

## THE PELLETS@LAS PROJECT

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**ABSTRACT:** The project PELLETS@LAS will contribute to the development of a transparent European pellets market through the creation of a real-time European Pellets Atlas. This will be achieved by the direct involvement of major stakeholders such as pellets associations as well as pellets producers, traders and consumers.

The core of the proposed action is a data and information collection in all EU 27+2 countries for wood and mixed biomass pellets (MBP) and the identification of international pellets trade opportunities. The data are up-dated quarterly and will include regional prices, available qualities and quantities, the locations of stakeholders as well as a detailed description of logistics systems.

The permanent provision of reliable pellet market data to all pellet actors in Europe will contribute largely to overcome current market barriers. Moreover, it will contribute to the implementation of future European legislation in the heat sector which according to the Commission's Biomass Action Plan is currently hindered by lack of market confidence and transparency rather than costs).

Keywords: pellets, market transparency, mixed biomass pellet, query

## 1 INTRODUCTION

Pellets from biomass resources have the potential for a major contribution to several European energy policy tasks, such as security of supply and CO<sub>2</sub> mitigation. The markets for fuel pellets are currently booming in Europe due to increasing fossil fuel prices, environmental concerns and obligations. However, pellet markets across Europe are characterised by heterogeneous development stages. In parallel, inconsistencies occur regarding the available pellet qualities. Still, the main barrier for market expansions is the lack of information which affects all market actors.

## 2 THE PELLETS@LAS PROJECT

The project PELLETS@LAS will contribute to the development of a transparent European pellets market through the creation of a real-time European Pellets Atlas.

The Pellets@las project ([www.pelletcentre.info](http://www.pelletcentre.info); EIE/06/020), coordinated by WIP Renewable Energies (Germany), is supported by the European Commission under the Intelligent Energy – Europe programme (January 2007 to December 2009).

The following figure (Figure 1) shows the logo selected by the project consortium.



**Figure 1:** Pellets@las logo developed for the project.

### 2.1 PELLETS@LAS Objectives

The general aim of PELLETS@LAS is to develop and promote transparency on the European fuel pellets market. This is done to facilitate pellets trade and to remove market barriers, mainly information gaps but also local supply bottlenecks, production surpluses and uncertainties in quality assurance management. Moreover it will contribute to the implementation of future European legislation which is currently hindered by lack of market confidence and attitudes rather than costs. The provision of detailed pellet market data, such as current prices, available quantities and qualities to all pellet actors in Europe will contribute largely to overcome market barriers. The permanent availability of such information within a real-time European Pellets Atlas will lower trade obstacles, support market participation and finally increase the energetic utilisation of pellets. Furthermore, guidelines and road-maps as decision tools based on this up-to date and reliable information source can be elaborated time-efficiently. Furthermore, pre-feasibility studies on the

implementation of MBP projects shall promote this embryonic market.

PELLETS@LAS will cover the whole European market and focuses on all types of fuel pellets.

## 2.2 PELLETS@LAS Work Programme

The core of the proposed action is a data and information collection in all EU 27+2 (plus Norway, Switzerland) countries from wood and mixed biomass pellet (MBP) producers, traders and consumers. For the data collection a consistent methodology is elaborated. The data are up-dated quarterly and will comprise current regional prices, available qualities and quantities, the locations of stakeholders as well as an investigation on logistic systems. Moreover, pellet imports from outside the EU are assessed. During the course of the data collection a low-barrier and rapid monitoring system is established in order to ensure a permanent data recording, even after termination of the proposed action. In order to support the utilisation of MBP pre-feasibility studies on MBP production, logistics and combustion will be elaborated in four European countries (Poland, Slovak Republic, Greece and Germany). The gained data will mainly be disseminated via the internet platform of the European Pellet Centre containing graphic interfaces and thus functioning as a Pellets Atlas. Further dissemination tools will be regular newsletters, a final seminar and brochure, several telephone hotlines, conferences and press work.

## 2.3 Expected results

The most outstanding result is a comprehensive web-based information platform on important fuel pellet market data in EU 27+2, such as produced and available quantities and qualities and regularly up-dated regional sales prices. The platform shall be implemented as a European real-time Pellets Atlas and is designed for a permanent information acquisition based on the existing website of the European Pellet Centre. Furthermore the acceptance and implementation of CEN quality standards is recorded and evaluated. A database on logistic management is established from which a transportation chain model will be derived, which shall reduce supply expenses. Pre-feasibility analysis on the utilisation of MBP will be performed. In order to promote the general use of pellets a handbook is elaborated in five languages and six workshops will be organised. Final outcome will be a user-friendly information platform, which also supports the development of easy-access spot markets. Recommendation papers and analyses reports shall serve as decision tools for pellet actors and policy makers. All these actions will increase the contribution of pellets to the energy production mix by attracting more market participants with transparent markets.

## 2.4 Dissemination Activities

By restructuring, improving and significantly extending an already existing webpage from a previous ALTENER project ("Pellets for Europe") widespread dissemination will effectively be achieved. The existing webpage ([www.pelletcentre.info](http://www.pelletcentre.info)) has currently a great number of daily hits and experience has shown, that it reaches the most relevant pellet actors. Moreover, compared to the previous work, the aim is to significantly improve the data quality as well as the user service. The permanent availability and updating of the information

platform after project termination is one of the major goals. Thus, a follow-up strategy is developed keeping the platform vital and self-preserving. In addition to the improvements and redesign of the existing webpage, new information collected by the PELLETS@LAS, such as data on international pellets trade and a pellet handbook (task 8.1) will be added. An online service where users can estimate size and operational cost benefits from changing from fossil fuels to wood pellets in residential and medium size buildings will be added.

## 3 CONCLUSIONS

The development stages of wood pellets markets in Europe differ largely. While for some countries the development of a market structure is still required, in countries with more sophisticated markets effective international trade mechanisms shall be promoted. For both cases transparent market structures will contribute to trade security and will facilitate the acceptance and dissemination of pellet combustion technology. Regardless of various market development stages concrete information about pellet quantities, qualities and prices within the supply chain is essential in order to create a transparent pellet market in Europe. Therefore detailed data from producers, traders and consumers about their locations, about produced / traded / consumed pellets amounts, about produced and required qualities and about prices as a function of quality, season, purchase quantity and delivery distance should be collected