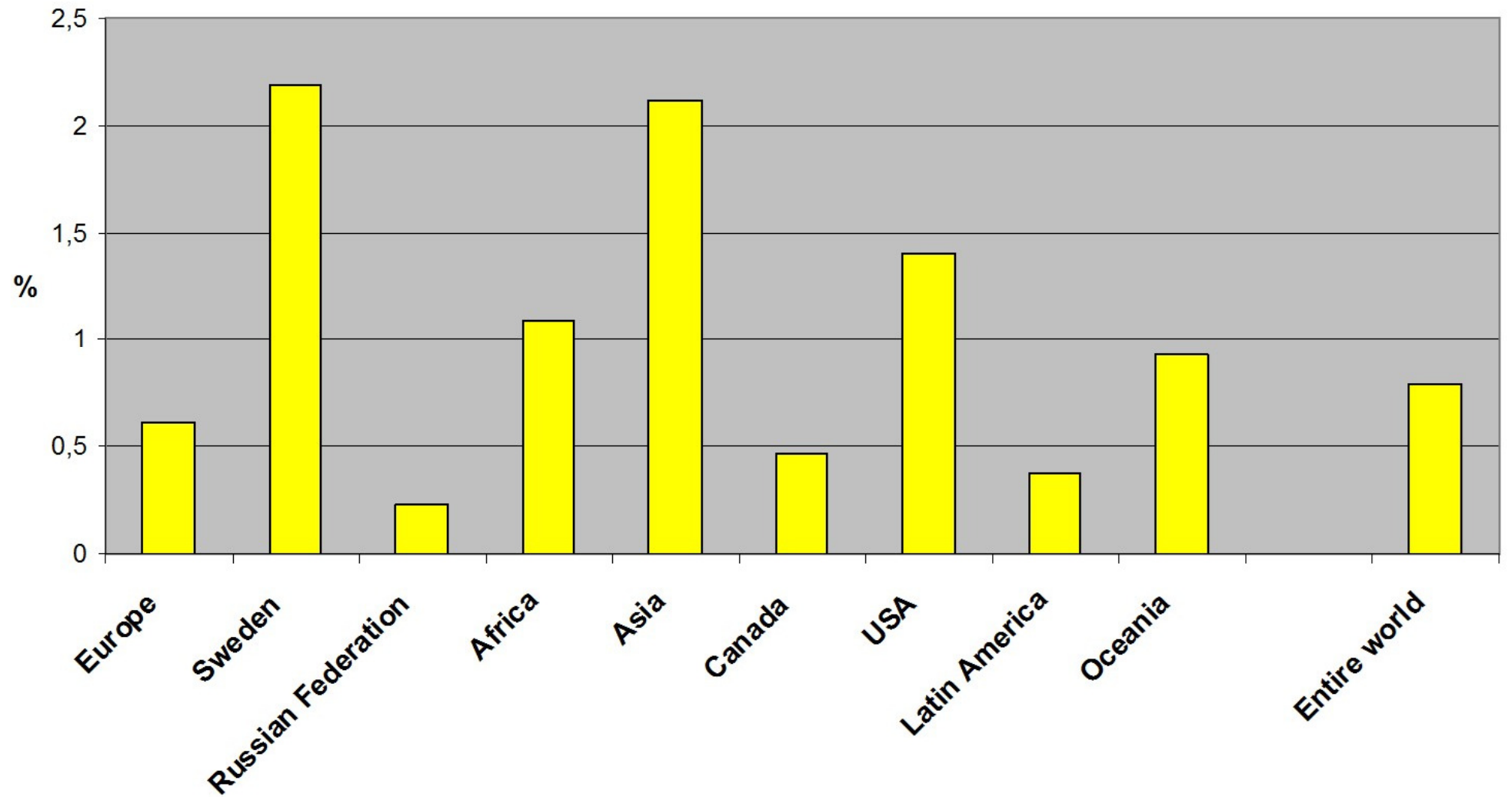
$$\lim_{\substack{t \rightarrow \infty \\ (s > 0)}} \left( \frac{dx}{dt} \right) = 0$$

