



19th European Biomass Conference
Berlin, June 6-10, 2011
Trip Report

By Gordon Murray, July 23, 2011

I attended the 19th European Pellet Biomass Conference and Exhibition in Berlin. The trip was sponsored by Foreign Affairs and International Trade Canada under the Private Sector Investment Champion Speaker's Program. Canada's participation was organized by the Embassy of Canada to Germany – Arndt Ulland, Trade Commissioner, and Isabella Poesch, Trade Commissioner Assistant.

The objective of my participation was to promote the Canadian wood pellet industry to international investors and to reinforce Canada's welcoming foreign direct investment environment. This was accomplished as follows: (1) by speaking to an international group of biomass investors at the Canada Biomass Business Breakfast on June 7; and (2) by participating in Canada's trade show booth.

The event resulted in many new contacts and opportunities. The following is a summary of contacts who wish to pursue investments or import of Canadian wood pellets.

Antonio Avorio – Enel Trade SpA

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Enel is the largest energy company in Italy and Europe's second largest utility by installed capacity. Enel has been co-firing coal with wood chips in fluidized bed boilers since 2006. So far they have not shown much interest in pellets, but that is about to change. The company is now realizing that wood chips will not be sufficient to meet their biomass needs and they are now looking at pellets. They are waiting for the Italian incentive scheme which is meant to be clarified by September, but would like to begin meeting Canadian producers. Mr. Avorio admitted that Enel had previously discouraged Canadian wood pellet producers, but now they would like to pursue pellets.

William Abraham – Conduit Capital

I met with Mr. Abraham and the CEO of a large publicly traded European utility (“Powerco”) who wishes to remain anonymous at this time. The CEO will be presenting to his board, a finalized proposal to begin co-firing with coal, and then an eventual transition to 100% biomass. His board has been continuously briefed as the project has developed, so he expects the board’s approval will be achieved. Funding is in place. The CEO wishes to send Powerco representatives to Canada within the next few weeks to meet with Canadian pellet producers. Powerco expect that by September 2012 it will need 500,000 tonnes per year and that over time its demand will increase to as much as 8 million tonnes per year. I will be contacting Canadian pellet producers to arrange the Powerco visit.

Ester von Roehl – Vattenfall

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Vattenfall is looking seriously at investing in pellet capacity in Canada. They are convinced that they would like to use torrefied pellets. They are open to joint venture opportunities or investment proposals for torrefied pellet production. She said that the Vattenfall contact should be Goren Lundberg, head of biomass.

Ronald Prokopovic and Raimund Prokopovic – Agrocapital

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Lithuania’s power is presently produced using expensive natural gas from Russia. The country has unsuccessfully tried to negotiate a lower gas price. As a result, Agrocapital is negotiating a 20 year agreement to lease a gas boiler from the government and convert it to use pellets. Given the poor relationship with Russia, they wish to import pellets from Canada beginning in August/September 2012.

Florent Massart – Seainvest Shipping and Laurent Buvry, Port of Nantes (France)

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Representatives of French ports and stevedores. They have been approached by several French power producers including UPM Kymmene, Dalkia, and Electrabel who wish to investigate the logistics of bringing Canadian pellets into France.

Antonio Vecere – Sansifici Vecere SRI and Soliani Giuseppe – Soliani SAS

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Italian importers who wish to bring Canadian pellets to Italy for distribution to the bagged home heating market.

Ioannis Z. Pappas – Green Evolution

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Wishes to import Canadian pellets to Greece.

Other Contacts

- Gilles Barchman, CEO – Xylowatt
- Patrick Lamers – Ecofys
- John-Paul Taylor – Bimoass & Carbon Markets
- Morten Tony Hansen – Force Technology
- Bruno Wurst – Tews Elektronik (automated pellet moisture measurement)
Bruno.wursk@tews-elektronik.com
- Yves Ryckmans – Laboralec (Subsidiary of Electrabel)
- Frank Scholwin – Deutsches BiomasseForschungsZentrum