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**Content:**

- The pellets@las project after 30 months of activity
- Pellet Market country reports
  - Austria, Romania, Italy, France, Hungary, Slovakia, Czech Republic, UK, Ireland, Germany, Switzerland, Netherlands, Bulgaria, Greece, Malta, Cyprus, Poland.
- International logistics of wood pellets for heating and power production in Europe investigated
- Pellets@las Workshop in Hungary
- Pellets@las Workshop in Greece
- Now YOU can influence the EU Research and Development Policy for Biomass for Heating and Cooling!
- CEN/TC 383: European Committee of Standardization for Sustainable production of biomass for energy
- 17th European Biomass Conference and Exhibition
  - 3rd Biomass Industry Day
  - Joint Workshop by EUBIONET III & IEA Bioenergy Task 40
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The aim of the PELLETS@LAS project is to contribute to the development of a transparent European pellets market through the collection of pellet market data in 29 European countries. The collected data is provided to the public via a web-based information platform: [www.pelletsatlas.info](http://www.pelletsatlas.info).

The data presented on the website includes:

- \*) a geographical overview of wood pellet plants in Europe,
- \*) general market data on production capacities, production and consumption,
- \*) pellet end user prices in all European pellet markets,
- \*) prices for large volumes delivered to Rotterdam harbor,

Apart from the databases, the website provides general descriptions of recent developments on the European markets for wood pellets and for mixed biomass pellets (agro pellets) and information on international pellet trade is presented. Downloadable pellet handbooks (English, Danish, Polish, Italian and German) and the pellets@las telephone hotline to experts across Europe guarantee that interested industry stakeholders or end-consumers find the answer to their questions concerning pellet use, production and pellet markets.

**The pellets@las project after 30 months of activity**

The pellets@las project is co-financed by the EU under the Intelligent Energy Europe Programme. Activities started in January 2007 and will continue until December 2009.

The core of the action is a survey of the European pellet markets. For data collection a methodology was developed: By sending questionnaires to a large number of pellet market stakeholders and through close cooperation with national pellet or biomass industry associations, a comprehensive market data set (prices, produced / consumed volumes, production capacities and market actors) is available in databases on the pellets@las website ([www.pelletsatlas.info](http://www.pelletsatlas.info)).

The findings are presented in a number of **country reports**. A first set of reports is already downloadable and the full report is about to be published. The country reports give a full account of all national pellet markets in Europe including background information that allows an understanding of past developments and the forecasting of future opportunities.

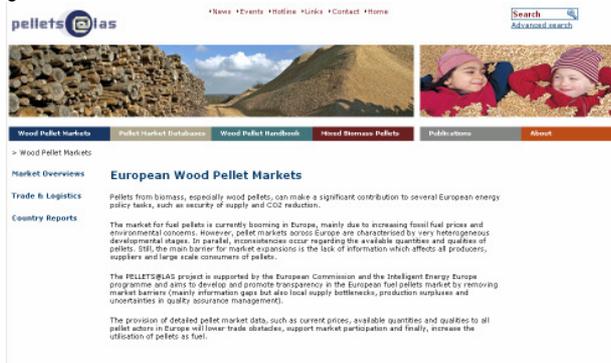
The pellets@las **website** itself was re-programmed. A new design and additional content helps users find information on pellets. Improved user friendliness and data accessibility make the site more attractive. This is the first step towards the development of a stand-alone service and information platform for the European pellet community. Furthermore, the databases are currently being re-programmed in order to facilitate data handling and accessibility. The pellets@las consortium is in close contact with a number of national organisations and a strategy for the long-term maintenance of the platform is being developed.

**Final PELLETS@LAS project seminar  
Brussels, 18th November 2009**

This seminar will be the opportunity to discuss the status of the European pellet market and future developments with political decision makers on an national and international level, stakeholders from all areas of pellet production, distribution and utilisation as well as industry representatives.

Further details about this event will be available until soon.

Among others, new contents and reports on pellets from agricultural biomass (**MBP**: mixed biomass pellets) are available. One MBP publication describes the legal background for MBP utilisation in several European countries. Besides the legal framework concerning emission thresholds and legal fuels, quality requirements on MBP are addressed. Other reports describe the general MBP market development in Europe and an overview of recent MBP production activities is given.



New Pellets@las website

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The pellets@las project also aims at implementing four **feasibility studies for MBP production** in Germany, Slovakia, Poland and Greece. In a first step a methodology for the selection of suitable production sites was developed. Only when the specific requirements particularly biomass availability, access to rail and road networks and sufficient space are met, can production can be done economically. It became clear that in all selected sites the straw from wheat and grains is the most prominent agricultural waste material. Thus, all feasibility studies analysed the potential for “free” straw which is not used for agricultural and other purposes so far. Based on this analysis the plant parameters were defined. For allowing a basic analysis of the economic feasibility of the selected sites an excel tool which allows a simplified profit and loss analysis on a 10 years basis was prepared. Based on this calculation tool it became clear that all sites could be operated under economic terms.

New information concerning **international pellet trade** was made available. Please download an updated version of the report on *Wood pellet markets in Russia, Belarus and Ukraine* and the new *Analysis of the global pellet market*.[\[provide hyperlink\]](#)

In order to make available more general information on pellets to the interested members of the public, an existing Danish **pellet handbook** was translated into English, Polish and Italian. All handbooks are available at [www.pelletsatlas.info](http://www.pelletsatlas.info). After the **pellet workshops** in the UK and Poland, two additional workshops were organised in Hungary and Greece in order to transfer knowledge in less developed pellet markets. The last pellets@las workshop will be organised in November 2009 in France on the occasion of a meeting of the newly founded national pellet producers syndicate SNPGB.

Do not miss **further information** that will become available during the next months:

- A full overview report on the European pellet market, including comprehensive analyses of all European national markets:
- The final reports on producers, traders, consumers and the logistics of wood pellets:
- The final report on the European MBP market:
- Other detailed analyses of different pellet market structures, future developments, opportunities for pellet spot markets and pellets-related European standards,
- The final pellet conference in November 2009 in Brussels!

By : Wolfgang Hiegl, WIP Renewable Energy.

### Pellet Market country report



#### **Austria**

47 % of Austria is covered with forest with spruce being the main tree species. In 2002 the stock of wood per hectare amounted to 325 solid cubic meters This high density of woodland enabled Austria to establish one of the most important wood industries worldwide. In 2005 Austria stood directly behind Canada, Sweden, USA, the Russian Federation and Finland in the rankings of biggest wood exporting countries.

These conditions explain the long tradition of forestry and woodworking industry which led to a multitude of sawmills scattered over Austria, which directly provide the raw material for pellets and thus were the basis for the development of the pellet industry, predominantly small- and medium-sized plants. In 2008 24 pellet plants had a production capacity of around 980.000 tonnes/year and their production was coming in at 626.000 tonnes.

The pellet market is characterised by its local nature, which means that there are no long transports routes for raw material to the pellet plants and for the pellets to the end consumers, because a well established home market for pellets exists in Austria (the national consumption 2008 surpassed 500.000 tonnes). Nevertheless the production capacity of the plants exceeds the national consumption by far; that's why Austria is one of Europe's major pellet exporters. Nearly all of the export goes to Italy. The most relevant import countries are Germany followed by the Czech Republic and Romania.

Initiated through strict air pollution legislation the pellet market in Austria has been continuously growing since the mid 1990's and has reached by now a highly developed level regarding pellet quality as well as the quality of the heating devices (boilers, stoves). The pellet consumption market is mainly confined to the residential heating sector, the main heating device for pellets being an automatically stocked pellet boiler with a heat output up to 50 kW.

The large-scale consumption of pellets for the production of electricity (as it is already common in northern Europe) is of no importance in Austria. Still there is a firm market for industrial pellet heating systems and a growing market for pellet heating systems in multiple family dwellings in suburban areas.

To aid development of the pellet market the national association proPellets Austria was founded in 2005 with the aim to promote the distribution of pellet heating systems. The existence of this strong and well organised association in combination with long-term financial incentives through politics is why pellets are highly successful in Austria.

