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Intrinergy planning still more takeovers in Europe

The US energy and private equity company Intrinergy LLC of Ashland/Virginia announced further steps towards expansion on the European pellet market at the beginning of February 2008. More pellet production facilities are to be bought in Germany in the next three months. The company says it has sufficient resources to enable it to achieve rapid growth by means of buying up other businesses and holdings. According to Thomas Meth, Executive VP Marketing and Sales, the company intends to inject roughly €25m in the form of equity capital into central European pellet works and combined heating and power stations in the next 12 to 18 months. However, the company did not wish to comment on any specific takeover projects until a later date. Intrinergy is also planning to put a pellet works with an annual production capacity of around 60,000 t into operation in Valorbois/Belgium at the beginning of 2009.

Intrinergy had already acquired the majority in the pellet manufacturer Compactec GmbH & Co. KG of Straubing -Sand at the beginning of October 2007. Compactec is currently in the process of carrying out extensive conversion work on the existing pellet production system, which the company had frequently been having technical problems with since it was put into operation. The conversion is scheduled for completion by August. At that time the participation in Compactec was overseen by the Frankfurt branch of the Dutch company Fortis Bank N.V. of Utrecht under the supervision of Markus Wandt. Fortis describes itself as a leading financial institute in Europe in the renewable energy sector. Fortis finances and provides consultation services to companies in the wind, solar, and biomass energy segments. Fortis, too, is planning further expansion in Germany and is increasing its sales and consulting activities in this sector to do so. Intrinergy says it intends to sell approximately 300,000 t of DINPlus pellets on the European market annually as from 2009. For this purpose the decentralized Compactec supply model already set up throughout Germany is to be expanded to cater for retail consumers in other European countries. In doing so, the emphasis is to be placed on direct selling of DINPlus pellets. With reference to the increasing internationalization of the market, in the form of the recently greater presence of North and South American suppliers as well as internationally operating merchants, for example, the company says it is not planning any involvement in the energy pellet sector.

Intrinergy has been specialized for some years in the sectors of cogeneration of power and heat and power generation from biomass. The company already supplies a variety of different industrial companies in the USA with renewable energy but particularly with electricity, steam, and synthetic gas; these also include the Coastal Paper Company mill of Wiggins/Mississippi, owned by Cellu Tissue Holdings, Inc. (CTH) of Alpharetta/ Georgia. Intrinergy already operates a works for the gasification biomass in Ohio and recently also put a biomass power station into operation in Wiggins. Plans have been made to build more power stations of this kind in 2008 for industrial consumers in the chemical and paper industries in New England.