

## **MODERN BIOMASS UTILISATION**

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During the last 3 decades use of biomass for energy purposes has developed. In Denmark - as well as in the rest of Europe - biomass has become an important energy source. In the Nordic countries we have seen a rise in utilisation of wood, straw and biogas. New technologies for use of different types and qualities of biomasses have been developed and the trade of biomass has grown and a market has been built.

In Denmark today more than 2.5 million tons of wood and 1 million tons of straw and 700,000 tons of wood pellets are used every year; in private homes, industries, district heating and power plants.

All waste from households and industries are used in incineration plants producing heat and electricity. On top of that, manure and animal waste from agriculture and food industry are used for production of biogas by means of anaerobic digestion.

The market and supply of biomass is still small compared to fossil fuels and the prices are 2-3 times higher calculated on energy basis. Legislation, financial support, subsidies, tax on fossil fuels and trade of CO<sub>2</sub> allowances has made biomass a competitive fuel for production of electricity and heat. The use of biofuels is expected to increase in the future in order to meet the overall goal and fulfil the international agreements on climate change and reduction of CO<sub>2</sub>. In accordance with this the market for biomasses will grow.

Price and security of supply are of vital importance for users of biomass - such as Energi E2. Basically the object of securing supply of biomass for energy production is the same as for all types of fuel or other commodities: to make supply and demand meet at prices you are able and willing to pay. Energi E2 has carried out market analysis and found that the level of resources actually available is often only 30-50% of theoretically computed figures.