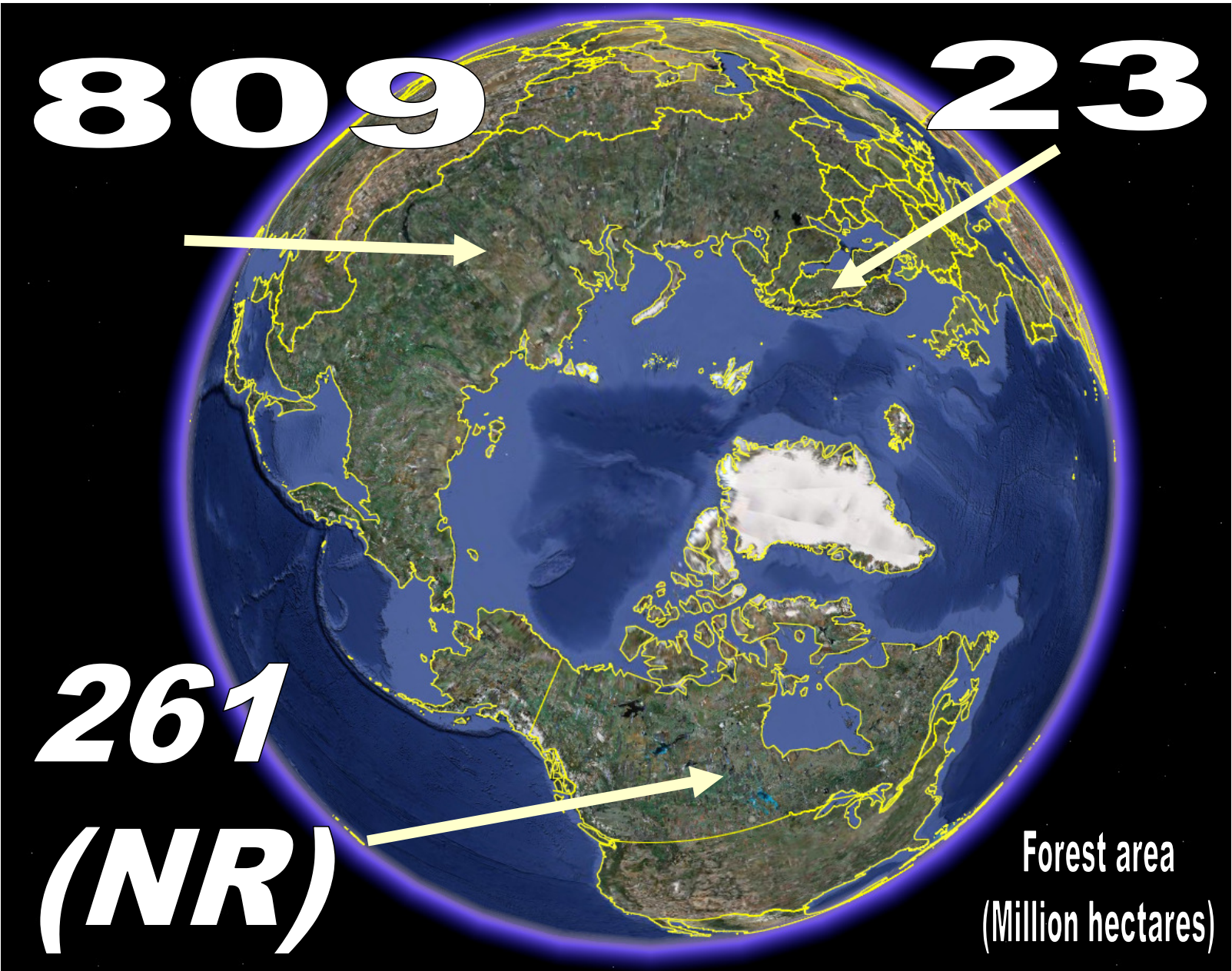
*Such forests do not change the carbon level of the atmosphere.*

## **Conclusion:**

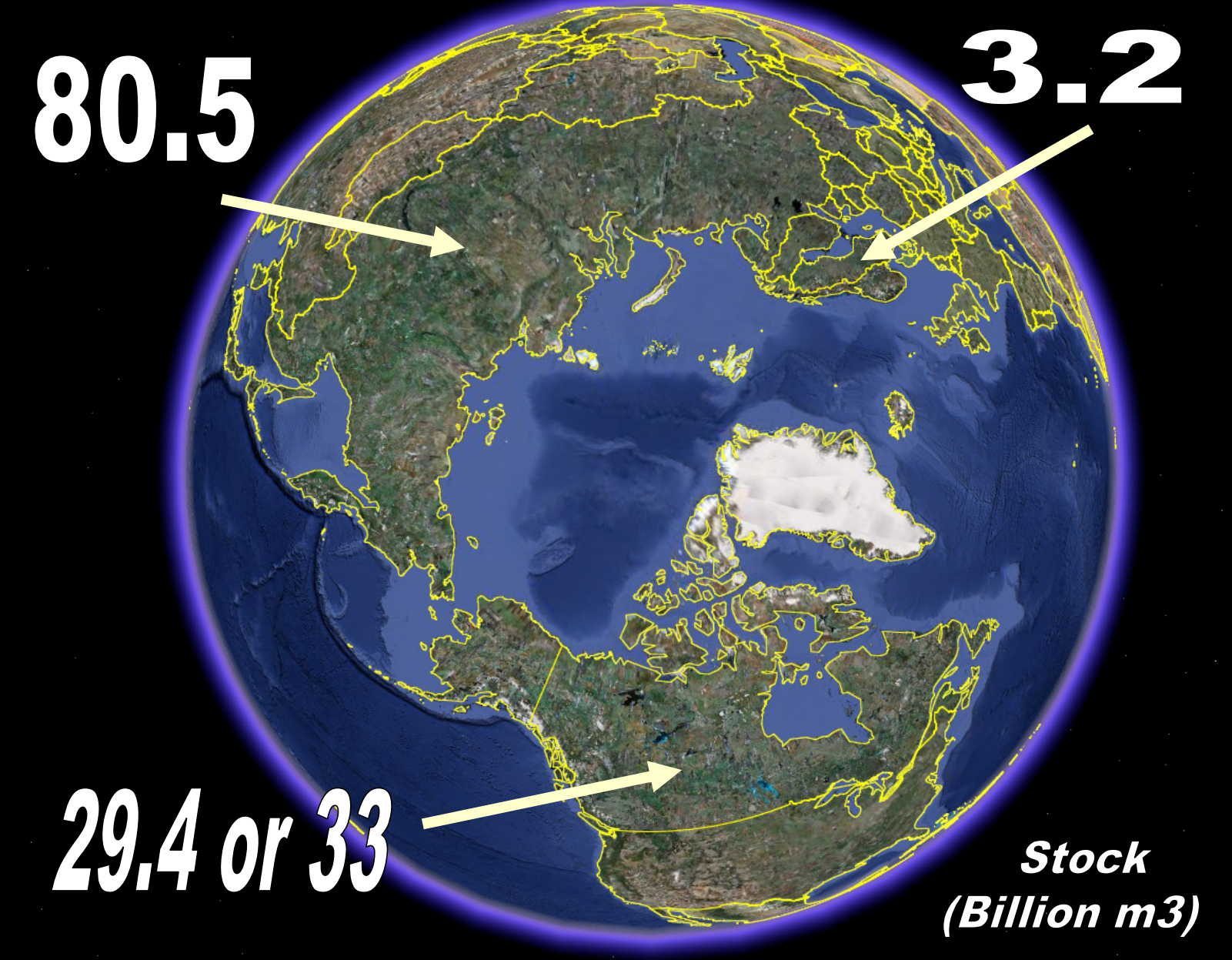
*Yes, we can increase the bioenergy supply from the forests very much without negative effects on the CO<sub>2</sub> net uptake!*

