

Media Information

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Conference highlights opportunities for investors in Irish biomass projects - SEI

While activity in the alternative energy market in Ireland has to date been dominated by wind energy, investment opportunities should also be considered in biomass projects such as wood pellet manufacturing plants. That is according to Kieran Corrigan, leading finance expert and member of the Industrial Development Authority (IDA) who was speaking on the second and final day of 'Wood Energy 2005', the annual wood conference and study tour, organised jointly by Sustainable Energy Ireland (SEI) and Coford.

Mr Corrigan said that the investment opportunities in relation to wood fuels fall into two areas – wood energy generation plants and wood pellet production plants. With regard to energy generation, under the Government's last AER scheme one wood burning plant in Ireland received approval for a 15 year contract at 7 euro cent a kWh. "This level of financial support is essential if such projects are to be profitable going into the future. Looking at the UK for example, they now offer a very attractive green rate (the equivalent to 10 euro cent per kWh) and it is important that when the Irish government produces its new scheme it recognises the need for appropriate support mechanisms, to encourage development and investment", he said.

According to Mr. Corrigan, "Wood pellet production is a distinct and separate manufacturing opportunity. Refined wood fuels in the form of pellets are an attractive and flexible fuel for the Irish and international heat and power markets. Pellets can be sold to the domestic and commercial markets here in Ireland and exported beyond to a variety of green energy users, especially power plant users. Such is the potential, a 50,000 tonne a year pellet production plant costing around 5 million euro could pay for itself in as little as five years".

Delegates at the conference heard that the EU has experienced strong growth in wood pellet production, with a doubling in the number of production plants since 2003. There are currently over 220 plants in the EU. Established wood energy markets in the EU include Austria, Sweden, Germany and Italy, while, new markets undergoing increasing development are Spain, Ireland, France and Norway.

Also commenting, Mr. Paul Kellett of SEI said, "The development and investment opportunities in the wood energy market in Ireland are significant. The development of a wood energy industry in Ireland could also play a significant role in rural regeneration, putting millions of euro back into rural economies. In the future it is a possibility that many towns in Ireland could have a wood power plant – managed and maintained with local labour and powered by locally grown wood, and locally produced wood pellets and chips".

During the two-day conference and study tour, leading wood energy technology experts from Ireland, Austria, Germany, Finland and Denmark, shared their experiences and expertise. The conference focused on wood fuel supply markets and addressed the important issue of quality both in terms of the fuel and technology.

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Notes to Editors:

Sustainable Energy Ireland, was established on May 1st, 2002, as a statutory authority charged with promoting and assisting the development of a sustainable national energy economy and is funded by the Irish Government under the National Development Plan 2000-2006 with programmes part financed by the European Union.

COFORD, the National Council for Forest Research and Development coordinates and funds research to secure long-term industrial viability and optimise social, environmental and cultural developments associated with forestry. Supported under the National Development Plan 2000-2006 it also engages in international networking and monitors progress to ensure effective technology transfer.