

SLOVENIA

Diversify the rural economy

Location
Zreče

Programming period
2007 – 2013

Axis / Priority
Axis 3 – quality of life in rural areas and diversification of the rural economy

Measure
M311 - Diversification into non-agricultural activities

Funding (EUR)
Total budget 472 787
EAFRD 196 091
National/regional 65 364
Private 211 332

Project duration
2014 – 2015

Project promoter
Irena Smogavc

Contact
gregor@smogavc.com

Website
www.smogavc.com

A farm used RDP support to set up a micro district heating system to produce heating from wood biomass and at the same time expand its leisure and tourism facilities.

Summary

The Smogavc family has been for many years engaged in farming and running a guest house. When it was time to modernise the heating system, the family decided to use wood biomass and also create a new source of income by providing heating to the neighbouring buildings.



At first a wood biomass micro district heating system was set up. The infrastructure to connect the heating system with the neighbouring residential centre was also installed. Later on one additional biomass furnace was installed and the heating system was extended to two other farm houses, the nearby parish, a religious education study room and one individual house. Three apartments were set up and equipped. A log cabin was constructed from local wood with a sauna and a small children playground with outdoor fitness was set up as well.

Results

Seven buildings are now connected to the biomass district heating system.

School groups visit the farm to learn about renewable energy and how the district heating system operates.

The family has now invested in the production of solar energy using their own funds.

The new apartments available on the farm have a steady growth rate in visits for the last 3 years.

The income from off-farm activities has been growing slowly and has exceeded the income generated from farming.

Lessons & Recommendations

- ❑ What turned out to be critical was the ability of the family to secure long-term contracts for the distribution of the heating energy. Marketing should be considered an important part of the overall management.
- ❑ The combination of the farm tourism, and generation and distribution of heating energy posed challenges on how to organise the space on the farm. The farm needed to remain attractive for visitors and at the same time to have the necessary space for the needs of the district heating.



Context

The Smogavc family lives in a small village of Gorenje pri Zrečah, in northern Slovenia. The farm's main activity is livestock breeding. Besides farming, the family has been successfully running a guesthouse for over twenty years. Much of the food offered in the guest house is grown on the farm.

When it was time to modernise the heating system, the family decided to use wood biomass and better exploit their own wood resources. This led to the idea of setting up a micro district heating system. With the support of experts, the investment was planned and the application for the support from the RDP was submitted. The family also realised that this was also an opportunity to further develop the touristic potentials of the farm.

Objectives

The objective of the project was to replace the old heating system with one that would use wood biomass and provide heating to neighbouring buildings.

Activities

In 2008, they implemented the first phase of the project. A wood biomass micro district heating system was set up. The beneficiaries constructed a building with a boiler room and storage for the woodchips. They also installed the infrastructure to connect the heating system with the neighbouring residential centre. A bank loan was necessary to implement this investment. The family hired an expert company, which carried out the project and also trained the investor on how to operate the system. The farm holding signed contracts with neighbouring owners for the distribution of the heating energy.

In the second phase, one additional biomass furnace was installed and the heating system was extended to two other farm houses, the nearby parish, a religious education study room and one individual house. Three apartments were set up and equipped on the upper part of the building constructed during the first phase of the project. A log cabin was constructed from local wood with a sauna. In the vicinity of guest house, a small children playground with outdoor fitness was set up as well.

Main results

- In total, seven buildings are now connected to the biomass district heating system. It is estimated that the capacity of the generated heating energy can cover the needs of approximately 30 households.
- The farm uses predominately its own wood biomass which is turned into woodchips by external contractors. Some quantities are also supplied by four neighbouring farms, while the rest of the needed quantities are purchased on the market. The maintenance and management of the heating system is done by the family.
- The use of wood biomass and the district heating has become an interesting topic for the neighbouring residential school centre. The teachers often bring school groups to the farm to learn about renewable energy and how the district heating system operates.
- The family has now invested in the production of solar energy using their own funds.
- The new apartments available on the farm have a steady growth rate in visits for the last 3 years.
- The income from off-farm activities has been growing slowly and has exceeded the income generated from farming.

Key lessons

- Investments in biomass heating systems for distribution should be planned very carefully. What turned out to be critical was the ability of the family to secure long-term contracts for the distribution of the heating energy. It was a positive circumstance at the time that the neighbouring owners were also in a similar phase regarding the modernisation of the heating system, and found the offered solution appropriate. Marketing should be considered an important part of the overall management.
- For the Smogavc family the combination of the farm tourism, and generation and distribution of heating energy posed challenges on how to organise the space on the farm. The farm needed to remain attractive for visitors and at the same time to have the necessary space for the needs of the district heating.

Additional sources of information

n/a