The current economic crisis has led to a significant decline in timber sales. As a consequence less raw material for pellet production is available. To widen the raw material base and a nation-wide storage concept will be the main challenges for the Austrian pellet industry for the next few years.



#### **Romania**

Romania is characterized by extremely high primary energy intensity, compared to the EU-27 average. According to the national strategies for Energy Efficiency and for the Use of Renewable Energy Sources, Romania's target is to reduce the primary energy intensity and to increase the weight of the renewable energy in the national gross energetic consumption. Romania has 6.3 million hectares of forest, which accounts for 28 % of the total land area and the demand for energy from renewable raw materials is growing in Romania due to a high dependency on fossil fuel imports and especially in view of the EU Renewable Energy Directive. Therefore bio energy is considered one of the most promising growth markets (the energy potential of biomass is approximately three times higher than the potential of wind energy). However, although this sector shows great potential, it has barely been utilized.

Within the country, the biomass energy sector is divided. Wood production is concentrated in the Carpathians and the lower

Carpathians, while agricultural by-products are produced in the south of the country and the region of Moldavia.

Presently biomass, such as wood and wood chips, is used to heat private households and provide them with warm water. In addition, a small amount is used in modern and low-emission power plants.

Although the number of newly built pellet plants had increased rapidly within the last few years, the use of wood pellets in Romania especially for private heating is still very limited. At least 80 % of the production is exported. The most relevant export countries are Italy followed by Austria, Hungary and Germany. The large-scale consumption of pellets for the production of electricity (as it is already common in northern Europe) is of no importance in Romania. Still there already exists a small market for industrial pellet heating systems and for district heating.

To promote the development of a national pellet market a Romanian pellet association was founded in 2008.

To convince the Romanian government of long-term incentives for the installation of pellet heating devices and to implement the European standard to guarantee pellet quality will be the main challenges for the Romanian pellet industry for the next few years.

There is a large amount of wood waste available throughout the country. But utilisation of this wood for energy purposes is insufficient due to difficulties related to gathering, processing and transportation. A number of studies conducted in the last years showed that these wood wastes are economically viable resources which only recently are used for the production of pellets.

In Romania the pellet market is under development, in particular for heat generation. The main barriers and drivers for the growth of the market are listed below.

Major barriers for further market growth

**For pellet production:**

- Heterogeneous raw material still makes it difficult to guarantee a constant high quality of the pellets.
- Insufficient infrastructure regarding especially the road network.
- Small pellet plants still face difficulties to find buyers for their pellets without relevant home market and the export being no cost-efficient alternative due to high transport costs.

**For pellet consumption:**

- High investment costs for pellet heating devices.

**With the growing of the consumption market further barriers are likely to surface:**

- Problems with the pellet quality.
- Deficiencies in the installation of the pellet heating systems.
- The supply security of pellets as a fuel.

**Major drivers for further market growth**

**For pellet production:**

- The development of a home market for pellets (depending on incentives).
- In view of the EU directive for renewable energies 2020 a considerable growth in pellet demand can be expected.
- Expansion and rehabilitation of the road networks.

**For pellet consumption:**

- Subsidies for the installation of pellet heating systems would boost the market very efficiently.
- Implementation of quality control for pellets.
- Special trainings for installers (in the long run).
- Nation-wide storage concepts are going to be developed to ensure supply security (in the long run).



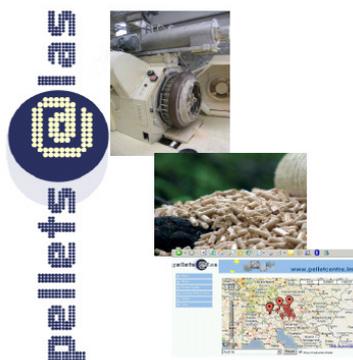
**Italy**

The Italian wood pellet market developed almost exclusively for domestic heating in the residential sector. House owners typically purchase pellets in small bags (15 kg) to feed their little stoves.

The pellet market in Italy has experienced a fast growth since the beginning of the millennium and not even very high prices in the winter of 2005 have significantly slowed down this development. According to our research, the annual pellet consumption in Italy has grown from 150,000 tonnes in 2001, to approximately 800,000 tonnes in 2008. However, this kind of estimation is very difficult and other sources provide figures near to 1 million ton/year.

Also the production has grown constantly from 160,000 tonnes in 2001 to approx. 650,000 tonnes in 2008. In Italy there is a large number of small or medium size producers, currently we can count more than 90 companies. Among those, only twenty exceed an annual production of 5000 tons. Most of them started their activities using own sawmill waste as raw material. Recently, shortages of raw material occurred and wood as raw material has to be imported, especially from the Balkans, Romania and Bulgaria. Large amounts of pellets are also imported from Austria and Slovenia.

The pellets price in Italy is very volatile depending on the season. There are also large price differences among different regions. The shortage of pellets supply in the winter of 2005 resulted in pellet prices up to over 300 euro/tonne for small bags. After this, prices in 2007 and 2008 have been more stable and usually rise to approx. 240 euro/ton during the winter.



Development and promotion of a transparent European Pellets Market  
Creation of a European real-time Pellets Atlas

**Pellet market country report**

The Country reports are available on the website



## France: overview of the pellet market evolution

When I was at the European Pellet Conference in Wels last February, I realized that the French's pellet market is often considered as mysterious by our neighbour countries. I was asked, among other things, about the consistency between its high potential and its relatively slow growth in terms of production and consumption and the role of the different organizations involved. Let us then try to clarify the different issues.

France is definitely a big potential market for pellets. Production and consumption are growing each year but at a reasonable rate with no big gap between offer and demand. The specific current situation of our market can be explained at the level of demand, of offer and of external influences including public policies.

### The demand

As far as the demand is concerned, and first considering the residential market, France shows a variety of climate conditions which in turn offers opportunities both for stove and boiler uses. One break to a rapid pellet development is the lack of a strong tradition of wood as a source of energy in the urban or suburban population of a large part of France, especially in its western and southern part. One must consider also that electricity and gas are cheap in France in comparison with other European countries and that their prices are still regulated by the national government.

Despite of the development of some French products, most of the stoves and boilers sold in France are imported from other countries (Italy, Austria, Scandinavia, USA, etc) with a commercial effort which is still limited, even for the best products, because it is logically dimensioned to the current size of the market. Therefore the "culture of pellet" is slow to take. The installers have a key role in influencing the consumers' choice of a heat system but they still do not know enough about pellets and do not promote it actively. As a consequence, the pellet demand by the consumer grows regularly but not exponentially.

Other market segments are small. A few small or medium heat units are using pellets but, as will be explained hereunder, they are mostly pushed by the public authorities to use forest wood chips. There is no large scale power plant in France using pellets. As nuclear power is the base of the electricity production in France, there are only a few plants where coal, oil or gas could be replaced by biomass to reduce CO<sub>2</sub> emissions. French pellet consumption was around 193,000 t in 2008 and we expect a continuous growth of the demand in the next years. Its rate might accelerate when heating oil will become expensive again. France will remain mostly a householder market in the next few years even if an active development of the use by small heat units has to be done.

### The offer

France has important forest superficies but most of them belong to small private owners and a large part is underexploited. The sawmill industry in France is made of small players in comparison with Germany or Scandinavian countries. Most of the pellet producers therefore need to gather sawdust from various sawmills.

As a consequence, there is still no big pellet plant in France if one considers that "big" means a production of more than 50,000 t per year. As in many countries there is a strong competition for sawdust and other sawmill by-products between pellet producers and the panel and the paper industry. Unfortunately, these two last never took the opportunity to diversify their activity and to invest in pellet production as observed in other countries.

However, wood pellet production is developing in France, on a continuous mode and reached 208,000 t in 2008. There are around 30 producers scattered on the territory. Some of them were pioneers of the pellet production in France but others are recent and show rapid developments. The diversity of the development models is interesting: some producers are saw millers (with a facilitated access to feedstock), others are animal feed producers (with good technological know-how of the pelletizing process) and a third category gathers companies which dedicated themselves specifically to wood pellet production. Commercialisation to householders occurs directly from the producers or through specific distributors, depending on the choice of each company.

