

*Urban waste for biomethane grid injection and transport in urban areas*

*Project No: IEE/10/251*



# Minutes of the 2<sup>nd</sup> training on business agreements in Graz, Austria

***WP 6 – Task 6.2, contribution to D.6.2***

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UrbanBiogas website: [www.urbanbiogas.eu](http://www.urbanbiogas.eu)

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## Introduction

FRAUNHOFER will organise 3 training courses on business agreements for representatives of cities and municipalities, as well as for potential biogas plant operators and investors. There is still a large gap of knowledge on business models, their advantages and disadvantages among investors and potential biogas plant operators, but also among representatives of cities and municipalities. The trainings will help to bridge this gap. These will be in English and also open to UrbanBiogas consortium members. The location of the training courses will be decided by FRAUNHOFER and the consortium.



The 2<sup>nd</sup> UrbanBiogas training on business agreements was organised by GEA and Fraunhofer on 14<sup>th</sup> May 2013 in the town hall of Graz, Austria. This training is the second of three trainings. The 3<sup>rd</sup> training will be organised in Zagreb, Croatia, October 2013.

In the 2<sup>nd</sup> biogas training the following topics were presented and discussed:

- Objectives and tasks of the UrbanBiogas project
- Practical experiences in Austria with biomethane projects from the point of view of a project developer and plant operator
- Business models for biomethane projects in Germany
- Financing options for biogas projects in Austria and Eastern Europe.

The agenda of this training session is provided in annex I of this report.

Topics of this training were discussed sufficiently in advance with the Austrian partner GEA and the co-ordinator WIP.

Invitations (annex II) to the 2<sup>nd</sup> training on business agreements were sent out to the project partners and distributed by email and giving the link for the online registration. Information about the training was also disseminated by the GEA web-site where registration was done electronically. GEA e. g. additionally addressed 230 business partners (target group biogas/biomethane, CHP, energy service companies, energy agencies).

## Description of the training session

The 2<sup>nd</sup> training on business agreements took place in the Media Centre of Graz Town Hall, on 14<sup>th</sup> May 2013. In total 29 people participated in the training. The list of participants is given in the annex III.

The training was opened by the CEO of GEA, Mr Papousek. He welcomed the participants to Graz and overviewed the development of renewable energies in Austria and portrayed the activities of GEA.

Dominik Rutz (WIP) presented the UrbanBiogas project and its activities; among others the objectives, trainings, task forces and partnerships. He also mentioned the EU landfill directive and stressed the consequences particularly for the younger EU member states. Finally basic information on business models for biogas production, up-grading to biomethane and distribution were given.

The next presentation of Mr Calabotta (MethaPower) delivered deeper insight into legal, economical and technical challenges of the operation of biomethane plants. Additionally he



presented alternatives to grid injection e. g. fuel stations or the production of dimethylether (DME) as a substitute fuel.

The following lecture by Andreas Wolf (AGCS) described the new certification and trade balancing system for biomethane in Austria. The inter-grid trading of biomethane started promisingly in Austria; but one of the major shortcomings in Europe is still the non-existing cross-border trade of bio-methane; despite comparable certification systems different feed-in-tariff-systems and the diktat of locally added-value seem to prevent international trading of biomethane.



Klaus Huber, biomethane trader in Germany, portrayed the situation of a well-established (natural) gas grid and about 130 active biomethane plants, which number is slowly increasing, in Germany. There is a trading of biomethane on a low level but steadily growing. Biofuel quotas which enhance the businesses are proven with a publically accessible biomethane register. Mr Huber also pointed out the importance of inter-European biomethane trade.



After the coffee break Sascha Flesch (LEV Steiermark), representing another IEE-project, BIO-METHANE REGIONS, introduced the biomethane calculator which enables prospective investors to perform feasibility calculations as decision-making support. Additionally he presented concepts for smaller biogas plants to enhance their business chances. One concept comprises mobile biogas up-grading units serving small biogas plants consecutively; another concept provides a large-scale up-grading unit serving several biogas plants simultaneously, these are connected via pipelines for the transport of crude biogas.

Uwe Hoffstede (Fraunhofer IWES) itemised hard and soft criteria which influence the success of a biomethane project. Apart from feedstock, plant technology and

creating a demanding market for the product biomethane there exist decisive factors which play a crucial role and may change to make-or-break criterion for a project like legal standards or the tractability of the neighbourhood of a biogas plant.

The last presentation was given by Wieslaw Kowalczyk (UniCredit Leasing). He informed the audience about the criteria financing institutes apply for credits for renewable energy projects. The risk assessment covers - among others - the location of the plant and the municipality (reliability, stability), security of feedstock supply (long-term contracts) and an independent due-diligence study of a prospective biomethane project. A technical aspect UniCredit treats as crucial for approving a credit is e. g. the remote control of a biomethane plant by the general contractor or an experienced service company.

