



## The Black Pellet Market Outlook

The status of the global market for black pellets, both torrefied and steam exploded

**A multi-client study, available immediately**



HAWKINS WRIGHT

## Why this report is needed

Fresh interest is being shown in the market for black pellets, both torrefied and steam exploded. This development has been supported by the emergence of new biomass markets in Asia and by a maturing of the market in Europe.

In the past, black pellet technologies have struggled to gain a foothold in the market. But there are now at least seven commercial-scale plants under construction and due to start-up in 2020-2021. A further eight projects are planned or are seeking permits. This pipeline of projects amounts to ~2Mt of annual capacity.

To date, matching the limited supply of black pellets with the desired demand from end-users has been a brake on the black pellet industry's development. The new supply, when it comes, could release this brake.

The developers of black pellet technologies can point to the powerful competitive advantages of their refined biomass fuels. These include - but are not limited to - the logistic cost savings and the greenhouse gas savings that result from their pellets' greater energy density. Black pellets are also capable of being stored outdoors.

Developers still face challenges as they seek to carve out a space for themselves in the biomass market. Nevertheless, there are many opportunities for black pellets too: as a drop-in coal replacement in utility-scale power generation; as a substitute for fossil fuels in district heat and CHP; as an alternative to white pellets over long, complex or costly supply chains, and as a source of renewable process heat for industry.

This report investigates these challenges and opportunities for biomass fuel suppliers and utilities, as well as for many the ancillary businesses with exposure to the biomass markets, including feedstock owners, equipment suppliers, shipping companies and port operators, financial institutions and other investors.

### Who should read this report?

This report will be essential reading for all companies considering the opportunities in the black pellet market

### Questions answered...

- » How big is the black pellet market currently?
- » What are the major challenges and opportunities for the market?
- » What are the key differences between torrefied and steam-exploded pellets?
- » Who are the main developers of commercial-scale supply projects?
- » What technologies are available to potential suppliers?
- » Where are the likely sources of demand?
- » What government policies will influence demand?
- » How does the competitiveness of black and white pellets compare?
- » Is there enough black pellet supply to fulfil potential demand?
- » Can black pellets help generators lower GHG emissions compared to white pellets?
- » What are the factors that influence the supply chain economics of black pellets?



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