The quality of French production was heterogeneous in the past and did not promote a good development of the market. An important evolution has occurred and most of the current producers are in the process of quality certification. Since early 2009, French standards are now also available, associated to the brand name "Norme Française" better known by the French consumers than the German DIN+. The current availability of the two labels should lead to a nice stimulation in terms of quality development.

France imported around 20 000 t of wood pellets last year (from Germany, Spain, etc) and exported around 35,000 t to Italy, UK and some other countries. French production is currently mostly dedicated to serve the French market, imports and exports acting more as balancing tools between offer and demand.

### The public policies

Public policies are key factors for the development of any renewable energy in Europe. As a matter of fact, the development of the French pellet sector was never directly supported at a national level. One major reason was the fear to destabilize the panel and paper industry for part of their raw materials supply. The public strategies implemented all these last years on wood energy focused on improving the wood log uses by the householder and on the development of heating or cogeneration units burning wood chips.

Wood pellets were able to benefit from some tax incentives for high quality stoves or boilers but with no specific support to communication on the innovative and performing solution that they represent. Locally, some regional support to the wood pellet sector can be available but is still not part of an integrated national plan.

This lack of specific and perennial support had major consequences for wood pellet production: the sector which is made of small companies had difficulties in the past to design the right models. Some companies produced bad quality products, others were created and then disappeared, all of that having very bad effects on consumer confidence. Because of the lack of assistance to promotion, wood pellet heating solutions are still not known by a majority of the French consumers.

**The organisations to be considered in the wood pellet sector**

Two unions have the mission to gather producers and defend their interests against the public authorities. Two major organisations can be considered as far as the wood pellet market is concerned:

- The **SNPGB** (Syndicat National des Producteurs de Granulés de Bois) is the French Union of Pellet and Briquettes producers. Created in April 2007, it is now in its third year of activity. It gathers currently 24 companies and is developing its activities and relationships with other organisations.
- The **SER** (Syndicat des Energies Renouvelables = Renewable Energy Union) is an important organization federating the entire renewable energy sector in France. An important part of pellet stove and boilers producers or distributors are members of the SER.

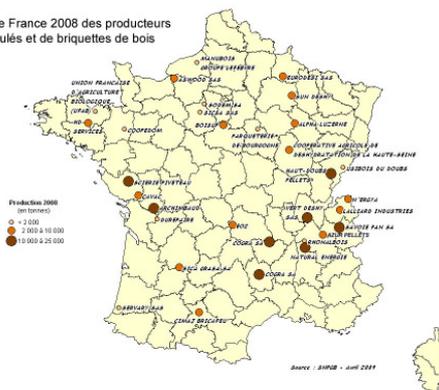
The national government agency in charge of development of renewable energies is named **ADEME** (Agence de l'Environnement et de la Maîtrise de l'Energie). ADEME is the French participant to the pellets@las project and it is through the partnership between SNPGB and ADEME that we have the opportunity to present this document here.

The **FCBA** is the technological institute in charge of quality certification for pellet biofuels under the brand name "NF" Norme Française owned by AFNOR (Association Française de Normalisation).

Two associations have a transversal role in the pellet sector:

- The **ITEBE** (Institut Technique Européen des Bioénergies) played a very important historic role in the promotion of wood pellets in France as well as in the creation of relationships within the sector and the design of quality schemes. ITEBE is still active in communication and training but suffers from its lack of partnership with the national authorities.
- The recently established **ProPellet Rhône Alpes** is an initiative built on the model of ProPellet Austria but at the level of what is in France an administrative "region" (= province). It aims to promote wood pellets and to gather all the companies of the sector from pellet production to boiler and stove distributor. It benefits from a regional support.

Carte de France 2008 des producteurs de granulés et de briquettes de bois



**Conclusions: present and future**

The French wood pellet sector has designed its model of development, using the experience of other countries and also taking into account its own specificities. It is in progress for a sustainable growth of demand and production. The absolute necessity of respecting standards of quality is now obvious. As sawdust availability might become a limiting factor, several wood pellet producers are currently studying the possibilities to grind other sawmill by-products or logs.

The French consumer is receptive to the wood pellet concept but needs more information on this renewable fuel and good professionals to install and maintain the specific heating systems. It is our task to promote still more actively this modern and ecological fuel both towards the consumer and our national authorities.

The SNPGB strongly believe in the interest to share experience, information and innovations and intends to develop active relationships with the other European organizations supporting wood pellet development.

by Hugues de Cherisey – General secretary of "Syndicat National des Producteurs de Granulés de Bois" (National woodpellet producers Union). hugues.decherisey@fnbois.com



**Hungary**

The Hungarian pellet market is at initial stage. The production capacities and supply chains formulate randomly without any supreme governance. There are no physical and/or mechanical properties set for producing and trading pellets.

However, an advantageous step was that in the second half of 2008 the *Hungarian Pellet Association* was founded, with the aim to protect quality requirements and to support those market actors who contribute to building a reliable national pellet market.

The country can be divided into two main parts both geographically and by the used raw materials for pelletizing. In the western and northern part of the country the main feedstock for pellet production is wood. The companies there are mostly in connection with foreign markets such as Austria and Germany. So far only limited information on marketed amounts and standards is available.

On the south-eastern part of the country there are extensive rural territories and the main land use form is arable. Therefore the main feedstock for pellets are agricultural products. Straw pellets and pellets from energy grass are dominating the market. Several agropellet producers with limited production capacity operate with ad-hoc working time based on orders.

The pellet prices for both wood pellets and MBP are hardly comparable to most of the European countries due to the hectic changes in the currency exchange rate. This results in an uncommon situation in the second half of 2008 with higher summer and lower winter prices (Currency exchange rate in summer was around 1EUR ~ 230HUF, while the autumn rate was app. 1EUR ~ 260HUF).



### Slovakia

In Slovakia gas accounts for approximately 95% of the heating demand although heating with pellets today is already cheaper than heating with natural gas. Therefore, the potential of pellets as a major energy carrier is huge.

However, only 100,000 tonnes of pellets are produced in Slovakia per year and hardly 15% of this is consumed in the domestic energy market while the raw material potential is estimated to allow for the production of 1000,000 tonnes of wood pellets alone per year. The same amount of pellets can be expected for pellet production from agricultural residues.

In Slovakia pellets are used mainly in small and middle boiler-rooms in areas where no gas connection is available. Medium scale users are usually schools, municipal offices, companies, hotels and bigger residential units with demands of 10-1000 tonnes per year. This market share is growing most rapidly.

Expansion of the market started in 2006, when the sale price of pellets exported mainly to Italy and Austria was very high. In 2007 pellet prices fell significantly and as a consequence several pellet production plants were shut down temporarily or perpetually. The pellet production began to recover gradually in 2008.

All pellet production plants in Slovakia are small in comparison to the European average. Therefore production costs are relatively high. Pellets which are exported to the power plants are sold for 100 EUR per tonne which means that the profit margins for pellet producers are very low. Nevertheless, it can be expected that 2 or 3 additional large wood pellet production plants and 4 or 5 large agropellet production plants will be established in the near future.



### Czech Republic

Wood Pellets production has been developing in the Czech Republic since the middle of the 90's. Currently 7 companies are producing pellets as their primary activity. Pellets are also produced by a few companies, for which the pellets production is of marginal interest and which usually use residues from their wood or agricultural production.

The production volumes of these companies are negligible. The capacity of all big producers in 2006 was estimated at 28,000 tonnes.

Most of the pellets are produced from spruce or pine saw-dust. Only a few manufacturers produce agropellets. Wood pellets are produced with very high qualities, some manufacturers possess the certificates Önorm M 7135 or DIN 51 731. Most manufacturers possess test certificates issued by an independent Institution for Fuels Research and Utilization. High qualities are necessary to allow for the export of pellets: Approximately 10% of the total pellets produced in the Czech Republic are used at the domestic market. The other 90% are exported. For the domestic market, pellets are packed into 15 kg, 25 kg bags or into big bags (from 600 to 1000 kg). The distribution in tanks is currently used only rarely.

