

Biogas Europe 2010 - Milan



Present and Future of the Biogas in Spain

WHO WE ARE



- We could say that the biogas market (our) started in 2007 with the Real Decret 661/2007, this new law improved the existing one and included new feed in tariffs for new producers of renewable energy, for instance: biogas done with agro-industrial substrates.
- AEBIG: Biogas Spanish Association, Founded in 20.01.09

.- Now a days we are 25 companies in the Association

Main tasks of AEBIG



- To represent and to defend the interests of the associates
- To release and to promote the biogas sector
- To collaborate and help to understand technical and economical aspects to Public Administrations, doing proposals for improving the market: Spain has one Central Administration but two Ministries interacting + 17 Local Administrations + City Halls, all of them has some part of acceptance in the permits of the biogas plants.
- To collaborate with other Biogas Associations and Official Depts in order to keep informed our associates and help them to understand better the situation.

Our main message is focusing treatment of biogas plants as a source of renewable energy, which improves the environmental and support the development of country site areas and the same time sitting the population in the small villages.

In Spain, for now, is hard to think to have biogas plants with energy crops, not too many areas with water for irrigation, so the easiest substrates are wastes.

Biogas in Spain

CURRENT SITUATION



- 49 mill of Tm/y of wastes from animals (2.400 mill. of m³/y);
- • 27 mill. Of Tm/y of wastes from vegetables (5.000 mill. of m³/y);
- • 3,3 mill. Tm/y of animal by-products (100 mill. m³/y);
- • 0,5 mill. Tm/y fish by products (43,5 mill. M³/y);
- • 3,1 mill. Tm/y of milk and derivates (125,5 mill. m³/y).

Total biogas potencial: 8.000 millions m³/y

Potencial of electricity to be produced: 2.000 MW/h

(considering all the wastes from farmers and others usable for biogas plants)

Biogas in Spain



- **Currently in Spain (2009 data): source of electricity**

Renewable is close to 19,5% (average)

Gas Natural is 38%

Nuclear 19%

Coal 14%

P. Petrolíferos 8%

Water falls 1,5%

In the last 10 years renewable energy has grown up 40% .

The goal is contribution to 20% by 2020 helping even the whole EU.

BIOGAS FROM DIGESTOR HAS BEEN ONLY ABOUT 3,5 MW!!!!!!!!!!!! (ONLY 6 PLANTS COMMISSIONED DURING LAST 3 YEARS)

THE DECRE 661/2007 HAS FAILED AND IT IS TIME TO TAKE ACTIONS

Future of the Biogas in Spain



- AEBIG prepared the memo: “Futuro del Biogás en España” summarizing the main barriers and doing proposals to make possible the development of biogas market in Spain.
- The document was presented to the press in January 2010 and submitted to the main actors in the Government

Future of the Biogas in Spain

MAIN BARRIERS

- **Feed in tariffs:**
 - Low: 13,8 cts/kWh for plants <500kWh and 10,3 cts/kWh for plants >500 kWh
 - NON progressive feed in tariff, necessity of bigger feed in tariffs for smaller plants
 - Lack of bonuses to complement the feed in tariff.
 - Low extra tariff for heating recovery: not profitable extra investment
- **Connection to the grid:**
 - Unknown decision from the electricity company: no rules for them, they decide
 - The promotor of the biogas plant has to afford all the costs for the connection.
 - As a consequence few plants can be profitable, we are in the hands of the electricity company
- **Administration:**
 - Too much people involved in different Administrations: complex to get all licences, permits, etc
 - Registro de Preinscripción: one more complication, after all the steps, it takes 3 to 6 months more

