

Strategic Biomass Projects

**Summary of WG 4
23 October 2006**



Support from EU programmes

- **New EU funding period from 2007-2013:
Most programmes redesigned**
- **EU territorial cooperation programme
(under Cohesion Fund):**
 - Funds increased
 - 20% flexibility rule for non-EU members
 - Bottom-up approach
- **Other EU tools for promoting bioenergy
use: CAP, RDP, FP7, tax exemption**



Example 1: Methane capture & biogas from poultry manure (1)

- **Project under the TACIS programme**
- **Poultry farms in Moldova and Georgia**
- **Applied CDM methodologies**
 - **Component 1: methane capture**
 - **Component 2: Renewable power generation from biogas**
 - **(Possible 3rd component: renewable heat generation)**



Example 1: Methane capture & biogas from poultry manure (2)

- **Conditions for success**
 - TACIS funding
 - **Baseline conditions / easy determination of additionality**
 - **Combination of CDM methodologies: projects without methane capture component much more difficult / require guaranteed feed-in tariffs**

Example 2: Biogas CDM projects (1)

- **Biogas cogeneration plants based on solid organic waste / organic wastewater**
- **1st project example**
 - **Investment volume ca. 5 Mill. Euro**
 - **Expected income: 1.3 Mill €/a from electricity generation, 200.000 €/a from thermal energy, 250.000 €/a from CERs**

Example 2: Biogas CDM projects (2)

- **2nd project example**
 - Investment volume ca. 2,7 Mill. Euro
 - Expected income: 1.5 Mill €/a from fossil fuel substitution, 500.000 €/a from CERs
- **Income generation depends much on price for energy / electricity**

Example 3: Biomass use in Latvia (1)

- **24.2 % wood fuel share in primary energy sources**
- **Main potential in forestry residues - already economically viable**
- **Biomass already widely used in Latvia, but still big potential for increase**
- **No JI project in this area, only AIJ project**

Example 3: Biomass use in Latvia (2)

- **Scope for JI in Biomass projects**
 - **Possibilities of JI are very limited with EU ETS and local financial resources are relatively easy obtainable**
 - **Use of JI is possible only in small scale projects which are expensive to administrate**

JI/CDM in the biomass sector - Barriers and opportunities (1)

- **Technology too expensive => Use local technology instead?**
- **Difficulty with credits from local banks => Credits from investor country available?**
- **Local authorities not aware of technological potentials => training & awareness raising?**
- **Too small projects => Combine to 1 larger CDM project?**

JI/CDM in the biomass sector - Barriers and opportunities (2)

- **Competition with other energy sources => natural gas price will further increase!**
- **Possible interaction with EU funding:**
 - **Aid for developing new methodologies**
 - **Establishment of implementing units under FP7?**
 - **Capacity building for national administration / DNA**