High investment costs for residential pellet boilers are the main barrier to market growth in the residential sector. Other obstacles for the expansion of the pellets market are the fluctuation of the pellet prices, missing distribution channels and missing delivery systems to small customers.



### UK

Having started in the late 1990's the pellet market in the UK is beginning to reach a developed stage, with approximately 68 suppliers of pellets and 13 manufacturers (the first of whom started manufacturing in 2002). Pellet production and use in the UK remained relatively small in the UK until the commissioning (in 2005) of the Balcas Ltd pellet plant at Enniskillen in Northern Ireland with a production capacity of 50,000 tonnes (now increased to 55,000 tonnes p.a.). This combined with the introduction of a number of grant programmes (and an increase in public awareness of the importance of renewable energy) has meant that the pellet market really started to gain momentum in the UK from 2006 onwards.

It is notable that there has been an increase in the last couple of years in the number of suppliers who list prices on their website and have the facility to accept on line sales. Consumers now have the ability to choose between a number of different suppliers of at least bagged pellets, with many suppliers selling both large and small bags of pellets (usually by the pallet load – approximately one tonne per pallet). The main issue for consumers wanting bagged pellets is the cost of transportation, with some suppliers charging by the mile and others charging a flat fee within a certain radius. The consumer can find out whether their address falls within that radius by submitting their post code.

What are not so readily available are blown loose pellets for small scale consumers. Only a few companies have the necessary blower lorry for such deliveries, with the distance between potential customers (apart from in some locations, such as Northern Ireland) making delivering pellets in this way financially unviable.

Pellets manufactured in the UK are generally made from sawdust, clean waste wood (diverted from landfill), energy crops (such as willow grown on short rotation coppice) and forest thinning. It is considered likely that the potential for growth in the number of manufacturers producing pellets from sawdust is limited by competition for the raw material (and subsequent cost). Perhaps the biggest potential for growth is the manufacture of pellets from forestry thinning although there must be a economic case (where there is a large local consumer, such as a power plant dedicated to the use of biomass) for using some of this material in the form of woodchips (instead of converting it to pellets).

Consumption of pellets in the UK occurs on both the large and small scale, with little ground in between. On the small scale pellets are consumed by householders and on the large scale they are co-fired in power stations for the production of electricity. What pellets are not generally used for in the UK is the production of heat and power in Combined Heat & Power Plants and for the production of heat in District Heating schemes, both of which are relatively rare (especially fuelled by biomass) and are more likely to be powered by woodchips than pellets, where they exist.

Further information on the UK pellet market can be found in the [UK Country Report](#) to be found on the Pellets@las project website.



### Ireland

Before 2006 there was no significant market for wood pellets in Ireland, and no indigenous production of wood pellets. Two significant developments promoted the market in 2006.

Firstly, a sawmill and timber products company based in Enniskillen, Northern Ireland, built a combined heat and power plant (CHP), 10MW heat, 3MW electricity, with assistance from the UK government of £3 million. They also built alongside it a pellet production plant with a capacity of 50,000 tons per annum. This was commissioned in 2005 and initially exported pellets to UK power stations for co-firing. They now have a supply network across Ireland (north and south) and a distribution centre at Cork. Loose pellets are sold directly by the company, whilst bagged pellets are sold through a network of independent distributors. In May 2009 they reported that they had 3500 domestic customers (approximately two thirds of which are based in Ireland –the rest in the UK) and 130 commercial customers.

Secondly, setting up of [Sustainable Energy Ireland \(SEI\)](#); an agency of the Irish government in 2002 to “promote and assist the development of renewable energy”. Their brief consisted of reducing dependence on fossil fuel, reducing greenhouse gas emissions and encouraging the development of renewable energy technologies. Under the “Greener Homes Scheme”, introduced in 2006, SEI provided financial assistance to householders in the form of grants to install renewable energy systems. With the help of these grants, over 2400 biomass boilers and stoves (mostly wood pellets) were installed.

A significant further development has been the establishment of two pellet manufacturers in the Republic of Ireland. The larger of these is based near Kilkenny which became operational in the summer of 2008. With three pellet presses and a reported production capacity of 75,000 tonnes (estimated utilisation in 2008 15,000 tonnes) they can supply both loose and bagged pellets to a wide range of customers. The other, smaller producer is based in Co. Meath who produces bagged pellets and briquettes to local consumers on a domestic scale.



### Switzerland

Switzerland is considered one of the smaller and less developed pellet markets. This is true when only absolute numbers are taken into account: The Swiss association “Holzenergie Schweiz” estimates the installed annual production capacities at 170,000 tonnes and the consumption in the winter of 2008/2009 at 90,000 tonnes. However, considering the resulting per capita values of pellet consumption of almost 12 kg per person, Switzerland becomes comparable to Germany.

Similar to Germany and Austria, wood pellets are mostly used in small scale applications for heating purposes in the residential sector. This market has great potential due to good raw material availability and a professional wood energy image campaign organized by “Holzenergie Schweiz”. The pellet trading infrastructure is well developed and end-consumers are supplied reliably.

One difference to Germany is that there are no large pellet producers (> 100,000 tonnes per year). Pellet production takes place mainly at wood processing businesses that use their own by-products. Consequently, there are a number of small producers (< 10,000 tonnes per year) and two medium scale producers of which one buys raw materials for pellet production. Some of the producers will expand their capacities while all of them state that their current capacities are not used fully.

Nevertheless “Holzenergie Schweiz” estimates that 10 – 20 % of the domestic demand is satisfied by imported pellets. This can be explained by looking at the price development of pellets. The prices as evaluated by “Transan” ([www.transan.ch](http://www.transan.ch)) show relatively stable prices with reasonable fluctuations between summer and winter. The price in February 2008 was the same as it was in February 2009. Looking at the same prices converted to EUR shows that due to fluctuations of exchange rates the prices for wood pellets rose by 20 EUR per tonne within one year and are extraordinary high compared to prices e.g. in Germany. Therefore pellets import to Switzerland becomes attractive.



### Netherlands

The Dutch pellet market is characterised by the limited domestic production. Two production plants with an annual capacity of 130,000 tonnes of pellets are operated. One barrier for further growth of wood pellet production is the lack of raw material, because most sawmill residues have a dedicated use in Belgium particle industry or in Dutch extensive dairy sector. On the other hand, the Netherlands have vast natural gas reserves, and natural gas boilers heat the majority of Dutch residential and commercial dwellings. Therefore, the small-scale use of wood pellets is very-limited to non-existent.

Wood pellets are used on a very large scale for co-firing in coal-fired power plants. Especially one power plant consumes large amounts (several hundred thousand tonnes per year) of wood pellets, with the other plants consuming smaller volumes (typically several 10,000 tonnes). The use of pellets is stimulated by the Dutch Government through a rather favourable feed-in premium for electricity production from woody biomass.

The high consumption of wood pellets implies that the Netherlands are strongly dependent on wood pellet imports to meet their demand. In the past, the Netherlands imported wood pellets amongst others from Canada, Germany, Austria, France and Belgium. The fact that only large volumes of wood pellets are traded and consumed in the Netherlands means that a price for households is rather meaningless in this context. The CIF (cost, insurance & freight) ARA (Amsterdam, Rotterdam, Antwerp region) price are more relevant. Typically, this price has fluctuated between 110-135 Euros per tonne during 2007 and 2008.



## Germany

The German pellet market is in many respects similar to the market in Austria. This is particularly so in relation to consumption, which displays the same structure with the exclusive use of pellets for heating, mainly in households.

With an annual pellet production of 1.46 million tonnes in 2008 and a production capacity of 2.4 million tonnes, Germany is considered to be one of the largest pellet markets (figures: DEPV). However, with a pellet use of around 11 kg per person per year (50-60 kg in Austria), there seems to be a great potential for further market development.

After the boom years 2005 and 2006, when 17.000 and 26.000 pellet heating systems were sold in Germany per year (DEPV), supply shortages and a rise of prices occurred in the winter of 2006/2007. The resulting loss of consumer confidence cooled down the market in 2007 so that only 13.000 pellet heating units were sold. According to DEPV the number of new installations increased again to 23.000 in 2008.