## Harvest (2008) under bark / Stock (2005 or 2008) over bark

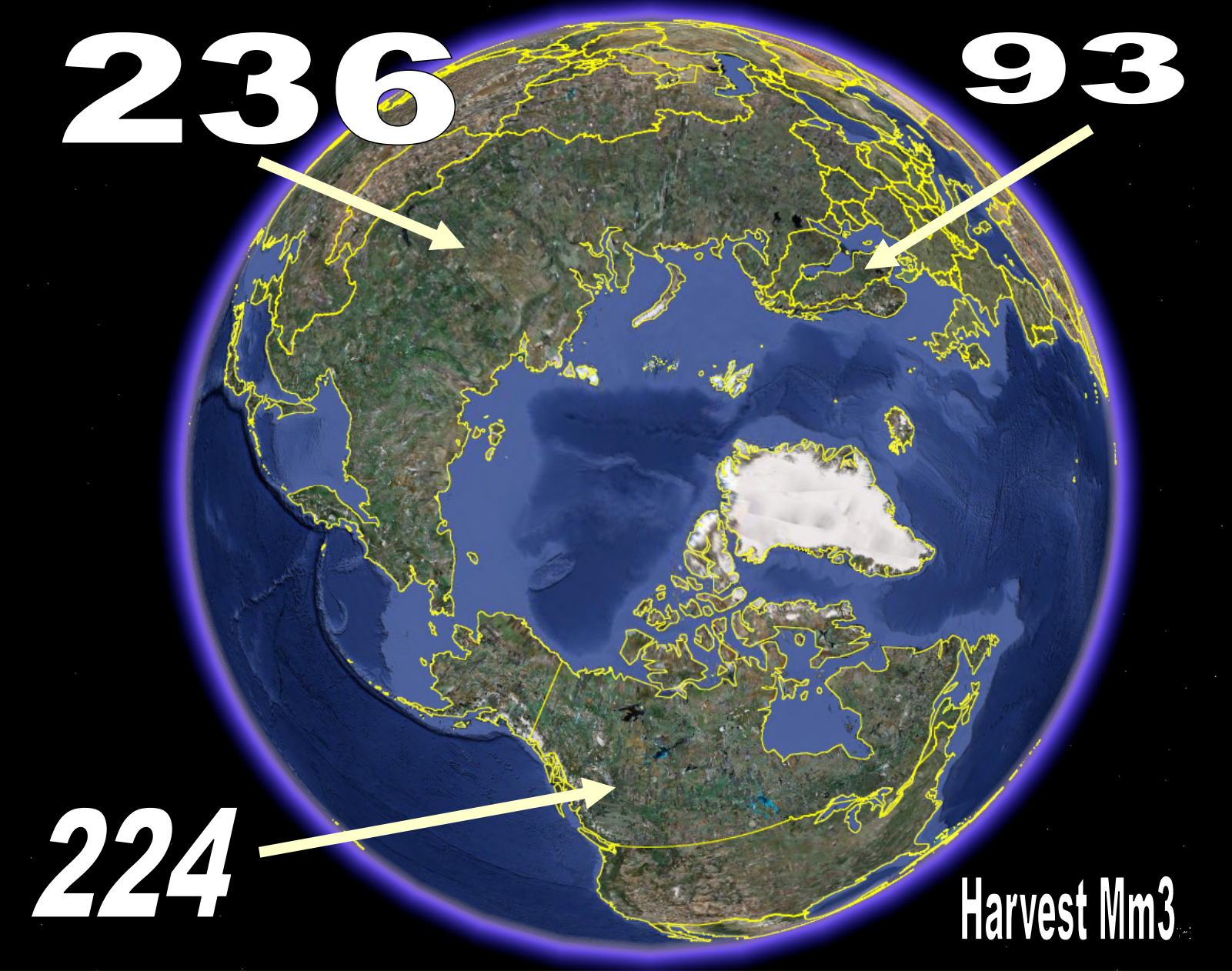


























# Annual Allowable Cut utilization rate, %



## **Conclusion:**

**The sustainable bioenergy supply from the forests of Russian Federation can increase very much.**

# *Focus on Canada*

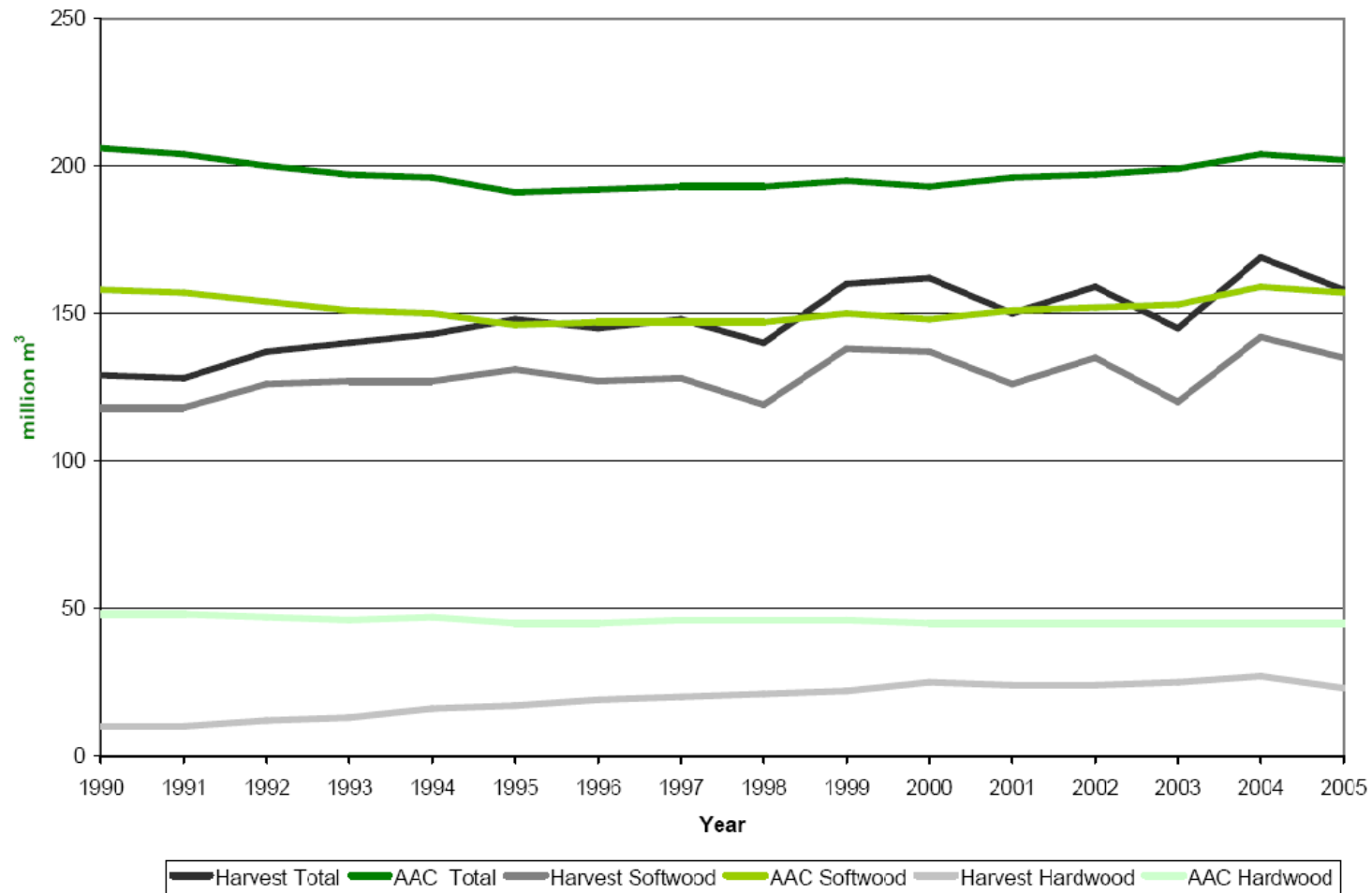


Figure 5.3a Allowable annual cut versus actual harvest (provincial crown land), 1990–2005 (million m<sup>3</sup>) (CCFM, 2008).

*Criteria and Indicators of Sustainable Forest Management in Canada: National Status 2005*

Data updated: January 2008

