



<p>Integrated Pyrolysis Fuel</p>	<p>Prof. DI. Dr. Sebastian ALBER University of Economics, Vienna Augasse 2-6 1090 Wien Telefon: +431-31336-4802 e-Mail: sebastian.alber@wu-wien.ac.at</p>
<p>Target</p>	<p>The target is to buy pyrolysis reactors for the decentral production of pyrolysis oil in Austrias wood-rich regions. This oil will be used to power company -owned CHPs on the site of medium industrial companies under long-term contracting agreements.</p>
<p>Long-term Perspective</p>	<p>This is a new business model that cuts out resistance to the use of the fuel or the technology. Production of oil, using it to generate heat and electricity are in the hand of the company. The customers have no technical risk, they pay for the energy units delivered to them.</p>
<p>Sum of Investment</p>	<p>Depending on scale of operation, and speed of development steps. Purchase, installation and operation of pyrolysis reactors must be financed. The diesel engines and heat exchangers on site of the customer must be financed, integrated and operated.</p>
<p>Procedure</p>	<p>0) Project planning and budgeting 1) Selection of suppliers for reactors and CHP 2) long-term contracts with suppliers of wood and/or straw 3) long-term contracts with companies / communities to buy electric and heat power 4) scientific assistance parallel to rollout in order to optimize result</p>
<p>Participation</p>	<p>Started and owned by SCG</p>
<p>Majority Owner</p>	<p>SGC</p>
<p>Additional Shareholders</p>	<p>Management, maybe research partners or suppliers (wood-owners)</p>
<p>Technical / Scientific Support</p>	<p>Austrian Technical University and Austrian Research Institute, additional links to EU-projects and EU Universities with focus on UK and Finland</p>
<p>USP</p>	<p>Creates integrated business from use of agricultural waste material down to the sale of power. All intermediaries are cut out, the power is sold at a discount to the grid-price to the customer. The price is attractive, because it compares to the grid-</p>



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	<p>price and not to the wholesale-price or a regulated feed-in tariff. Long-term contracts directly with the customer stabilize the business model for company as well as for customer. For many countries in CEE the raw material could be also straw.</p>
Market	<p>Initially Austria, in principle worldwide, licensing or franchising of the model is possible, contracting will become main earnings driver.</p>
Competition	<p>No integrated competition known up to now. Contracting the input cuts possibilities for imitators (controlling the source).</p>
Technical Status	<p>Products are available and proved to be competitive with diesel fuel in 2001. Scaling of the size of reactors is required to optimize size for the different sources / locations.</p>
Risk	<p>Copy of product is possible, fast market entry is important. Learning curve effect must be used to leverage market position.</p>
Exit-variants	<p>Sell-off, IPO, industrial or financial investors</p>