

# Certification vs Security of Supply

Better Biomass from a Sourcing Perspective

Paul Hendrix, Eneco Biomass Desk

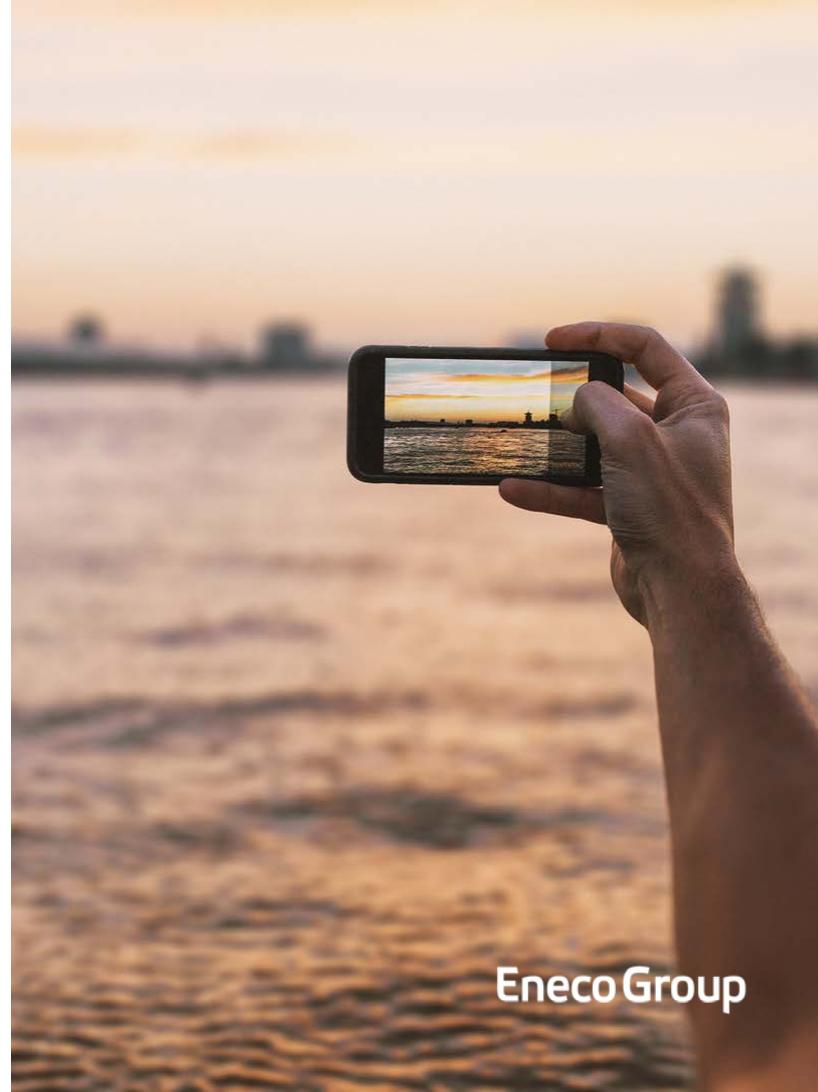
6 June 2017

Eneco Group



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# Introduction

## My career with Eneco so far

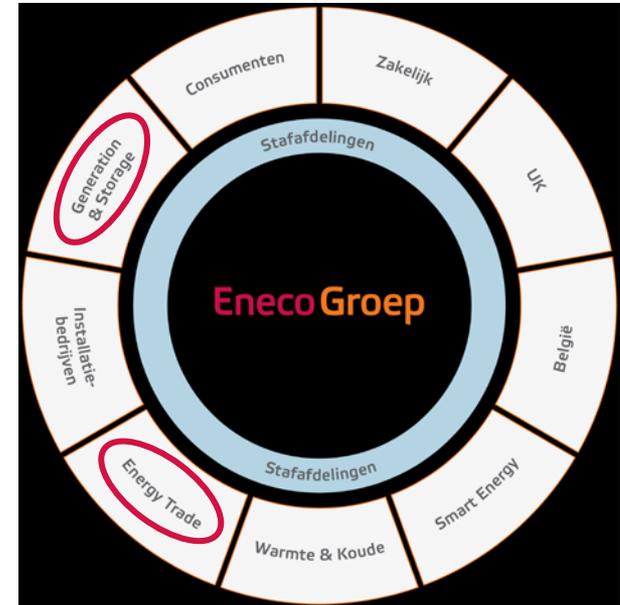
- Started working for Eneco since 2002
- Eneco Energy Trade since 2005
- 2008 active in the bio-energy business
- Head of Biomass Desk per 2010