© Canadian Council of Forest Ministers

<http://www.ccfm.org/ci/rprt2005/English/pdf/5.3a.pdf>





Natural Resources  
Canada

Ressources naturelles  
Canada

<http://www.canadaforests.nrcan.gc.ca/articletopic/14>

**A global endowment**

Article Date: 2005-09-01

**About 750 000 hectares—or 0.2 percent of the total boreal forest  
—are harvested each year.**

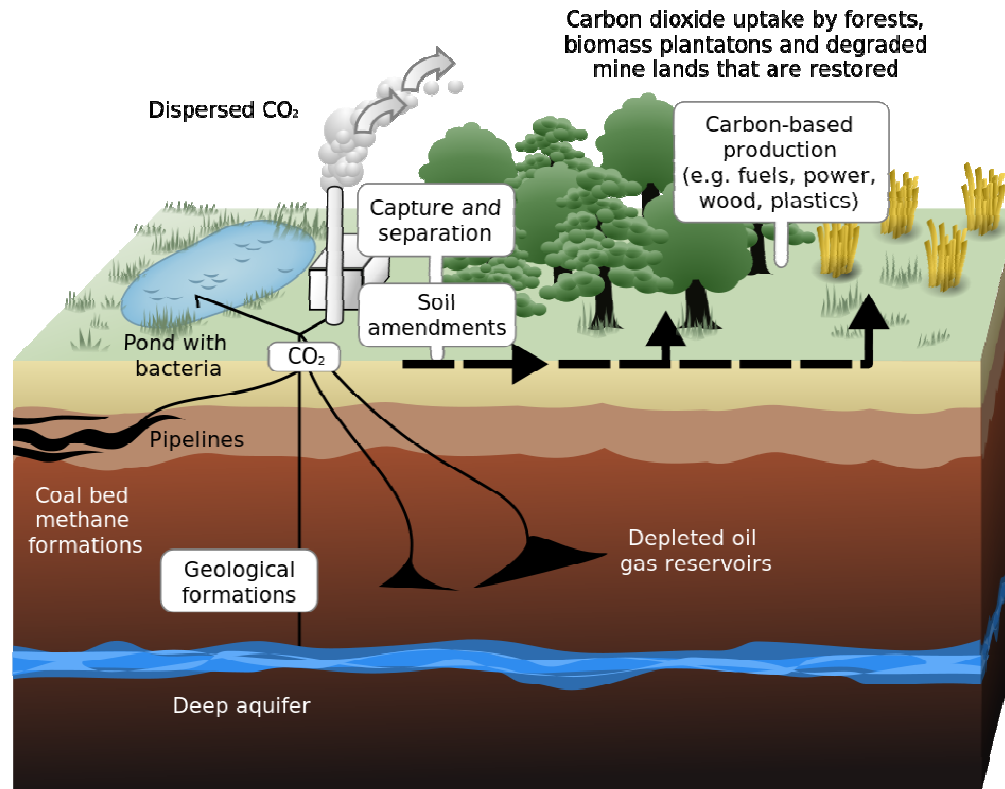
**The part not managed for timber production is either  
unavailable because it has been designated as  
protected areas and reserves,  
or currently considered inaccessible.**

