

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

*Project No: IEE/10/251*



## Minutes of the 1<sup>st</sup> training on business agreements in Riga, Latvia

**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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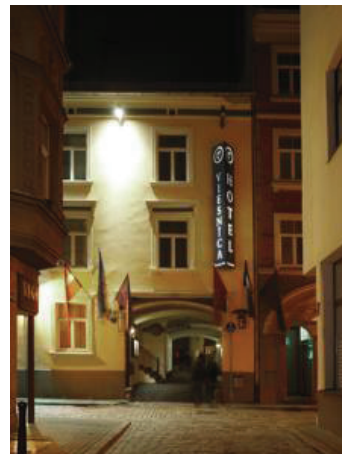
## Introduction

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 1<sup>st</sup> UrbanBiogas training on business agreements was organised by EKODOMA and Fraunhofer on 22<sup>nd</sup> October 2012 in the Konventa Seta hotel in Riga, Latvia. This training is the first of three trainings. The 2<sup>nd</sup> training will be organised in Graz, Austria, on May 2013 and the 3<sup>rd</sup> training in Zagreb, Croatia, October 2013.

In the 1<sup>st</sup> biogas training the following topics were presented and discussed:

- Objectives and tasks of the UrbanBiogas project
- Practical experiences in Latvia with biogas projects from the point of view of a waste management company and an agricultural enterprise
- Business models for biomethane projects in Germany
- Financing options for biogas projects in Latvia and eastern Europe too
- Integration of biomethane projects in a sustainable energy action plan by municipalities.



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 Latvian partners EKODOMA and ZAAO as well as with the co-ordinator WIP.

Invitations (annex II) to the 1<sup>st</sup> training on business agreements were sent out by email to the biogas market actors in Latvia (database of EKODOMA). Information about the training was also disseminated within the Latvian Biogas Association members' network. Registration was done electronically via the EKODOMA web-site.

## Description of the training session

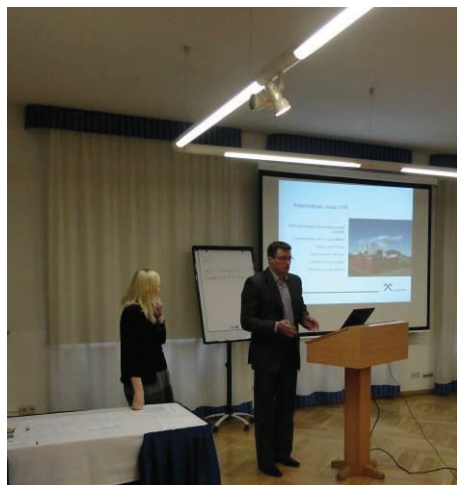
The 1<sup>st</sup> training on business agreements took place in the convention hall of the Konventa Seta Hotel, Riga, on 22<sup>nd</sup> October 2012. In total 25 people participated in the training. The list of participants is given in the annex III.

The training was opened by Dominik Rutz (WIP). He welcomed the participants and 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 Maris Treimanis (Jaundzelves) focused on the contractual situation when setting up his own biogas project with a local engineering company and a foreign (German) general



contractor and explained the benefits and shortcomings of this constellation. And he described the lesser planning reliability of renewable energy projects in Latvia compared to other EU countries (AT, DE, IT e. g.).



The following lecture by Martins Niklas (ZAAO) described the situation of a Latvian waste management company. Determinants of the currently not well-established biogas/biomethane business are lack of separately collected organic waste, lack of long-term contracts, regulated gate fees and hard to assess feed-in tariffs.

Klaus Huber, biomethane trader, portrayed the situation of a well-established (natural) gas grid and about 100 active biomethane plants, which number is slowly increasing, in Germany. There is a trading of biomethane (even across borders) on a low level but growing. Biofuel quotas which enhance the business are proven with a publically accessible biomethane register.

Ilze Dzene (Ekodoma) closed the morning session with her presentation of financing options for biogas projects in Latvia derived from findings of the IEE-project BiogasIN. Former stable feed-in tariffs (10/15 years) for electricity and bonuses for heat use facilitated the development of biogas business models in Latvia. There were incentives for investments in renewable energy projects too. But credits and venture capital nowadays are hard to get because nationally determined revenues and financial encouragements decreased.

After the lunch break 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.



Gabriela Florea (UniCredit Leasing) informed 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.

The last presentation was given by Marcos Nogueira (IrRADIARE). He illustrated methods to inform and motivate municipalities in order to involve these in full regional scale implementations. An integrated planning and management allows combining investment resources throughout areas such as urban environment or economic competitiveness. A cost effectiveness approach enables a sustainable energy policy and



investments assessment and monitoring, namely for 2014-2020 funding period.

## 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,
- information/motivation of municipalities as prospective investors/operators,
- stable and reliable feed-in tariffs for electricity, heat and gas produced
- and this will facilitate the access to credits and/or venture capital necessary for those projects.