# Introduction

## Eneco Biomass Desk

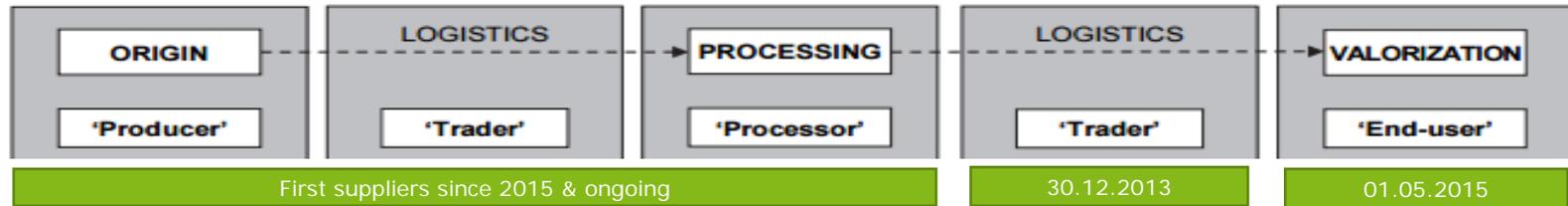
- Part of Eneco Energy Trade
- Responsibilities:
  - Sourcing sustainable fuels for our bio-energy assets
  - Physical transportation of fuel from A to B
  - Quality monitoring of fuel (sampling and analysis)
  - Adhering to Eneco sustainability requirements as set by our Sustainability Office (business independent)
  - Politely asking suppliers to get certified



# Current Use

## Better Biomass Certification

- Bio CHP Bio Golden Raand → operational 2013
- Biomass Desk ('Trader') certified since 30.12.2013
- Bio Golden Raand ('End-user') certified since 01.05.2015



# Certification

## Necessity or nuisance?

- How many of you know what we burn in Bio Golden Raand?
  - A. No clue, biomass I guess?
  - B. Wood chips
  - C. Recycled wood
  - D. Wood pellets
  - E. Some other stuff that burns really well

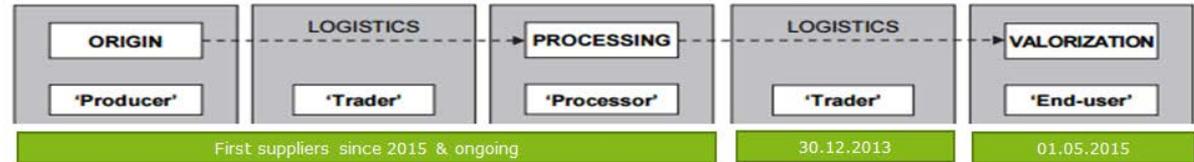
Which one do you consider to be the most sustainable?

- Eneco: necessity due to transparency and trust worthiness
- Better Biomass preferred certification scheme for Eneco

# And Now.....

## The Reality

- 100% certification of whole chain possible?
  - A. YES
  - B. NOT in a million years
  - C. Probably somewhere in between
- Overview % certified volume:



2014: 0%  
2015: 60%  
2016: 79%

- So how come it is not 100%?

# Certification vs Security

## Our Portfolio

2014	%	Cert	2015	%	Cert	2016	%	Cert
<del>1</del>	<del>58%</del>	<del>✘</del>	1	25%	✔	1	15%	✔
2	28%	✘	2	15%	✔	2	11%	✔
3	<del>13%</del>	✘	3	13%	✔	3	7%	✔
			4	7%	✔	4	5%	✔
			5	6%	✘	5	5%	✔
			6	5%	✘	6	5%	✔
			7	5%	✘	7	4%	✔
			7	4%	✘	8	4%	✔
			9	3%	✘	9	3%	✔
			10	3%	✘	10	3%	✔
			11	3%	✘	11	3%	✔
			<del>12</del>	<del>2%</del>	<del>✘</del>	12	3%	✔
			<del>13</del>	<del>2%</del>	<del>✘</del>	13	3%	✔
			14	2%	✘	14	3%	✔
			15	2%	✘	15	3%	✔
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						23	2%	✘
						24	1%	✘
						25	1%	✘
						26	1%	✘
						27	1%	✘
						28	1%	✘
						<del>29</del>	<del>1%</del>	<del>✘</del>
						<del>30</del>	<del>1%</del>	<del>✘</del>
TOTAL		0%			60%		79%	