**Unlike the forests of the United States, Scandinavia and the  
majority of other nations,  
most of Canada's forests (93 percent) are publicly owned.  
The remaining 7 percent are held by private owners.**

## **Conclusion:**

**The sustainable bioenergy supply from the forests of Canada can increase very much.**

# Maybe **CCS** (**Carbon Capture and Storage**) is also a useful component in our problem?



- In Norway (**Statoil**) and UK (**British Petroleum**) , **CCS** (**Carbon Capture and Storage**) has been applied and a commercially attractive option during many years and the physical potential is large.
- [Carbon Capture & Storage - BP Technology - YouTube](#)
- With increasing **carbon taxes** in all parts of the world, such developments could be expected everywhere.

***Vattenfall, a Swedish energy company, is also active in Germany and in CCS research.***

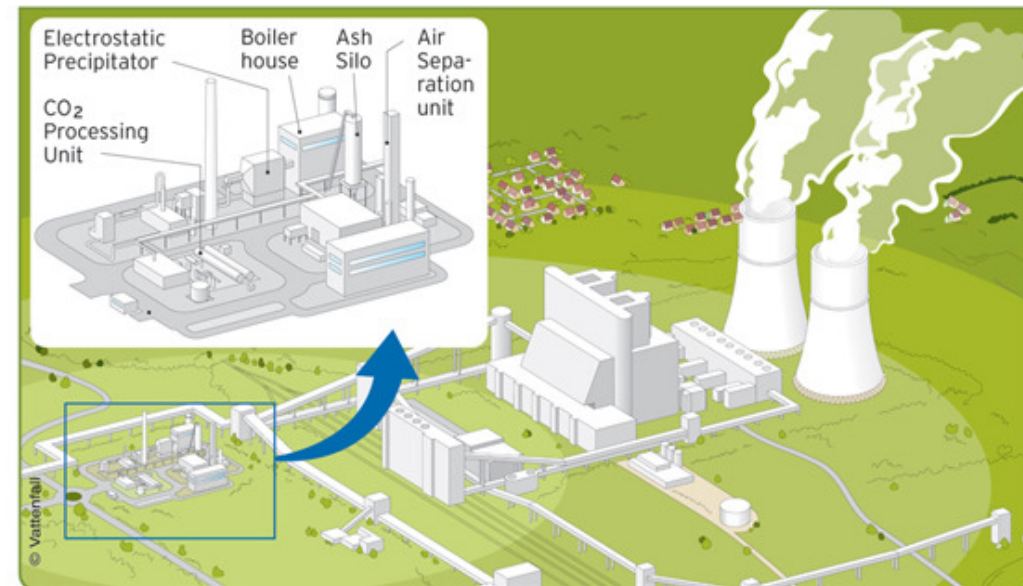




Picture of the Oxyfuel pilot plant in Schwarze Pumpe - May 2008

## Vattenfall and Carbon Capture and Storage

Carbon Capture and Storage - CCS - is the method of capturing carbon dioxide compressing it into liquid form and storing it deep underground in suitable geological formations.



# TECHNOLOGY



- Capture of CO2
- Geological storage of CO2
- Transport of CO2



CO<sub>2</sub> capture and storage (CCS)

# With increasing levels of forest inputs in combination with CCS, it is possible to reduce the CO<sub>2</sub> in the atmosphere and the global warming problem can be managed.

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**International trade in forest based energy can improve international relations, regional development and environmental conditions.**

**The “2020” targets of EU with respect to renewable energy, can be met, in an economically favorable way, with bioenergy from the forests of Russian Federation.**

**Lohmander, P., Methodology for optimization of coordinated forestry, bioenergy and infrastructure investments with focus on Russian Federation, Moscow State Forestry University Forest Bulletin, ISSN 1727-3749, No 84, Issue 1, 2012**