The German market data is evaluated by pellets@las sub-contractor CARMEN e.V.



## Denmark

The Danish wood pellet market is one of the worlds largest and especially in relation to the number of inhabitants the consumption of wood pellets is significant.

Strong drivers provide for wood pellets being used in all sizes of combustion plants from small boilers in single family houses and small block heating centrals over medium sized district heating plants up to large power plants producing power and heat for large district heating systems.

### District heating pellet consumption

More than half of the residential heat demand is supplied via district heating. The utilisation of wood pellets started in the district heating sector in the late 1980'es where coal fired heating plants were converted to use wood pellets. The annual pellet consumption quickly reached around 100,000 tonnes and since the beginning of the 1990'es this has been the consumption in the district heating sector.

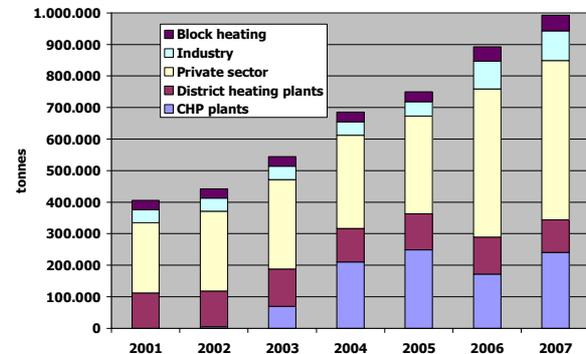
### Large residential sector

From the mid 1990'es the wood pellet consumption in individual boilers for space heating in private dwellings, public institutions and other large buildings increased rapidly. The drivers would be bio fuel tax exemption in combination with high taxes on fossil fuels for heating purposes and from 1995 a subsidy scheme for wood fired combustion systems with a nominal capacity below 250 kW. During 10 years the wood pellet consumption had more than tripled which made the Danish market the second largest in Europe only exceeded by Sweden.

### Pellets for co-firing

Based on a variety of drivers parts of the Danish utility sector started to show interest in co-firing wood pellets into coal fired dust burners in the beginning of the new century. This resulted in a significant amount of wood pellets being utilised mainly in the advanced Avedøre 2 power plant south of Copenhagen. In close future other large plants will follow.

The figure below shows the Danish wood pellet combustion divided into sectors. The significantly larger consumption for heating purposes in 2006 and 2007 compared to the previous years is due to improved data acquisition methods. Consumption data for 2008 is being collected by FORCE Technology on behalf of the DEA in June 2009.



Source: FORCE Technology

### Pellet production

Wood pellet production in Denmark started in the 1980'es based on the first experiences from US and Sweden and the feed pellet production in order to accommodate the demand from the district heating plants.

The production is to a large extent based on dry wood residues from the numerous wood processing industries. Only recently some manufacturers have invested in facilities for drying feedstock. A utility based large pellet production plant was commissioned in 2003. The capacity of the plant was 180,000 t/y wood pellets based on logs and wood chips from a nearby wooden floor manufacturer and 120,000 t/y straw pellets. Currently, the wood pellet part is closed down and the equipment is for sale.

### Structural changes

In the beginning of the century the national production capacity and actual production at around 200,000 t/y was able to cover half of the demand. Currently the production is decreasing due to changes in the feedstock availability and as the demand has increased rapidly, Denmark has become a large importing country. The background for and implications of the large wood pellets import will be elaborated on during the Biomass Conference in Hamburg 29 June to 3 July in the session OC6 on Wednesday afternoon.

The changes in production and consumer structure imply that wood pellets in Denmark over a period of 15 years has developed from being a locally produced and consumed fuel to being a globally traded commodity.



## Bulgaria

Bulgaria's forests cover around 4.1 million ha, about 33 % of the national territory. Broadleaved forests account for 68 % of the forest area, and conifers account for 32 % of the area. As a result of large-scale forestation activities during the second half of the 20th century the total timber stock in Bulgaria and the annual growth continue to increase. This is the basis for wood pellet production in the country. Still the wood pellet market in Bulgaria is only at the beginning of development.

There exist a number of rather small pellets manufacturers with a total production capacity of about 62,000 tonnes/year. 80-90 % of the pellets are exported (mainly to Italy).

Pellets are still new on the Bulgarian market mainly due to the relatively high investment costs and lower purchase power compared to other EU countries. The most popular use of biomass in Bulgaria nowadays is direct combustion of fire wood, which is highly ineffective because in most cases it is carried out in facilities with low efficiency (< 50 %).

Many households still use electricity for heating as well and it would be very economical to substitute it with biomass.

Industrial consumption of biomass is confined to wood shavings, bark and industrial waste from production processes; although this use of biomass is growing, their share in the country's energy balance is still insignificant. Pellets are hardly used. Nevertheless it is expected that pellet production and use will gain speed in line with forecasted economic development and living standard increase in forthcoming years. The national policy in the area of renewable energy sources, and in particular the use of biomass as an energy source, is being carried out by the Council of Ministers through the Minister of Economy and Energy.

The "National Long-Term Programme to Encourage the Use of Biomass for the Period 2008-2020" establishes the general framework of the opportunities to utilise biomass for energy purposes. After the adoption of the long-term programme short-term programmes have to be developed to promote the use of biomass in Bulgaria.

The overall situation of the Bulgarian pellet market is difficult to track. There is no pellet association. Other organisations which had worked on projects on biomass (including pellets) in Bulgaria a few years ago (Sofia Energy Centre, Black Sea Regional Energy Centre) could not give any information on how the pellet market had developed during the last years.

Bulgaria gets over 70 % of its total consumption from imports, lignite coal being the only substantial national resource used until now. The use of RES in 2005 amounted to only 9.4 % of the gross final consumption of energy (of which 70 % were biomass).

The target for Bulgaria, as proposed by the Commission, is that in 2020 16 % of the gross final energy consumption should come from RES.

In Bulgaria the pellet consumption market is hardly existent. The produced pellets are mainly exported.

The establishment of a home market would further stimulate the pellet production market. The main barriers and drivers for the growth of the market are listed below.

**Major barriers for further market growth**

**For pellet production:**

- Missing promotion of pellets compared to direct firing of biomass.
- No relevant home market.
- Deteriorated road infrastructure.
- Construction of a new gas infrastructure for domestic demand

**For pellet consumption:**

- Low awareness of heating alternatives.
- High investment costs for pellet heating devices.

**With the growing of the consumption market further barriers are likely to surface:**

- Problems with the pellet quality.
- Deficiencies in the installation of the pellet heating systems.
- The supply security of pellets as a fuel.

**Major drivers for further market growth**

**For pellet production:**

- The development of a home market for pellets.
- Road Infrastructure Rehabilitation Project.

**For pellet consumption:**

- A Pellet Association to promote the use of pellet heating systems for private homes.
- Further subsidies for the installation of pellet heating systems.
- Implementation of quality control for pellets.
- Special trainings for heating appliance installers.



**Greece**

In Greece, the situation of pellet industry is growing but slowly. There are some wood industries that have already started pellet production mostly by using their own wood byproducts. Some other companies are starting their involvement with this product this year, by installing pellet producing machinery using European subsidies.

Although in Greece, pellet especially for household use remain in very low levels. On the other hand, wood byproducts are being used without any process mainly in agriculture for heating purposes. There are many small and medium manufacturers producing boilers for biomass, which supply this market and could also burn pellets.

For that reason, the pellets producers are forced to target on European markets and most of the production is exported mainly in Italy. Pellet trading in the country is also in infant level due to the same reason.

There is a Greek quality standard, based on DIN 51731, by Hellenic Organization for Standardization (ELOT), which is used only by one company. The other producers do not follow any official standard. All companies, even the one that follow this standard, do not provide us with adequate information about the quality properties and additional parameters that were required through the Pellets@Las Project.

