

Compiled guidelines energycompanies

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Background

In the process of preparing for a decision to start biogas production there is a need to secure a demand for the gas that will be produced. In case the gas will not be used by the producer of the gas himself in order to produce heat or power, a number of energy or fuel companies need to be approached in order to discuss gas sales and deliveries. The question is not only the price of gas. Much more importantly there are a number of issues that need to be understood related to the requirements on the supplier, the frequency and volume of deliveries, and the equipment necessary at the biogas plant in order to make sure that the gas and the transport equipment meet the requirements of the customers.

In many municipalities there are energy companies that use gas to produce heat and power. Some of these need to be approached in order to identify the requirements for supplying gas.

Requirements on Suppliers

In all industries customers have a range of requirements on their suppliers. Different types of activities, and often investments, on the side of the supplier are needed in order to meet these requirements. Such requirements are related to the quality of the product, the packaging, the preparations of the product for transportation, and so on. In many industries there are requirements that suppliers without previous experience from the industry are unlikely to foresee. Often they are taken for granted by people in the industry and are difficult to find documented. Meetings with people from the industry and opportunities to visit facilities and plants where the product is produced and used, together with industry experts are the best ways to find out the details.

Missing important specifications is often very costly and may lead to project delays and unexpected cost. In most cases efforts to prepare the product for sale affect the production cost and the investment needs.

One example of a requirement that is important to analyze is the possible need to store gas ahead of deliveries. In case the preferred customer only burns gas during a part of the year there may be a need to store six month's production of gas until the next season, or sell volumes to other customers that use gas all year round.

Gas Deliveries in Euroslam

The Euroslam partners have successfully identified customers that can receive gas volumes on a regular basis. The municipality of Höganäs has built a pipe-line to the nearby metal powder company Höganäs AB, which uses gas all year round to fuel its hydrogen production process. Hörby and Östra Göinge will enter cooperation with three other small municipalities and produce gas that will be sold to nearby energy companies that also use gas on a regular basis.