pellets quality certification

Peter Rechberger
rechberger@pelletcouncil.eu

Brussels, 30 June 2011
About AEBIOM

European Biomass Association

• Represents and promotes interests of bioenergy stakeholders
• 30 national associations
  80 associated companies
• Activities: lobbying, workshops, newsletters, European projects, working groups, conferences and networking, etc.
• Leading the European Pellet Council
• Based in Brussels in the Renewable Energy House.
• Member of EREC (European Renewable Energy Council) and WBA (World Bioenergy Association).
• Why do we need certification?
• Certification vs standardisation
• How is ENplus organized?
• How can you certify?
• Next steps
• Market penetration
as trade expands certification gets ever more important!

Pellet imports to the EU: +50% within a year!

<table>
<thead>
<tr>
<th>Country</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Australia</td>
<td>9</td>
<td>63</td>
</tr>
<tr>
<td>Belarus</td>
<td>75</td>
<td>90</td>
</tr>
<tr>
<td>Bosnia</td>
<td>54</td>
<td>44</td>
</tr>
<tr>
<td>Canada</td>
<td>520</td>
<td>926</td>
</tr>
<tr>
<td>Croatia</td>
<td>73</td>
<td>95</td>
</tr>
<tr>
<td>New Zealand</td>
<td>21</td>
<td></td>
</tr>
<tr>
<td>Norway</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>Russia</td>
<td>379</td>
<td>396</td>
</tr>
<tr>
<td>Serbia</td>
<td>18</td>
<td>26</td>
</tr>
<tr>
<td>South Africa</td>
<td>42</td>
<td>25</td>
</tr>
<tr>
<td>Switzerland</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>Ukraine</td>
<td>30</td>
<td>57</td>
</tr>
<tr>
<td>USA</td>
<td>535</td>
<td>736</td>
</tr>
<tr>
<td><strong>total import to EU27</strong></td>
<td><strong>1,771 kt</strong></td>
<td><strong>2,523 kt</strong></td>
</tr>
</tbody>
</table>
Pellet export within EU: +60%

<table>
<thead>
<tr>
<th>Country</th>
<th>2009</th>
<th>2010</th>
<th>main target country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>159</td>
<td>285</td>
<td>IT</td>
</tr>
<tr>
<td>Belgium</td>
<td>119</td>
<td>47</td>
<td>FR</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>72</td>
<td>100</td>
<td>AT, DE, IT</td>
</tr>
<tr>
<td>Denmark</td>
<td>20</td>
<td>112</td>
<td>DE, SE</td>
</tr>
<tr>
<td>Estonia</td>
<td>300</td>
<td>391</td>
<td>DK, SE</td>
</tr>
<tr>
<td>Finland</td>
<td>146</td>
<td>195</td>
<td>DK, SE</td>
</tr>
<tr>
<td>France</td>
<td>59</td>
<td>66</td>
<td>BE, DE, IT</td>
</tr>
<tr>
<td>Germany</td>
<td>350</td>
<td>554</td>
<td>AT, DK, IT, SE</td>
</tr>
<tr>
<td>Hungary</td>
<td>33</td>
<td>13</td>
<td>IT</td>
</tr>
<tr>
<td>Latvia</td>
<td>194</td>
<td>448</td>
<td>DK, SE, EE, DE</td>
</tr>
<tr>
<td>Lithuania</td>
<td>74</td>
<td>157</td>
<td>DK, IT</td>
</tr>
<tr>
<td>Netherlands</td>
<td>67</td>
<td>113</td>
<td>BE</td>
</tr>
<tr>
<td>Poland</td>
<td>81</td>
<td>143</td>
<td>DK, IT</td>
</tr>
<tr>
<td>Portugal</td>
<td>123</td>
<td>240</td>
<td>DK, SE, UK</td>
</tr>
<tr>
<td>Romania</td>
<td>62</td>
<td>139</td>
<td>AT, IT</td>
</tr>
<tr>
<td>Slovakia</td>
<td>46</td>
<td>63</td>
<td>HU, IT</td>
</tr>
<tr>
<td>Slovenia</td>
<td>75</td>
<td>81</td>
<td>IT</td>
</tr>
<tr>
<td>Spain</td>
<td>59</td>
<td>138</td>
<td>FR, PT</td>
</tr>
<tr>
<td>Sweden</td>
<td>98</td>
<td>67</td>
<td>DK</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>6</td>
<td>67</td>
<td>DK, SE</td>
</tr>
<tr>
<td>trade within EU27</td>
<td>2,164</td>
<td>3,445</td>
<td></td>
</tr>
</tbody>
</table>
Why certification? Pellet quality is an issue in the residential heating market