In addition, none of the companies assure their products for logistic quality. Product delivery is carried out by trucks and railway transport is not being used. All transportations



**Malta**

Malta is a country with a negligible potential of agricultural and forestall biofuel production. Limited freshwater resources (50% of potable water is supplied from desalination), high population density and poor soil fertility are the reasons for low productivity.

The major part of all wood products, including wood pellets, used in Malta is imported. Wood pellets are mainly imported from France, Italy and Germany. However, the use of wood pellets in Malta increases the diversity of fuel imports and therefore limits the risks of energy import dependency.

In 2008, around 650 tonnes of sawdust, wood wastes and scraps (including pellets made thereof) were imported to Malta.

Pellets are mainly used in the residential sector in stoves and pellets are bought by the customers in small bags (15 – 20 Kg). Organizations that are involved in energy and bioenergy research and marketing are:

- Institute of Agricultural and Energy Technology
- Malta Resources Authority (MRA).
- Commercial Department of Malta Embassy.



### Cyprus

The Renewable Energy sector is starting to grow in Cyprus, but the biomass sector is not developed significantly. Consequently, wood pellets are not recognized as an alternative fuel for energy production at the moment and the domestic pellet consumption in Cyprus is insignificant. There is also no pellet production in the country.

Until now, the use of biomass is mainly focused in wood log burning in household fireplaces and in special cases for energy purposes in the wood industries, where wood by-products are burned in large-scale boilers without any processing.

The reasons for the lack of a pellet market in Cyprus are similar to other Mediterranean countries: The demand for heat in the residential sector is comparably low in the first place. In addition, the forested area is quite limited and the wood processing industry therefore is of minor importance. The availability of agricultural land is limited as well and the competition between food and fuel production poses a barrier to MBP production. Finally, policies concerning energy and the environment do not have a high priority in Cyprus and the public awareness of these issues in general is rather low.

However, the development of a pellet market (especially MBP) could have positive impacts on the economical development in Cyprus. Namely, the reduction of energy import dependency and enhanced rural development can be seen as chances.

For that reason, the Institute of Agricultural Research of Cyprus carries out research in order to determine the energy plants that can be cultivated in Cyprus for biofuel production. Other organizations involved in energy and bioenergy research and marketing are:

- Cyprus Institute of Energy (CIE)
- Applied Energy Centre (AEC)
- Cyprus Association of Renewable Energy Enterprises (SEAPEK)
- Cyprus Energy Agency (CEA)

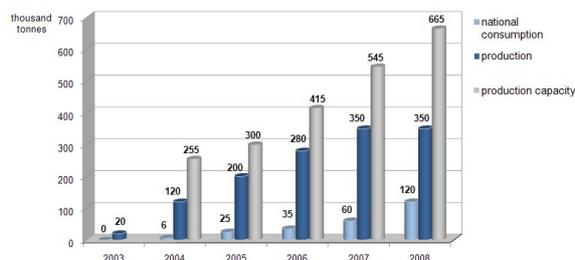


### Poland

Poland has 8.9 million hectares of the forestland, which accounts for 28% of the total land area. No wonder that biomass is the most commonly used renewable energy source (its share in RES exploitation in 2007 was equal to 91.3%, GUS).

On the other hand, coal has always been the most commonly used energy fuel in Poland, due to significant own resources, and it will take a long time to change society's mentality and existing old coal installations – in order to popularize new fuels, like pellets.

Pellets production has started in Poland in 2003. At the very beginning they were mainly exported. Then, national consumption started to develop, due to first pellet boilers installed. These days, due to legal regulations, even large energy producers, like DH companies or CHP plants became pellets consumers. Market develops intensively and this will not stop soon, due to existing obligations concerning RES exploitation levels and rising prices of fossil fuels.



Rapidly growing interest in pellets as an alternative to oil and natural gas has led to extensive investments in pellets production within the last years. Currently pellets are produced by 21 companies, however, this number changes constantly as some new companies enter the market and some of the existing ones switch their production profile, for example to agro-pellets production.

The majority of Polish wood pellets producing companies have production capacities below 30,000 tonnes. These are small or medium companies that buy their raw materials from wood processing industries in their vicinity. They operate their own regional distribution systems.

In the large scale, only three sites are known. Two of them are operated by wood industry companies. Although these three companies have a production capacity higher than the whole current national production, it is being utilised by only 33%. The appearance of large customers will probably change this situation soon.

Due to rising prices of fossil fuels, as well as the risk of their unstable deliveries, more and more people show their interest in pellets. Also, large consumers like CHP plants started to co-fire biomass with coal- and all of the above have resulted in a major rise in pellets production that occurred in 2008.

Nowadays, there is no national standard for the quality control of pellets. However, CEN/TS 14961 has been introduced in January 2007, by the National Standardization Committee (PKN-CEN/TS 14961). Some pellets meet the requirements of the German standard DIN 51731. Also, producers often claim that their pellets meet the requirements of the Austrian standard ÖNORM M 7135, or the German one- DIN Plus.

### International logistics of wood pellets for heating and power production in Europe investigated

The wood pellet market is booming in Europe. Concerns about climate change and targets for renewable energy are predominant drivers for this increase. The analysis of international logistics of wood pellets for heating and power production in Europe is one of the focal points of the Pellets@las project. A Pellets@las study, which will be published during the summer of 2009, compares typical pellet chains: cost structure, primary energy inputs throughout the chain and avoided GHG emissions (assuming substitution of specific fossil fuels) are reviewed. The analysis starts at purchase of the feedstock at sawmills and finishes with conversion into heat or electricity. The geographical coverage is the international pellet market; three main markets have been defined: bulk pellets for district heating (typical for Sweden), bagged pellets for residential heating (Italy) and Canadian bulk pellets for electricity production (Netherlands). The study finds that in absolute terms, avoided emissions are the largest for power production (1937 kg CO<sub>2</sub>eq per tonne pellet), followed by district heating (1483 kg CO<sub>2</sub>eq per tonne pellet). In relative terms, the reduction varies from 81% for residential heating (with pre dried feedstock) to 97% for district heating. Consequently, it is estimated that about 10 million tonnes of CO<sub>2</sub> emission can be avoided, based on a consumption of 6 million tonnes of wood pellets in the 27 EU countries plus Norway and Switzerland in 2007. Comparing the costs of producing electricity with coal-fired power plants, the costs of electricity from Canadian wood pellets are 5.4 to 8.2 €ct per kWh higher than using low/high priced coal. Similarly, the use of wood pellets for heating in Italy is more expensive (2 to 7€ per GJth) than natural gas. Finally, Swedish district heating plants have lower running costs (0.6 to 13€ per GJth) when pellets are used instead of heavy fuel oil. For more details, contact Richard Sikkema or Martin Junginger (Utrecht University, [R.Sikkema@uu.nl](mailto:R.Sikkema@uu.nl) and [H.M.Junginger@uu.nl](mailto:H.M.Junginger@uu.nl)).

### Pellets@las Workshop in Hungary

25 March 2009 in Budapest: Geornado Ltd in close cooperation with the Hungarian Pellet Association, organised a workshop within the framework of the Pellets@las project. This event covered the special aspects of the Hungarian pellet market situation, which is mainly characterised by being at an initial stage.

The workshop targeted pellet producers, distributors, consumers, mechanical engineers, boiler installers, energy consultants and potential investors.

The workshop was attended by a large number of participants. The interest was great in all sectors (private, governmental, municipality, financial) and from persons with different professions (agricultural or forestry background, engineers, economists, research and education etc.).

The aim of the workshop was to raise awareness, create interest and inspire (potential) market actors to become involved in or initiate market activities.. As a result of the excellent content of the presentations, all aspects of the pellet market were covered during the workshop.

The workshop focused on the development and promotion of a new market as it has a large potential to grow.

The Pellets@las event in Budapest was only the second Hungarian conference in the topic of pellet utilisation.



### Pellets@las Workshop in Greece

Within the framework of the Pellets@las project, on May 25th 2009, a workshop on national & international pellet markets was held in Athens, Greece, organised by the Agricultural University of Athens. The aim of the workshop was to identify current developments, bottlenecks and opportunities for international / global pellet markets.

