

HOW NEWBIO CAN HELP ENABLE GROWTH OF THE PELLET MANUFACTURING SECTOR

Discussion summary from the 2013 NEWBio Bioenergy Symposium, State College, PA, 16 August, 2013.

Breakout Discussion Group:

Tim Volk	Leah Bug	Richard Hess
David DeVallance	Jack Lynch	David Dowler

OVERVIEW

The pellet sector is currently a growing market in the Northeast United States. However, the sector may be soon competing heavily with low cost natural gas. To stay competitive, pellet manufacturers may have to look toward export markets and a change in the types of pellet products they produce and products that meet more specific specifications for their intended end-use. While new products and closer attention to specifications were identified as key factors for the pellet industry, transportation logistics of raw materials and final products and education are of equal, if not greater, concern for the industry. The group encouraged NEWBio to devote time and resources towards helping find alternative markets for pellets and improving the education of people in positions that could truly help spur movement in constructing heat and power systems that run off of pellets. Our specific recommendations for research, extension, and education are as follows.

RESEARCH

The overall feeling was that more research should be focused on developing pellets that better meet performance specifications for their intended purposes. The group felt that traditional wood pellets do not meet the performance specifications for the systems described under the NEWBio program. The group feels that more and more market attention is moving toward larger “super” pellets and torrefied pellets for overseas markets. Consequently, research is needed to further develop these types of products with improve performance that meet the intended use for alternative markets rather than just home heating.

Another area of research for pellets should in logistics. The group felt that improvement in storage and handling were key focus areas and also that more work on shipping logistics and how to improve the economics of transporting final pellet products to existing and potential markets. This research system not only involves pellet transportation, but the harvesting and transport of feedstock. Research is also needed in terms of the entire supply chain for pellet markets and specific research into how local use affects the economics of using pellets for heating and power.

The final area for research is to identify and evaluate pellet products for different applications than traditional existing energy sectors. One example is the use of pellets for cleanup of natural gas fracking sites.

EXTENSION

The group strongly felt that the extension effort needs to be more focused on going out and directly talking to potential end-users, pellet manufacturers, farmers, and forest landowners about the opportunities to use, produce and sell feedstock to the bioenergy sector. There is a need to get these players involved in a more active role. Short courses were viewed as OK, but more assistance and work with those individuals that can truly affect the availability of feedstock and products was the key to successfully understanding and unlocking the potential of the bioenergy feedstock for pellet products. The group should work toward getting demonstration projects using pellets as feedstock underway throughout the area. To break through some barriers of initial costs, the group thought that the extension group should work with equipment manufacturers to offer low initial cost systems.

EDUCATION

The major education needs for the pellet sector was for educating individuals that can really make a change and influence the installation of pellet combined heat and power systems. In general, the education portion needs to reach a large audience. There is a need to better educate policy makers and local officials on the benefits of using pellets for energy applications. These key players have the ability to influence the use of these renewable materials and the adoption of them as viable fuels. More focus on getting objective people from academia to talk to the general public and local officials is needed. A possible suggestion is to arrange educational tours for the public and local officials to bioenergy facilities within the region that use wood pellets.