- Bulk delivery: in Austria and Germany approx. 90% of market
- Durability of pellets and delivery critical
- Ash content critical
How can you make sure you do not get sawdust in your store instead of pellets?

- Pellets must have a consistent durability
- Adequate plant technology and a proper internal quality control are critical
- Distributers must be qualified: trained driver, adequate vehicle, appropriate storage etc.
- **How can you guarantee these preconditions?**
By certification!

- An auditor checks pellet plant and internal quality management system
- There is a long checklist (including pellet analysis)
- The plant is certified if it is properly managed and equipped it
- Distributers are also certified (simplified procedure)
What is the difference between certification and standardisation?

• New pellet standard EN 14961-2 gives technical specifications for pellets:
  • 3 quality specifications: A1, A2, B
  • ENplus certifications makes sure, these standards are consistently met
• From a certified producer a customer can expect pellets that comply to the standard
How important is certification in central Europe?

- In Austria and Germany certification is indispensable for doing business.
- In Italy it is very valuable.
- Certification is easier, more consistent and more reliable than occasional external pellet tests.
- However: in the past different certification systems: ÖNORM, DINplus, Pellet Gold ... – confusing market situation.
International developments:

• **USA**: legal requirement for certification of pellets as of 2011
• **France**: certification system NF recently introduced
• **EU**: certification of sustainability big issue in liquid biofuels and requested by power sector for solid fuels
• Mandatory sustainability criteria on EU level by the end of the year?
ENplus certification – what is that?

- Certification managed by the European Pellet Council
- Based on EN 14961-2
- A handbook describes the requirements for certification
- Includes both production and (bulk) trade
How does it work?

- Producer selects an inspection body listed on www.pelletcouncil.eu
- Auditor inspects the pellet plant and the quality management system, takes pellet samples for analyses
- Auditing report is submitted to a certification body that checks it and issues the certificate
- A license contract is signed with the national pellet association (or EPC directly) to use the ENplus quality seal
Bulk pellet distributors are also certified

- This ensures that pellet quality is maintained in the supply chain
- Certification based on self declaration
- Random inspection of certificate holders
What are the costs for producers?

- Costs for auditing and pellet analysis: approx. 2000 €
- Costs for certification: approx. 400 €
- License costs for using the ENplus trademark: 6-15 cent / t
What are the benefits?

- Pellets become a clearly defined commodity
- Huge simplification of trade
- ENplus certified A1 product can bring higher revenue than uncertifed product
- Extended guarantees for customers by stove/boiler manufacturers
The next step: certification of industrial pellets

- Power sector has defined 3 industrial pellet qualities I1, I2, I3 to facilitate trade
- EU project „PellCERT“: development of an ENplus compatible certification scheme for industrial quality
- Involved: AEBIOM, 10 national pellet associations and power sector
The vision:

- Pellet deliveries could have mixed certifications: e.g. A1+ I1, A2+I2, B+I2 depending on specifications
- Price differentials between different quality specs characterise market situation
- Free flow of trade between heat and industrial markets leads to economic benefits for all actors and enhanced supply security
Market uptake

- Germany: 60% of production capacity is in the process of being certified
- Austria: 90% of production capacity expected to certify this year
- ENplus producers in AT, CZ, DE, HR, RO, UK
- Over 3 Million tons of ENplus pellets by end 2011
- Other countries committed to introduce ENplus: IE, ES, PT, IT, CH, BE
Thank you for your attention

rechberger@pelletcouncil.eu

ENplus handbook
Certified producers/traders
Support organisations
etc.

www.pelletcouncil.eu

ENplus improvement
Industrial pellets
Training, etc.

www.aebiom.org

EU legislation
Statistics
Sustainability
Etc.

www.aebiom.org