

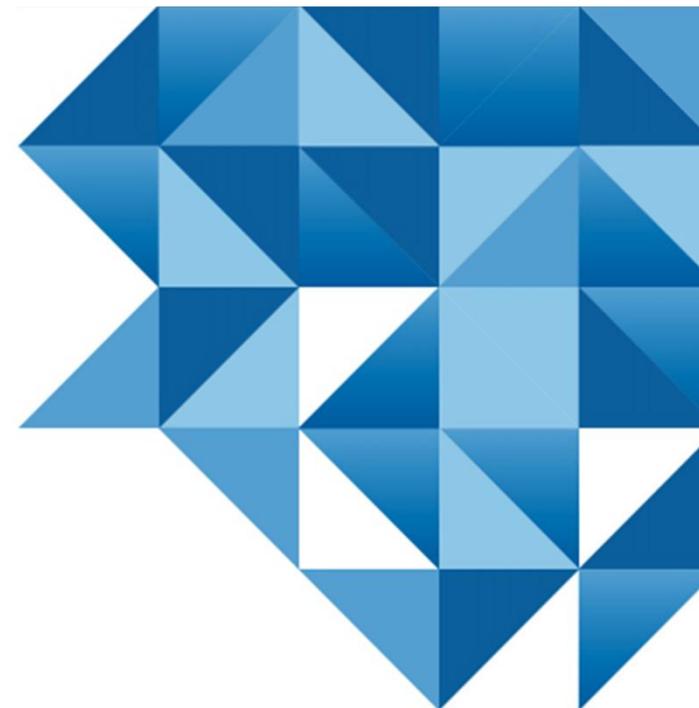
CHALLENGES FOR FINANCING BIOENERGY AND BIOMASS PROJECTS



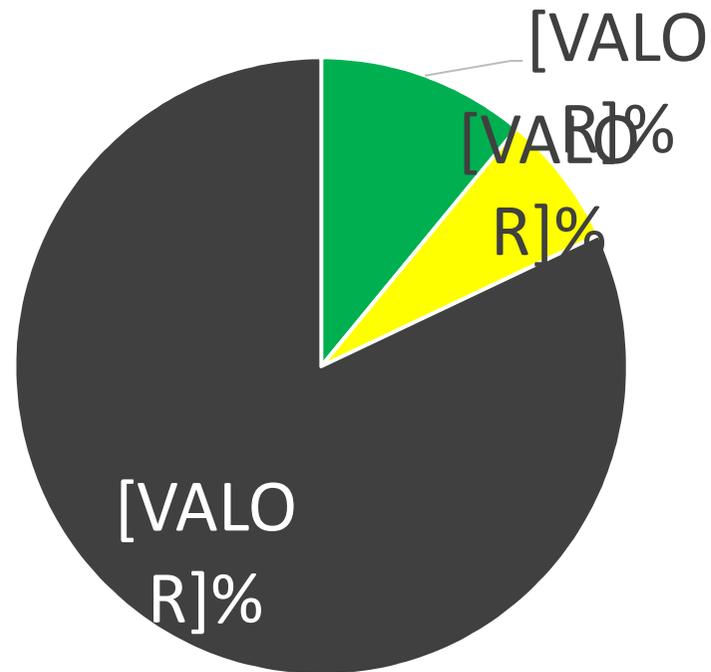
FINANCING DAY: FINANCING FUTURE-PROOF LOW IMPACT BIOENERGY CHAINS

BIOMASS VALUE CHAIN ROADSHOW EVENT

6 June 2018, Brussels, Belgium
presented by Dominik Rutz



BIOENERGY IS THE LARGEST RENEWABLE ENERGY TODAY!



■ Bioenergy ■ Other Renewables ■ Fossil/nuklear

Source: Eurostat, AEBIOM, <http://www.europeanbioenergyday.eu/about/european-bioenergy-day-concept/>, EU-28 gross final energy consumption

CHALLENGES FOR FINANCING BIOENERGY AND BIOMASS PROJECTS

STATEMENT 1

- ***Bioenergy projects are always compared to the currently used energy technology and its costs***

→ if the new technology is „cheaper“, the investment will be done, if it is more expensive, it will probably not be done

→ initial investment cost vs. operational costs

(many bioenergy projects are cheaper if the whole lifetime of 20-30 years is considered)

→ external costs/impacts/benefits are often not included in decisions

CHALLENGES FOR FINANCING BIOENERGY AND BIOMASS PROJECTS

STATEMENT 2

- ***The success of bioenergy projects is heavily influenced by policies***

- is different in different regions/countries

- also the fossil sector is heavily subsidised – this can be a barrier for bioenergy projects!

- regulations on emissions can boost/block bioenergy projects

- programmes and subsidies can support bioenergy projects

- the low oil price is a barrier against bioenergy projects, carbon taxes could mitigate this

CHALLENGES FOR FINANCING BIOENERGY AND BIOMASS PROJECTS

STATEMENT 3

- ***Modern and traditional financing of bioenergy projects offer opportunities***

- bioenergy projects are generally more “complicated” than other RE projects

- bank loans depend on the risk assessment – in many countries not enough bioenergy expertise in the banking sector available

- this influences the interest rate

- higher interest rate is beneficial for new financing tools (e.g. crowdfunding)

- a great tool is financial participation (shares) of consumers, but this is sometimes not supported by the legislation/administration



THANK YOU FOR YOUR ATTENTION

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