

# Heating February 2010



International Market Strategy

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## Czech Republic: ČEZ Powered 94,000 Households

In 2009, the ČEZ Group produced over 327 million kWh of electric power from biomass in consumer's power plants. Improvements of the Hodonín power plant enabling increased volumes of the burned biomass proved to be positive.

The ČEZ Group produced over 327 million kWh of electric power from biomass last year and exceeded so slightly the balance from two years ago. The production mentioned would cover an annual consumption of almost 94,000 households at the same time.

Last year over 363,000 tonnes of biomass were burned in four facilities of the ČEZ Group in the Czech Republic producing electric power from biomass (the Hodonín power plant, the Poříčí power plant, the Tisová power plant and the Dvůr Králové heating plant).

Despite general problems with delivery of biomass at the beginning of 2009, ČEZ managed to increase the biomass production by almost 19% and deliver over 177 million kWh. Last day of the past year was in token of a definite change of one of the units in Hodonín entirely to clear biomass (other operations of the ČEZ Group apply so called coburning of biomass and coal). After Hodonín also the power plants in Tisová and Poříčí should also consequently undergo modifications enabling increased volumes of production from biomass.

Source: [www.cez.cz](http://www.cez.cz)

## Germany/France: Support for Solar Power to be Cut Down

Germany said that it would cut its subsidies for solar power in line with the rapid take-up of the photovoltaic market. France follows with a similar announcement.

The Renewable Energy Directive set individual targets for EU member states in order to reach a collective 20% share of renewables in total energy consumption by 2020. Each country is free to choose which renewables it promotes.

With around half of the world's solar market, Germany is a clear leader in photovoltaic solar technology, but other European countries like Spain, Italy and France have in recent years made attempts to challenge this.

Among the most successful examples of government promotion of solar power are beneficial feed-in tariffs to electricity from renewable sources, which were first adopted in Germany and then followed by others. They aim to help technologies that are not yet commercially viable to reach grid parity, the point at which they cost the same as fossil fuels.

German Environment Minister Norbert Röttgen (CDU) announced that the government was proposing to cut feed-in tariffs for new roof-mounted solar power by 15% from April. Open-field sites and farmland installations would follow in July with 15% and 25% cuts respectively. People who mount solar panels on their rooftops and utilise the energy for personal use would, however, receive higher tariffs.

The environment minister said that the planned cuts were due to the success of the solar sector, which had led to over-subsidisation of the industry. The feed-in tariffs have come under pressure, as the price of solar panels has dropped by around a third due to oversupply in the past year.

But the solar industry warned that the cuts, which will come on top of annual reductions under the German Renewables Act, would lead to job losses. Moreover, concerns were raised about the wider paralysis of the global solar market, which is largely driven by Germany, by far the biggest market in the world.

The Federation of Renewable Energy (BEE) said that coupled with the standard reductions under the Renewables Act, these additional cuts would bring down subsidies by at least a third by early 2011.

"The proposed cut threatens the foundations of the German solar industry and the shift to an age of renewables. If the environment minister wants to implement his ambitious plans to base Germany's energy supply almost entirely on renewable energy by 2050, he must provide for reliable subsidy conditions instead of spooking investors.

France also announced that it would cut its feed-in tariffs for rooftop systems by 24%, from 55 Euro cents to 42 Euro cents per KWh.

The move was part of a larger overhaul of renewable subsidies, which also saw adjustments to tariffs for geothermal and biomass plants.

The world's highest tariff at 58 Euro cents per KWh was reserved for panels integrated into residential buildings or hospitals and schools. Other constructions like offices and industrial sites would get lower



tariffs: 50 cents for existing buildings and 42 cents for newly-built ones.

The government said the new tariffs "would apply only to new projects" and were aimed at pricking a "speculative bubble" that had been developing in the market since November 2009. Therefore, the government said it would not accept applications handed in by generators after 1 November if they had not already applied for a grid connection. They could reapply under the new tariff conditions.

The European Photovoltaic Industry Association (EPIA) stressed that it would be important for both France and Germany to follow the evolution of market prices in their feed-in tariff systems.

Source: [www.euractiv.com](http://www.euractiv.com)

## Hungary: TiSUN Installs Solar Collectors in Residential Project

TiSUN, a Tyrol, Austria-based developer and seller of solar collectors and storage tanks, has completed the installation of 1,500 square meters of solar collectors at an 886-unit residential community in Budapest, Hungary.

The installation was part of an energy-efficiency upgrade that received a 4.45 million euro subsidy. The project was partially funded by the city of Budapest and the EU Panel Plusz project. The property owners contributed to 27% of costs.

Source: [www.solarindustrymag.com](http://www.solarindustrymag.com)

## India: HDG Exports to Europe Quiet, Offer High Prices

India's hot-dip galvanized steel export market is quiet, with hardly any fresh bookings from European importers – traditionally the main customers for Indian HDG coils and sheets.