The presentations have covered all major aspects of pellets production, trade and consumption. The results produced during the pellets@las project were shown to the audience. Biomass availability and quality in general and particularly in Greece were assessed analytically, as the pellet market is evolving and the importance of detailed information on potential raw materials is increasing. Production and household heating equipment were also analysed to promote the easiness of pellet production and use. As for district heating and electricity production, a project of the Public Power Cooperation S.A. ([www.dei.gr](http://www.dei.gr)) co-firing coal with MB Pellets (cardoon raw material) was presented. Furthermore, economic analysis and evaluation of pellet raw material production was performed. Finally, the representatives of the pellets industries provided important information and explained barriers to their involvement in Greek and EU markets.



The participants were considerably active throughout the whole workshop, as there were different opinions coming from different sectors of the same topic. Many issues were discussed and in most of them possible solutions were given. It is important to state that this event was the first ever in Greece where most of the pellet actors participated and where they had the opportunity to exchange knowledge. At the same time a discussion about pellets market obstacles was realised with positive results.

**Now YOU can influence the EU Research and Development Policy for Biomass for Heating and Cooling!**

The new European Technology Platform for Renewable Heating and Cooling (RHC-ETP) has been recently endorsed by the European Commission. This platform takes into account all renewable heating sources (biomass, solar thermal and geothermal) and deals with strategic issues for growth, competitiveness and sustainability. The European Biomass Association (AEBIOM) hosted the launch meeting of the biomass panel on 15 April 2009 in Brussels. The aim, structure and interim management of the platform were discussed at the launch. Five issue groups were established and their interim chairmen also form the current start-up committee of the biomass panel. This committee will organize the next meeting, select the topics to be covered (to form working groups) and prepare for the elections of the issue group leaders, the steering committee and its chairman. The second meeting of the biomass panel will take place in the European Commission premises in **Brussels, 1 October 2009**. All stakeholders are welcome to submit topics to the interim leaders of the respective issue group who will prepare the program. You can find more information about this platform, the minutes of the launch meeting and examples of already established platforms on [www.aebiom.org](http://www.aebiom.org) (a dedicated website for the RHC-ETP is under development).

**Contact details**

<b>Biomass Panel Secretariat</b>	Jean-Marc Jossart, Secretary general, T: +32 10 47 34 55, <a href="mailto:jossart@aeiom.org">jossart@aeiom.org</a> Peter Rechberger, Bioenergy Expert, T: +32 24 00 10 61, <a href="mailto:rechberger@aeiom.org">rechberger@aeiom.org</a>
<b>Issue Groups</b>	<b>Responsible of each group and members of the start up committee</b>
Biomass fuels (whole supply chain)	Eija Alakangas, VTT, FI, <a href="mailto:Eija.Alakangas@vtt.fi">Eija.Alakangas@vtt.fi</a>
Technologies for residential heating	Walter Haslinger, Bioenergy 2020+, AT, <a href="mailto:walter.haslinger@bioenergy2020.eu">walter.haslinger@bioenergy2020.eu</a>
Technologies for industries and DH	Panagiotis Grammelis, CErTH, GR, <a href="mailto:grammelis@certh.gr">grammelis@certh.gr</a>
Market and Policies	Josef Vıglasky, Technical University in Zvolen, SK, <a href="mailto:vıglasky@vsld.tuzvo.sk">vıglasky@vsld.tuzvo.sk</a>
Communication/Training	Simone Landolina, EUREC, EU, <a href="mailto:landolina@eurec.be">landolina@eurec.be</a>

**CEN/TC 383: European Committee of Standardization for Sustainable production of biomass for energy**

CEN, the European Committee of Standardization contributes to the objectives of the European Union (EEA) with voluntary technical standards which promote free trade and complete the single market. The CEN/TC 383 for Sustainably produced biomass for energy applications was initiated and is now chaired by the Netherlands Institute for Standardization (NEN) and was established in February 2008. The CEN/TC 383 comprises National Institutes for Standardization of 30 European countries. EUBIA is a liaison observer to Technical Committee 383 along with fourteen other stakeholder associations with an active interest in the biomass sector. The aim of the technical committee is to create platform for EU stakeholders to debate the optimal implementation of the

Directive of the promotion of energy from renewable sources. It's also acting as the technical spokesperson to the legislators on custody chain management, evidence that no-interference has occurred, auditing by Member States and by voluntary schemes and methodology to assess voluntary schemes.

The main divisive issue among the CEN/ TC 383 stakeholders is the scope of its work and the relation with the European Commission for the implementation of the Renewable Energy Directive. At the most recent CEN/TC 383 plenary meeting of all stakeholders which was held on June 5th 2009 in Brussels, the technical committee voted to accomplish only tasks strictly necessary for the Renewable Energy Directive in their working groups. Then they take a new decision on any possible extension of these tasks beyond the scope of the RES Directive at the beginning of 2010 at a plenary of the CEN/TC 383. Specifically on the relationship with the European Commission and the Renewable Energy Directive, the European Commission has requested CEN/TC 383 to work on standards in their working groups. The main request is on the implementation by economic operators of the mass balance chain of custody and on auditing and voluntary schemes under the RES directive as far as biofuels are concerned. The aim of this work would be to refer to these standards in the communication on the practical implementation of the sustainability scheme that the Commission is due to adopt in December 2009 (inter-service consultation to be launched in early October). To do this, it would be necessary for working groups in the CEN/TC 383 to prepare draft standards on these topics by September. The committee will also provide comments to the Commission on matters regarding the GHG balance, especially on challenges that may be foreseen with the practical application of the greenhouse gas calculation methodology in Annex V, Part C of the RES Directive.

The European commission still needs to assess whether the help of CEN is needed for solid biomass and as of now the CEN/TC 383 will only take the decision on enlarging their scope of work to include solid biomass in 2010. As required by Art. 17 (9) of the RES Directive, the European Commission is currently preparing a report on requirements for a sustainability scheme for energy uses of biomass due to be ready by December 2009. In addition, they are working on a proposal for a sustainability scheme for all biomass - even though they are not required automatically to do so (see Art.17 (9)).

The tabling of such a scheme depends to a large extent on the new Commission and their will to push for this scheme.

For further information on the CEN/TC 383 and the development of a sustainability scheme for biomass for all energy applications please contact

[eibhilin.manning@eubia.org](mailto:eibhilin.manning@eubia.org)

### 17th European Biomass Conference and Exhibition

The 17th European Biomass Conference & Exhibition will take place in Germany at the CCH - Congress Center Hamburg from 29 June to 3 July 2009. It will be chaired in 2009 by Giovanni Federigo De Santi, Director of the Institute for Energy (IE), Joint Research Centre (JRC) - European Commission.

The 5 days of the Conference constitute a most inspiring platform for the whole biomass sector. The event gives direction on how this sector is developing and the Conference also provides a professional environment for networking and the initiation of new technology projects and relationships within the biomass industry. In addition to plenary, oral and visual presentations, the attendees will be able to attend policy reviews, workshops and the technical exhibition.