# Renewable Steam

## Eneco's entrance into the world of pellets

- Renewable steam projects under development
- Consumption starts from 2020 onwards
- Not able to source sufficient amount BB wood pellets
- Current suppliers SBP certified, BB = additional admin hassle and costs
- Better Biomass certification difficult to demand → suppliers anticipate growth demand
- Multiple renewable steam projects icm SBP vs one (?) icm Better Biomass, which is the greater of goods?

# Better Biomass & Pellets

## Something to put into perspective

- World consumption industrial grade pellets 2016: 11.6 MT
- ~9.8 MT consumed in Europe
- SBP certified
- How many BB certified industrial grade pellet suppliers?



# In summary

## The future of Better Biomass

- Certification for Eneco a necessity from a transparency and trustworthiness point of view.....
- .... however, due to security of supply/fuel quality reasons, 100% BB certification is not achievable in practice,
- In practice BB is better suited for local (Dutch) produced and consumed biomass,
- BB is not going to be the dominant scheme for the international pellet trade in the foreseeable future (unless the UK government is going to enforce it),
- Recommend an EU/global harmonized certification scheme for solid biomass.

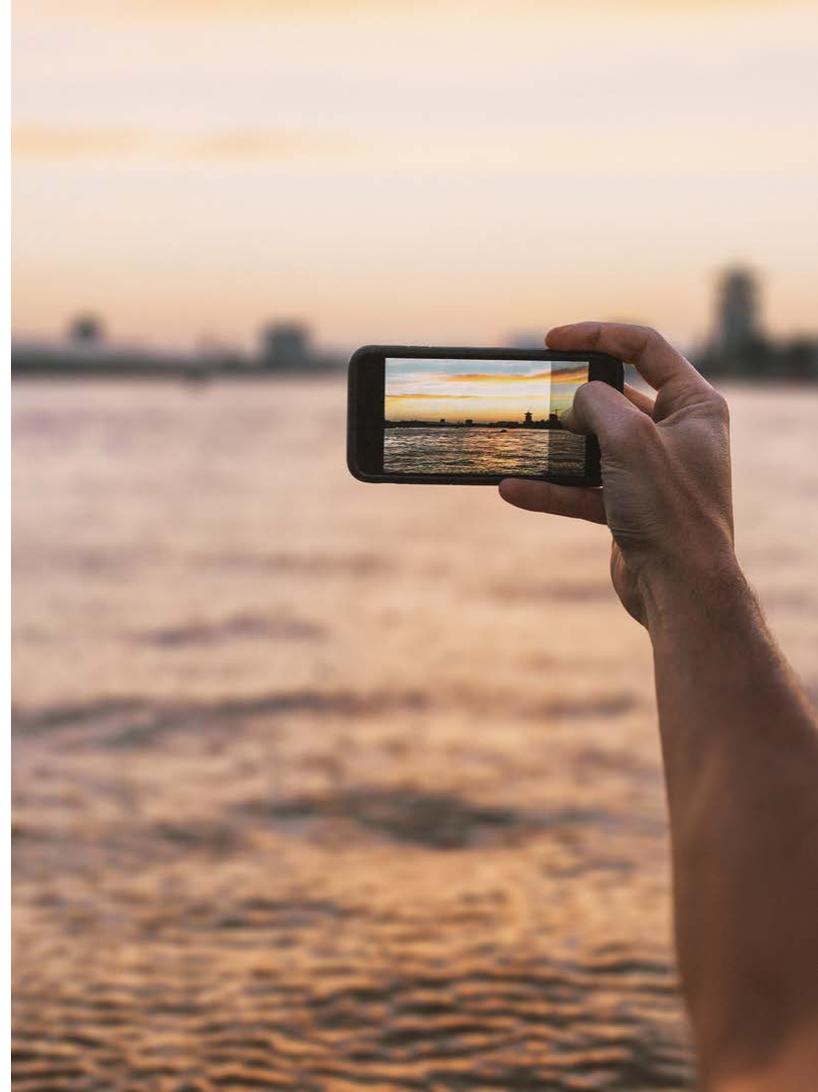
# Thank You For Your Attention

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