Indian steel mills are quoting prices that are way too high for European customers in today's market. The current offers for 0.5-0.6 mm thick, annealed, galvanized coils with a 120g/ m<sup>2</sup> zinc coating from major Indian mills are at \$850-900/tonne to Europe. European buyers are not agreeing to levels higher than \$800-820/tonne.

Source: [www.steelbb.com](http://www.steelbb.com)

## Norway: PGNiG Expands into New Market

PGNiG Norway, a unit of Polish gas and oil company POLSKE GORNICTWO NAFTOWE I GAZOWNICTWO (PGNiG) is taking a 15% share in a license to explore the Norwegian continental shelf.

The operator of the license is E.ON RUHRGAS NORGE with a 30% share. The remaining partners are NEXEN EXPLORATION NORGE with 15%, and DET NORSKE OLJESELSKAP and PETORO both with 20%. The area covered by the license lies next to the SKARV OILS and GAS BED in which PGNiG already has an 11.9% share. It also borders another license area, PLN 350 (€85.69), in which PGNiG has a 30% stake.

Source: [www.cbw.cz](http://www.cbw.cz)

## Poland: ROCKWOOL & VIESSMANN Present Energy Efficiency Programmes

Two software programmes for the energy efficiency measuring have been prepared by ROCKWOOL Poland and VIESSMANN. One of them has been designed for individual investors, the other for construction specialists. The software for individual investors is to help them estimate the energy usage in detached houses and choose construction solutions to increase energy efficiency.

Source: Puls Biznesu

## Russia: NLMK Forecasts Crude Production

Russia's NOVOLIPETSK STEEL (NLMK) says its production rates will remain more or less flat in Q1 2010. In 2009, the group produced 10.6 million tonnes of crude steel, up 1% year-on-year. 2009 Q4 production was 2.9 million tonnes, 1.8% down quarter-on-quarter, it says.

Flat rolled steel output fell 7.1% in the final quarter to 1.3 million tonnes, compared to Q3, whilst annual flat rolled production was up 0.3% to 5.02 million tonnes. Q4 09 long products output dropped 19.2% to 273,000 tonnes, whilst full 2009 output was down 1.6% to 1.18 million tonnes.

Source: Steelbb

## Spain: BAXI ROCA to Produce Solar Thermal Collectors in Barcelona

Spanish radiator and boiler manufacturer BAXI ROCA intends to diversify its business operations and start production of solar thermal collectors.

The company plans to spend some €2 million on the expansion of its boiler walls plant in Castellbisba, the province of Barcelona.

After the expansion, the plant, which will cover an area of 300,000 m<sup>2</sup>, will focus its activity on the production of solar thermal collectors.

The solar collectors manufactured in the factory will be marketed not only in Spain but will also be exported to Portugal, Italy, Germany, France, UK, Belgium, Luxembourg and Denmark.

On top of the solar thermal production line, the BAXI team revealed the new ECOGEN boiler, a micro-cogeneration boiler using a Sterling engine, which was being tested in the Fabrigas Laboratory. ECOGEN is being sold to the UK and the Netherlands in a bet to trigger the development of energy efficient solutions.

Source: ADP News Renewable Energy Track

## Switzerland: AFG Affected by Downturn in Construction Industry

The company's revenue of CHF 1384.4 million was 11.9% lower than in the previous year. The dramatic downturn on many markets could not be offset by the progress made in other markets or by the cost reduction measures the company took.

A last year difficult conditions are reflected in the performance of the heating technology and sanitary equipment division, which saw revenues fall by 12.3% to CHF 566.8 million. After adjusting for currency movements the fall was only 6.4%. Demand from the German and Swiss construction industry remained relatively stable, but the UK market shrank again. This inevitably had an effect on AQUALUX, the major British sanitary equipment supplier that joined the division in 2007. The Eastern European market, especially Russia - one of the division's traditional export markets, suffered as the financial crisis made it more difficult to find funding for new builds. This led to a widespread collapse in investment confidence. All of the construction related divisions have focused on the renovation and modernisation market in recent years.

Source: [www.afg.ch](http://www.afg.ch)



## United Kingdom: Government Boost for Boiler Company

VAILLANT GROUP, has recently celebrated a year of record sales, with more than 410,000 boilers under its belt for 2009.

The company has now welcomed news of the Scrappage scheme, which it believes will boost the industry further and raise the profile of energy-efficient boilers around the UK.

VAILLANT GROUP was a leading contributor to pressing the Government to introduce the scheme, which is set to benefit about 125,000 people in the UK, who have old and non-energy efficient boilers.

The scheme will provide a £400 grant to allow these households to upgrade from the old boiler to a new energy efficient one, which will also lead to considerable savings in fuel consumption over a year.

Source: Belper News