Giovanni Federigo De Santi states: *"The 17th European Biomass Conference & Exhibition this year will be the most important event for all aspects of Biomass and a good opportunity to review the developments in policy, markets, industry, technology, research and education. We expect the results of this European Biomass Conference & Exhibition will support the European Union's specific targets for Renewable Energy for 2020 and the implementation of the corresponding actions. I expect this meeting to deliver a platform to discuss the status and challenges of National and Regional Biomass Action Plans, biofuels as well as the role of bioenergy in initiatives such as the European Strategic Energy Technologies Plan - SET Plan."*

Mr. De Santi continues: *"As Chairman of the 17th European Biomass Conference and Exhibition, I believe that this meeting will help us to better understand the key issues associated with the sustainable production and use of Biomass and in particular its implications on the tropical world, for example in Latin-America, Asia and Africa. I am also pleased to highlight the importance of the 2009 Bonn Agreement about the creation of the International Renewable Energy Agency (IRENA). I am convinced that on our departure from Hamburg we will surely be significantly enriched by listening to your contributions and will find new stimuli to address the energy and climate change challenges we are facing today and in the future."*

During this event several sessions are dedicated to solid Biomass and in particular pellets:

#### Tuesday 30th June 2009

- OB3 Biomass for CHP at household and industrial scale
- OB6 practical experiences of biomass combustion for power generation
- OB10 Biomass assessments and logistics

#### Wednesday 1st July 2009

- OC2 Solid Biofuel Production and Quality-
- OC4 Techno economic assessments, production prices
- OC5 Solid Biofuels for Power Generation
- OC6 Biomass and Biofuels Supply
- OC12 Sustainability and Certification

#### Friday 3rd July 2009

- OE3 & OE6 National and Regional Policies
- OE4 Biomass Supply, Logistics and Waste

#### Plenary Session

- PC1 Optimising the Wood Pellet Supply by Involving Sustainability Requirements
- PD2 Barriers and Opportunities for International Bioenergy Trade – an Inventory by IEA Bioenergy Task 40

For more details: [www.conference-biomass.com](http://www.conference-biomass.com)

In parallel, several relevant events regarding pellets market and use are organized:

### **The 3rd Biomass Industry Day,**

organised by EUBIA the Wednesday, 1<sup>st</sup> July 2009 where the bioenergy industry will meet to discuss and promote sustainable large scale deployment of bioenergy. The programme of this one-day will focus mainly on Financing Large Scale Biomass Projects and Sustainable Bioenergy Production. The morning session will look at the EU policy framework in place to incentivise investment in biomass projects, by giving an overview of the RES Directive. Analysing the investment needs in the biomass sector to reach the EU 2020 targets will be presented in this section. The next session will look at the financing and investment trends in large scale biomass power generation in the EU. A roundtable of industry experts will discuss where biomass investments lie and where the money will come from up to 2020 and tackle questions on what the financing challenges, risks and costs associated with bio power generation in Europe are and the barriers to the development of large scale biomass projects. The afternoon session will firstly look at how to mobilize biomass use in the EU, potentials and strategies to reach the 2020 target. This will be followed by presentations of the successful commercial deployment of the most promising biomass technologies in the electricity and heating sector presenting case studies from various market players.

For further details please consult: [www.eubia.org](http://www.eubia.org)

### **Joint Workshop by EUBIONET III and IEA Bioenergy Task 40 - Barriers and opportunities for Bioenergy trade and increased utilization,**

organised on Thursday, 2 July 2009. How the biomass utilization could be increased, and what role international bioenergy trade could play. Related to these topics, IEA Bioenergy task 40 (also in cooperation with UNCTAD and UNIDO) aims to get an up-to-date overview of what the market actors currently perceive as major opportunities and barriers for the current and future development of international bioenergy trade, and especially bio-ethanol, biodiesel and wood pellets, as these commodities display a strong growth of trade in the past decade and further growth is expected. The aim of the workshop is to present and disseminate the first results of both projects, but also to get additional feedback from industry, policy makers and science on how to further increase biomass utilization and trade in view of on one hand the ambitious renewable energy and climate policy targets and on the other the current economic crisis. EUBIONET III aims amongst others to identify new industries where biomass is used as an energy carrier, or has the potential to be used in the future, and to describe which drivers, bottlenecks and opportunities these sectors see for the (increased) use of biomass; and to analyze bioenergy trends and reasons for change in different countries, and point out barriers and opportunities for change.

Confirmed Speakers include: Eija Alakangas (VTT); Martin Junginger (Utrecht University); Wolfgang Hiegl (WIP); Michael Gundera (GEE); Michael Deutmeyer (CHOREN); Max Nitschke (Dong Energy); Matti Sihvonen (Foex Indexes).

More information on the projects can be found at [www.eubionet.net](http://www.eubionet.net) and [www.bioenergytrade.org](http://www.bioenergytrade.org). Barriers to the trade of wood pellets will be a topic during this workshop, and also the Pellets@las project will make a contribution.

### Weblinks

Canbio website: [www.canbio.ca](http://www.canbio.ca)

Pelletsforum website: [www.pelletsforum.de](http://www.pelletsforum.de)

Pellets Fuel Institute website: [www.pelletheat.org](http://www.pelletheat.org)

FCBA [www.fcba.fr](http://www.fcba.fr)

### Events

**24<sup>th</sup> – 26<sup>th</sup> June 2009, Bydgoszcz, Poland**

**PELLETS-EXPO & BRIQUETTES-EXPO 7th International Fair of Devices and Technologies for Pellet and Briquettes Industry**

At their stands different companies will present a wide offer of devices and complete process lines for the production of pellets and briquettes made from sawdust and other materials, state-of-the-art hot water boilers, stoves, fireplaces, pellet-fired burners, automatics and fittings for biomass boiler rooms, drying stoves, crushers, pellets, briquettes, etc.

<http://www.ctpik.com.pl>

**29<sup>th</sup> -3<sup>rd</sup> June 2009, Hamburg (Germany)**

**17<sup>th</sup> European Biomass Conference & Exhibition**

From Research to Industry and Markets - main reference for the world's leading Biomass experts. More than 1,500 participants from more than 70 countries are expected to attend and learn about the latest breakthroughs in the field. The Exhibition, taking place in parallel with the Conference, will feature the foremost companies and state-of-the-art products in the Biomass industry. The Conference will be accompanied by workshops and fora with an attractive social programme, will complete this international event.

<http://www.conference-biomass.com>

**26<sup>th</sup> – 28<sup>th</sup> July 2009**

**Pellet Fuels Institute 2009 Annual Conference, Florida (USA)**

The annual conference will bring you a combination of fantastic educational sessions, networking opportunities, and social events. It is the industry's once-a-year opportunity where manufacturers and suppliers can meet and learn about new developments in technology and discuss the variety of ways to grow the marketplace for renewable energy.

**6<sup>th</sup> -7<sup>th</sup> October 2009**

**9<sup>th</sup> Pellet Industry Forum Stuttgart, (Germany).**

The Pellets Industry Forum offers international manufacturers, wholesale suppliers, planners, investors, public decision-makers an ideal opportunity to exchange experiences. In 2008, the 8th Pellets Industry Forum attracted as many as 480 experts from 37 nations to Stuttgart.

<http://www.pelletsforum.de/industry-forum/industry-forum/?L=1>

**8-10<sup>th</sup> October 2009**

**European Biofuels Expo and Conference, Stoneleigh Park, Warwickshire (UK)**

Full Bioenergy Exhibition with over 200 companies show casing biomass/wood energy, biogas, biodiesel and fuel from waste. Free practical workshops with expert advice and the Renewable Energy Association's Annual Conference on Bioenergy.

<http://www.ebec.co.uk/>

**14<sup>th</sup>-16<sup>th</sup> October 2009**

**CAN BIO Annual Bio energy Conference Edmonton (Canada).**

The largest Bioenergy event in central Canada, this conference, run by Canada's national, Bioenergy industry association, is the premier event to network, develop new projects and do business.

Over 230 delegates from Canada, the U.S. and Europe are expected to attend this year's event. By sponsoring the event, we'll make sure your company stands out. Sponsors receive free entry to the conference, wide corporate advertising and more.

[http://www.canbio.ca/canbio\\_events.html](http://www.canbio.ca/canbio_events.html)

**16-17 November 2009**

**3<sup>rd</sup> European Renewable Energy Policy Conference, Brussels (Belgium)**

The 3rd European Renewable Energy Policy Conference will provide a major platform for interaction between the European Renewable Energy Industry and the newly elected European Parliament as well the new European Commission. The conference will debate the necessary steps to make the binding 20 % renewable energy target by 2020 become a reality and will highlight the leadership of the European renewable energy industry in the global arena.

<http://www.erec.org/policyconference2009>

**25 – 28 November 2009**

**Europellets 2009 , Milano Fiera Milano-Rho, (Italy)**

is the new International Exhibition on pellets, technology and heat production, slated for 25 to 28 November 2009 in Milan. Due to their affordable costs, high heat efficiency, ready availability, ease of transport and environmental sustainability, pellets are an interesting alternative to traditional heating fuels, and are highly successful on the energy market.

<http://www.europellets.it>