Future of the Biogas in Spain

REQUESTS FROM AEBIG TO GOVERNMENT



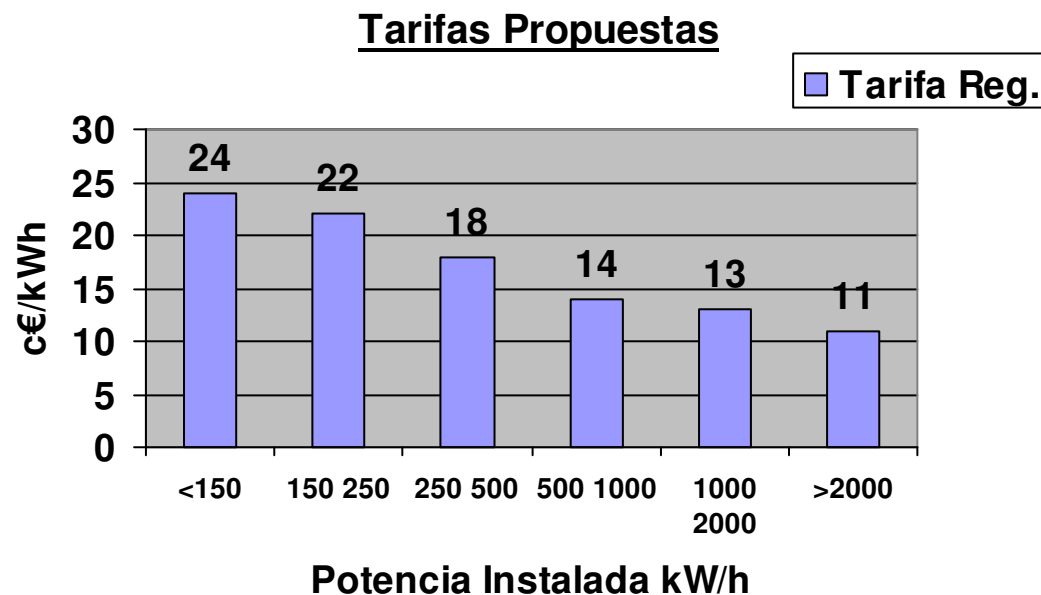
- The previous estimations from 2006 were wrong, and based on them the Government prepared the Decree 661/2007 (“the Bible of biogas in Spain”)
- AEBIG submitted proper CAPEX and OPEX based on real projects quoted during last 2 years.
 - As a consequence AEBIG asked for new feed in tariffs to get 12% of profitability on projects, less than that Banks don't loan money for projects.
 - New method to calculate the heat used and get the extra bonus for cogeneration (+0,25 cts/kWh)
 - Change for getting the permits to connect to the grid.
 - Clear splitting for the connection costs to the grid.
 - One unique Administration and simplified procedures
 - Having considering energy crops as an option for certain areas
 - New Sandach (ABP) policy to be more flexible on using slaughterhouse wastes.
 - Clear policy on using the digestate as fertilizer.
 - Template to permit injection of biogas in the natural gas grid

Future of the Biogas in Spain

PROPOSALS

NEW FEED IN TARIFFS:

- Proposal get +/- 12% profitability

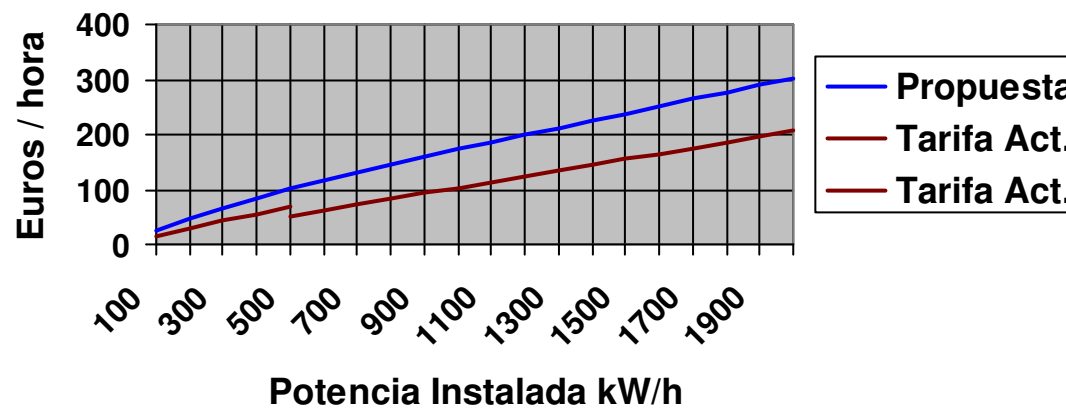


Future of the Biogas in Spain PROPOSALS

NEW FEED IN TARIFFS

- Progressive and accumulative feed in tariff

Ingresos Actuales versus Propuestos (Tarifas Acumulativas)



ANSWER FROM THE GOVERNMENT

- Due to the critical economical situation it seems they are not willing to increase the feed in tariffs. They just offer us the Plan of Manure Digestion, but it based on grants: we want something more serious
- They are studying to add one bonus based in the CO2 savings, but it will take some time to go out.
- They are preparing the wording for the new PANER: the draft has been submitted and nobody is happy with it. It's time for discussions about it.

NEXT ACTIONS TO BE TAKEN FROM AEBIG



- To prepare a memo summarizing our concerns about the new PANER (it's on the way)
- Start discussions with the Ministry about the document
- ASK FOR HELP TO EVERYBODY IN EUROPE WHO COULD MAKE UNDERSTAND SPANISH GOVERNMENT THAT THE BIOGAS MARKET NEEDS MORE SUPPORT.

¡ MUCHAS GRACIAS POR SU ATENCIÓN !

Thanks you very much for your attention!!!

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