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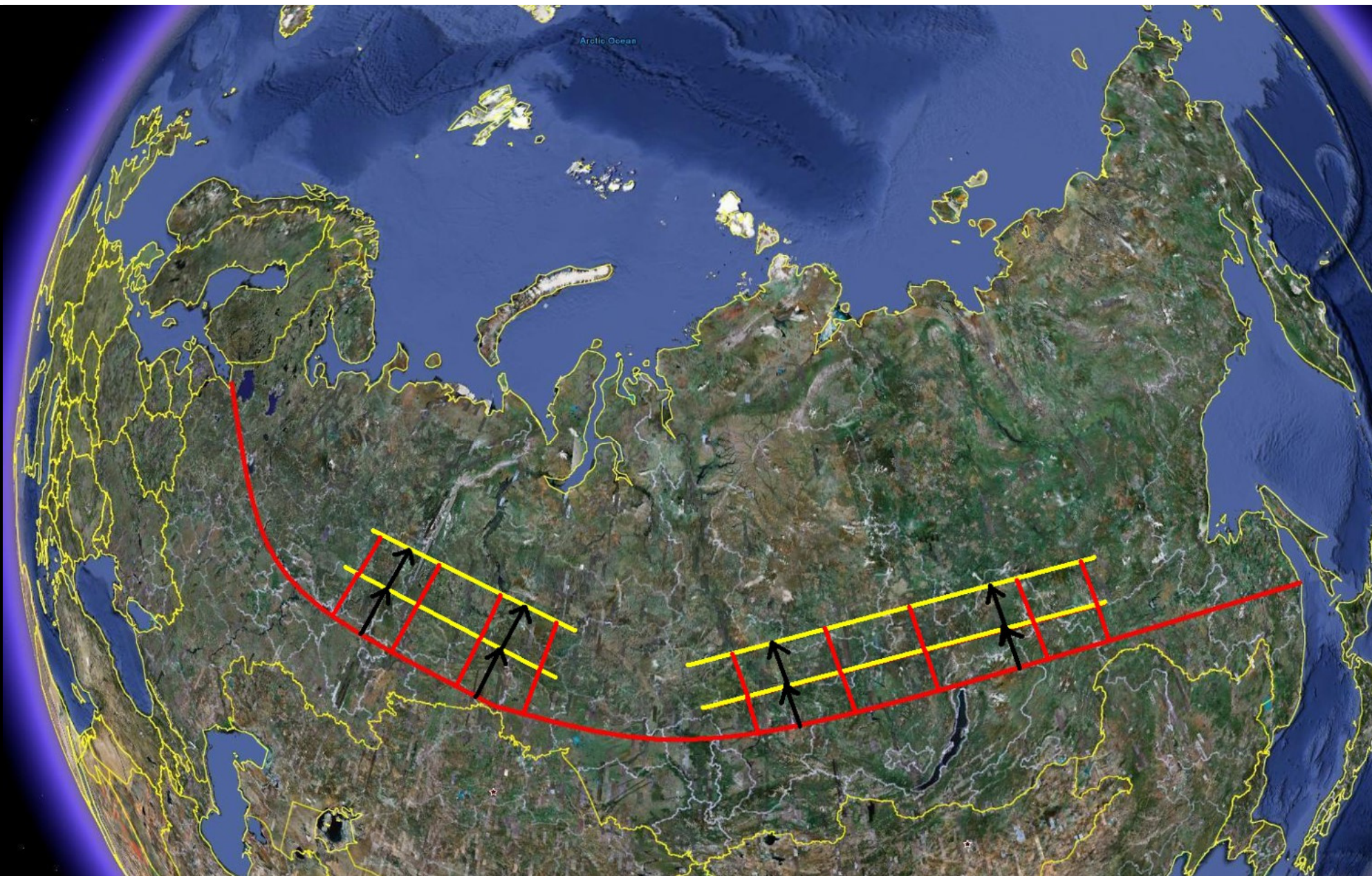
A satellite-style map of Russia and surrounding regions, including parts of Europe, the Arctic Ocean, and the Pacific Ocean. A thick red line is drawn across the map, starting from the western coast of Russia, curving southwards through the middle of the country, and then extending eastwards towards the Pacific coast. The text is overlaid on the top left portion of the map.

**Lohmander, P., Methodology for optimization of coordinated forestry, bioenergy and infrastructure investments with focus on Russian Federation, Moscow State Forestry University Forest Bulletin, ISSN 1727-3749, No 84, Issue 1, 2012.**