## ANNEX I – Agenda



### Monday 22<sup>nd</sup> October 2012 Training on business agreements

Urban Biogas Business Model Training 22 <sup>nd</sup> October 2012			
Venue: Conference hall of hotel Konventa Sēta, 9/11 Kaleju iela, Riga, Latvia			
Organised by: Ekodoma & Fraunhofer IWES			
9:45	10:00	<i>Registration and Welcome</i>	
10:00	10:30	Introductory notes about the training Urban Biogas Project Presentation Typical business models for biomethane projects	Dominik Rutz WIP
<b>10:30-13:00</b>		<b>1<sup>st</sup> session: Practical Experience &amp; Financing options</b>	
10:30	11:00	Practical experience of business models for biogas projects from Latvia	Māris Treimanis Biogas plant operator
11:00	11:30	Practical experience of business models for waste management companies from ZAAO	Martins Niklas ZAAO
11:30	11:45	<i>Coffee break</i>	
11:45	12:15	Experience with business models and agreements of biomethane projects from Germany	Klaus Huber Independent biomethane trader
12:15	12:45	Financing options for biogas projects in Latvia - Experiences from the BiogasIN-project	Dr. Ilze Dzene Ekodoma
12:45	13:00	Discussion 1 <sup>st</sup> session	
13:00	14:00	<i>Lunch break</i>	
<b>14:00-16:30</b>		<b>2<sup>nd</sup> session: Assessment of biomethane projects</b>	
14:00	14:30	Criteria to assess biomethane investments - Project checklist	Uwe Hoffstede Fraunhofer IWES
14:30	15:00	Experience of financing biogas projects in Central and Eastern Europe – Experience from UniCredit Leasing S.p.A.	Gabriela Florea UniCredit Leasing S.p.A.
15:00	15:15	<i>Coffee break</i>	
15:15	15:45	Biomethane industrial projects integration into CoM Sustainable Energy Action Planning – submission to funding instruments	Marcos António Nogueira IrRADIARE
15:45	16:15	Summary Principles of a fair partnership	Uwe Hoffstede Fraunhofer IWES
16:15	16:30	Discussion 2 <sup>nd</sup> session	

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

### UrbanBiogas projekta semināri

**2012.gada 22.oktobrī**

**„Izaicinājumi biogāzes projektu finansēšanā un praktiskajā realizēšanā”**

**un**

**2012.gada 25.oktobrī**

**„Biogāzes uzlabošanas tehnoloģijas un biometāna izmantošana transportā”**

**Semināru norises vieta:**

**Viesnīcas Konventa Sēta konferenču telpa, Kalēju ielā 9/11, Rīgā**

SIA „Ekodoma” sadarbībā ar Fraunhofer IWES institūtu (Vācija) organizē divus biogāzes jautājumiem veltītus seminārus.

Seminārs „Izaicinājumi biogāzes projektu finansēšanā un praktiskajā realizācijā” notiks 2012.gada 22.oktobrī un apskatīs biogāzes ražošanas organizēšanas un finansēšanas aspektus, runājot par godīgas sadarbības principiem biogāzes ražošanā.

Seminārs „Biogāzes uzlabošanas tehnoloģijas un biometāna izmantošana transportā” notiks 2012.gada 25.oktobrī. Šajā seminārā dalībnieki tiks iepazīstināti ar biogāzes uzlabošanas metodēm, biometāna ražošanas ekonomiskajām prognozēm un Zviedrijas pieredzi biometāna izmantošanai transportā. Semināra otrā daļa tiek organizēta sadarbībā ar projekta BIOMASTER partneriem.

Abi semināri notiks angļu un latviešu valodās. Sinhronā tulkošana nodrošināta netiks.

Dalība semināros ir bez maksas, bet vietu skaits ir ierobežots.

Semināru organizēšanu finansiāli atbalsta *Intelligent Energy Europe* programmas projekts **UrbanBiogas**.

**UrbanBiogas** projekta vispārējais mērķis ir veicināt sadzīves atkritumu sastāvā esošās, līdz šim neapgūtās organiskās frakcijas atdalīšanu, savākšanu un tās izmantošanu biogāzes un vēlāk biometāna ražošanai. Biometānu paredzēts izmantot, to ievadot dabasgāzes cauruļvados vai kā degvielu transportam. **UrbanBiogas** projektā ir iesaistītas piecas Eiropas pilsētas – Zagreba (Horvātija), Abrantes (Portugāle), Grāca (Austrija), Rzeszow (Polija) un Valmiera (Latvija).

Lai pieteiktos semināriem (vienam vai abiem) līdz **2012.gada 16.oktobrim** aizpildiet pieteikuma anketas, kuras atradīsiet šeit:

[http://www.ekodoma.lv/index.php?option=com\\_forme&fid=4](http://www.ekodoma.lv/index.php?option=com_forme&fid=4)

un

[http://www.ekodoma.lv/index.php?option=com\\_forme&fid=6](http://www.ekodoma.lv/index.php?option=com_forme&fid=6)

Papildus informācijai zvaniet uz SIA „Ekodoma”, tel.67323212 vai rakstiet [ilze@ekodoma.lv](mailto:ilze@ekodoma.lv), kontaktpersona: Ilze Dzene