## Conclusions

The training was well embraced by the audience. It was held in a good atmosphere with a lot of discussions and questions in between and during the presentations. The summary of this training session was given by the audience: Pre-conditions for successful biomethane projects are

- more effective organic waste collection systems,



- incentives for natural gas/biomethane vehicles and CHPs,
- more flexible trading of biomethane, esp. cross-border in Europe,
- stable and reliable feed-in tariffs for electricity, heat and gas produced,
- all this will facilitate the access to credits and/or venture capital necessary for those projects.

## ANNEX I – Agenda



**Tuesday, 14<sup>th</sup> May 2013**  
**Training on business agreements**



Urban Biogas Business Model Training 14 <sup>th</sup> May 2013			
Venue: Media Centre of town hall, Hauptplatz, Graz, Austria			
Organised by: GEA & Fraunhofer IWES			
13:00	13:15	<i>Registration and Welcome</i>	
13:15	13:20	Welcome by the CEO of Graz Energy Agency	Boris Papousek GEA
13:20	13:45	Urban Biogas Project Presentation Typical business models for biomethane projects	Dominik Rutz WIP
<b>13:45-15:30</b>		<b>1<sup>st</sup> session: Practical Experience &amp; Financing options</b>	
13:45	14:15	Business models for biogas projects in Austria; agreements, contracts and lessons learnt	Mr Calabotta MethaPower
14:15	14:45	Biomethane register Austria – application, market, participants	Andreas Wolf AGCS
14:45	15:15	Experience with business models and agreements of biomethane projects in Germany	Klaus Huber Independent biomethane trader
15:15	15:30	<i>Coffee break</i>	
<b>15:30-17:30</b>		<b>2<sup>nd</sup> session: Assessment of biomethane projects</b>	
15:30	16:00	Financing options for biogas projects in Austria – co-operative models for biogas up-grading	Sascha Flesch LEV Steiermark
16:00	16:30	Criteria to assess biomethane investments	Uwe Hoffstede Fraunhofer IWES
16:30	17:00	Standards for financing biogas projects in Central and Eastern Europe	Wieslaw Kowalczyk UniCredit Leasing S.p.A.
15:45	16:15	Summary and discussion	Uwe Hoffstede Fraunhofer IWES

## ANNEX II – Invitation to the training for business agreements



The Urban Biogas Training on Business Agreements comprises practical experience from plant operators, biomethane traders and investors. Experienced experts will provide the audience background knowledge.

### Workshop „Business Agreements for Urban Biogas projects “

Tuesday, 14<sup>th</sup> May 2013

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| <p>13.00 Registration</p> <p>13.15 Welcome<br/><i>DI Boris Papousek EMBA, Graz Energy Agency<br/>Representative of the City of Graz (tbc)<br/>Representative of the Province of Styria (tbc)</i></p> <p>13.20 Typical business models for biomethane projects<br/><i>Dominik Rutz, WIP - Renewable Energies, Munich</i></p> <p>13.45 Business models for biogas projects in Austria: agreements, contracts and lessons learned<br/><i>NN, MethaPower, Vienna</i></p> <p>14.15 Biomethane register Austria - Functionality and market players<br/><i>Andreas Wolf, AGCS Gas Clearing and Settlement AG, Linz</i></p> | <p>14.45 Experiences with business models of biomethane projects in Germany<br/><i>Klaus Huber, Independent biomethane trader, Munich</i></p> <p>15.15 Coffee break</p> <p>15.30 Financing options for biogas projects in Austria (tbc)</p> <p>16.00 Criteria to assess biomethane investments<br/><i>Uwe Hoffstede, Fraunhofer IWES, Kassel</i></p> <p>16.30 Standards for financing biogas projects in Central and Eastern Europe<br/><i>Wieslaw Kowalczyk, UniCredit Leasing S.p.A., Vienna</i></p> <p>17.00 Summary and discussion<br/><i>Uwe Hoffstede, Fraunhofer IWES, Kassel</i></p> |
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### Further information

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Registration until 9<sup>th</sup> May 2013:  
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Venue:  
Media Center Graz  
Rathaus  
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Fees and expenses:  
The participation in the training is free of charge.

Target group:  
Representatives of cities and municipalities who are interested in biomethane production, as well as potential biogas plant operators, investors, waste disposers and energy providers. Limited number of participants, please use the online registration.

Conference language: English



Invitation

### Workshop „Business Agreements for Urban Biogas projects“

14<sup>th</sup> May, 2013

Project



Presented by