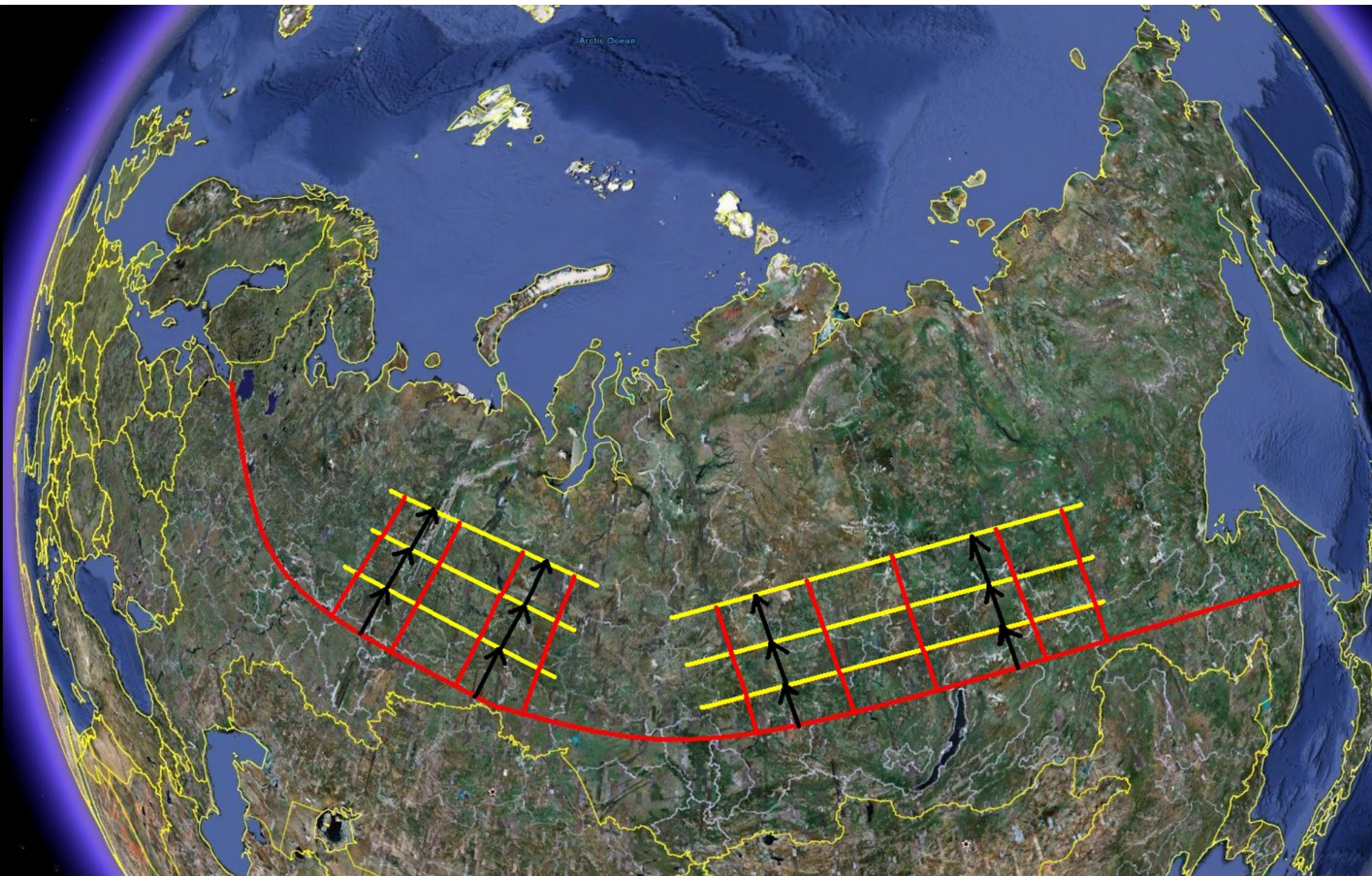






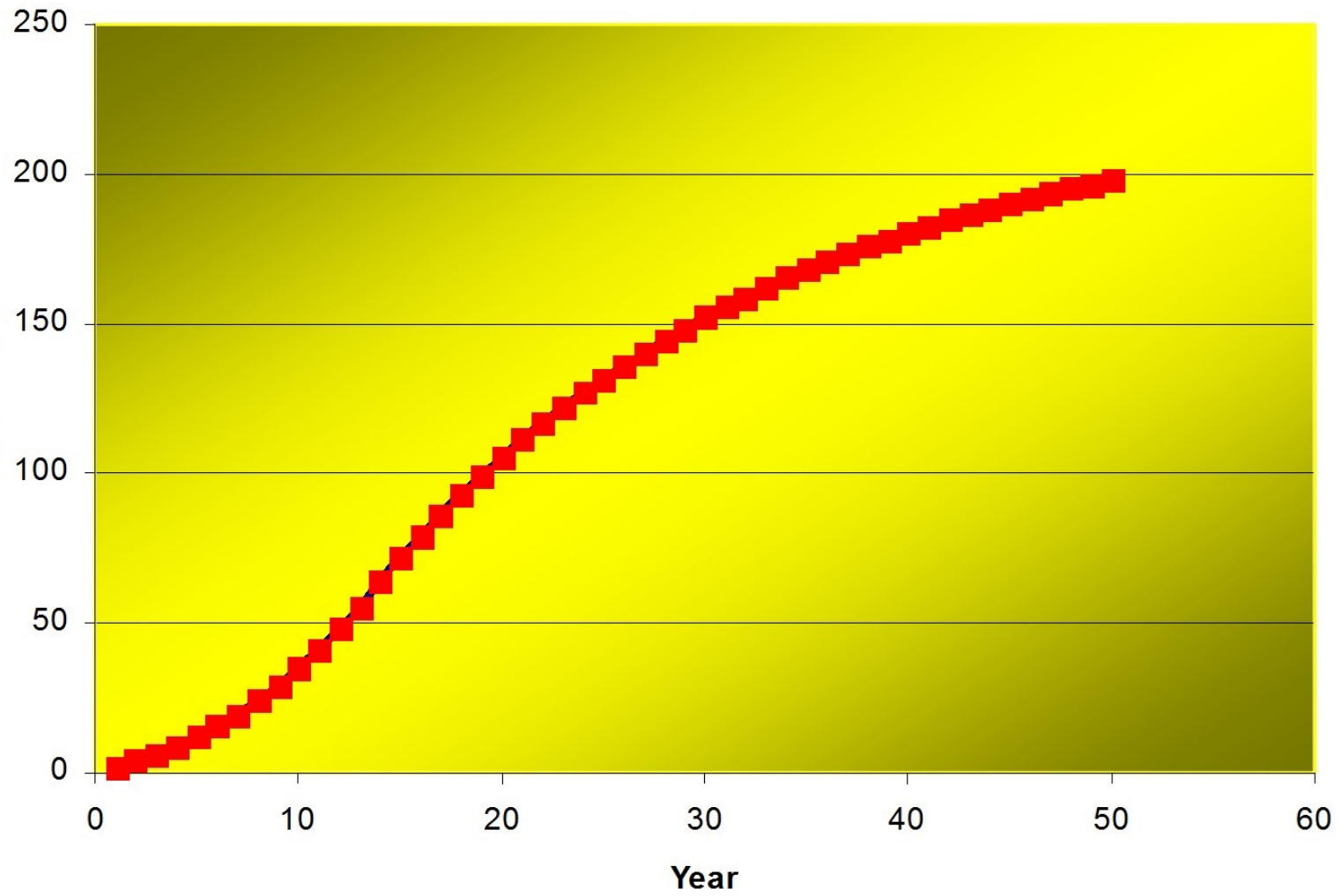








## Present Value (1000 Million Euro)



## **CONCLUSIONS:**

*With increasing levels of forest inputs in combination with CCS, it is possible to reduce the CO<sub>2</sub> in the atmosphere and the global warming problem can be managed.*

*Furthermore, international trade in forest based energy can improve international relations, regional development and environmental conditions.*

*All suggestions concerning future cooperation projects are welcome!*

*Thank you!*

*Peter Lohmander*



**With expanded bioenergy based on forest resources,  
we may simultaneously and sustainably reduce  
global warming, improve economic results,  
international relations and environmental conditions**

**Professor Dr Peter Lohmander**

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**BIT's 4th Annual World Congress of Bioenergy**

Theme: Roadmap Toward 2020

September 21-23

Qingdao International Convention Center, Qingdao, China



## **With expanded bioenergy based on forest resources, we may simultaneously and sustainably reduce global warming, improve economic results, international relations and environmental conditions**

Professor Dr. Peter Lohmander, SLU, Sweden, <http://www.Lohmander.com>  
[Peter@Lohmander.com](mailto:Peter@Lohmander.com)

- In the production of district heating, electricity and many other energy outputs, we may use fossil fuels and renewable inputs, in different combinations. The optimal input mix is a function of technological options, prices of different inputs and costs of alternative levels of environmental consequences.
- Even with presently existing technology in combined heat and power plants, it is usually possible to reduce the amount of fossil fuels such as coal and strongly increase the level of forest based energy inputs.
- In large parts of the world, such as Russian Federation, forest stocks are close to dynamic equilibria, in the sense that the net growth (and net carbon uptake) is close to zero. If these forests will be partly harvested, the net growth and CO<sub>2</sub> uptake can increase.
- In Norway and UK, CCS has been applied and a commercially attractive option during many years and the physical potential is large. With increasing carbon taxes in all parts of the world, such developments could be expected everywhere.
- With increasing levels of forest inputs in combination with CCS, it is possible to reduce the CO<sub>2</sub> in the atmosphere and the global warming problem can be managed. Furthermore, international trade in forest based energy can improve international relations, regional development and environmental conditions.

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## APPENDIX

The classical dynamic natural resource model:

$$\frac{dx}{dt} = sx \left(1 - \frac{x}{K}\right)$$

$$\frac{dx}{dt} = sx - \frac{s}{K}x^2$$

$$\frac{dx}{dt} = sx(1 + \gamma x), \quad \gamma = -K^{-1}$$

$$\frac{1}{x(1 + \gamma x)} dx = s dt$$

$$\frac{1}{x(1 + \gamma x)} = \frac{m}{x} + \frac{n}{1 + \gamma x}$$

$$\frac{m}{x} + \frac{n}{1 + \gamma x} = \frac{(1 + \gamma x)m + nx}{x(1 + \gamma x)}$$

$$\frac{(1 + \gamma x)m + nx}{x(1 + \gamma x)} = \frac{1}{x(1 + \gamma x)}$$

$$(1 + \gamma x)m + nx = 1$$

$$m + m\gamma x + nx = 1$$

$$m + (m\gamma + n)x = 1$$

Observation:

$$m + (m\gamma + n)x = 1 \forall x$$

$$\begin{cases} m = 1 \\ m\gamma + n = 0 \end{cases}$$

Solution:

$$(m, n) = (1, -\gamma)$$

$$\frac{1}{x(1 + \gamma x)} dx = s dt$$

$$\left(\frac{m}{x} + \frac{n}{1 + \gamma x}\right) dx = s dt$$

$$\left(\frac{1}{x} - \frac{\gamma}{1 + \gamma x}\right) dx = s dt$$

$$\frac{dLN(1 + \gamma x)}{dx} = \frac{\gamma}{1 + \gamma x}$$

$$\frac{1}{x} dx - \frac{\gamma}{1 + \gamma x} dx = s dt$$

$$\int \frac{1}{x} dx - \int \frac{\gamma}{1 + \gamma x} dx = \int s dt$$

$$LN(x) - LN(1 + \gamma x) = st + C_1$$

$$LN\left(\frac{x}{1 + \gamma x}\right) = st + C_1$$

$$e^{LN\left(\frac{x}{1 + \gamma x}\right)} = e^{st + C_1}$$

$$\frac{x}{1 + \gamma x} = C_2 e^{st}$$

$$x = (1 + \gamma x) C_2 e^{st}$$

$$x(1 - C_2 \gamma e^{st}) = C_2 e^{st}$$

$$x = \frac{C_2 e^{st}}{1 - C_2 \gamma e^{st}}$$

$$x = \frac{1}{\frac{1}{C_2} e^{-st} - \gamma}$$

$$\gamma = -K^{-1}$$

$$x = \frac{1}{\frac{1}{C_2} e^{-st} + \frac{1}{K}}$$

$$x(t) = \frac{K}{1 + C e^{-st}}$$

$$\lim_{\substack{t \rightarrow \infty \\ (s > 0)}} x(t) = K$$

$$\frac{dx}{dt} = \frac{KsC e^{-st}}{(1 + C e^{-st})^2}$$

$$\lim_{\substack{t \rightarrow \infty \\ (s > 0)}} \left(\frac{dx}{dt}\right) = 0$$