



# Developing pellet production in Central and South America

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**WORLD  
BIOENERGY  
ASSOCIATION**

# Topics

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1. Chilen Market: Main Statistics
2. Local Development of Public Policies Related to Bioenergy and Wood Pellets
3. Conclusions
4. About AChBIOM



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# I. Chilean Pellets Market: Main Statistics



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# Primary Energy Sources:

- i. **Biomass is the second energy source in Chile (25% of primary energy matrix)**
- ii. **Main Renewable Energy source (70% of primary renewable energy source)**
- iii. **14% of Secondary energy matrix.**
- iv. **Problem:**
  - i. Not commonly known.
  - ii. Bad reputation caused by the bad use of firewood.
  - iii. Confusion with deforestation and non sustainable use.



**25%**  
Primary  
Matrix



**14%**  
Secondary  
Matrix



**70%**  
Primary  
Renewable  
Matrix

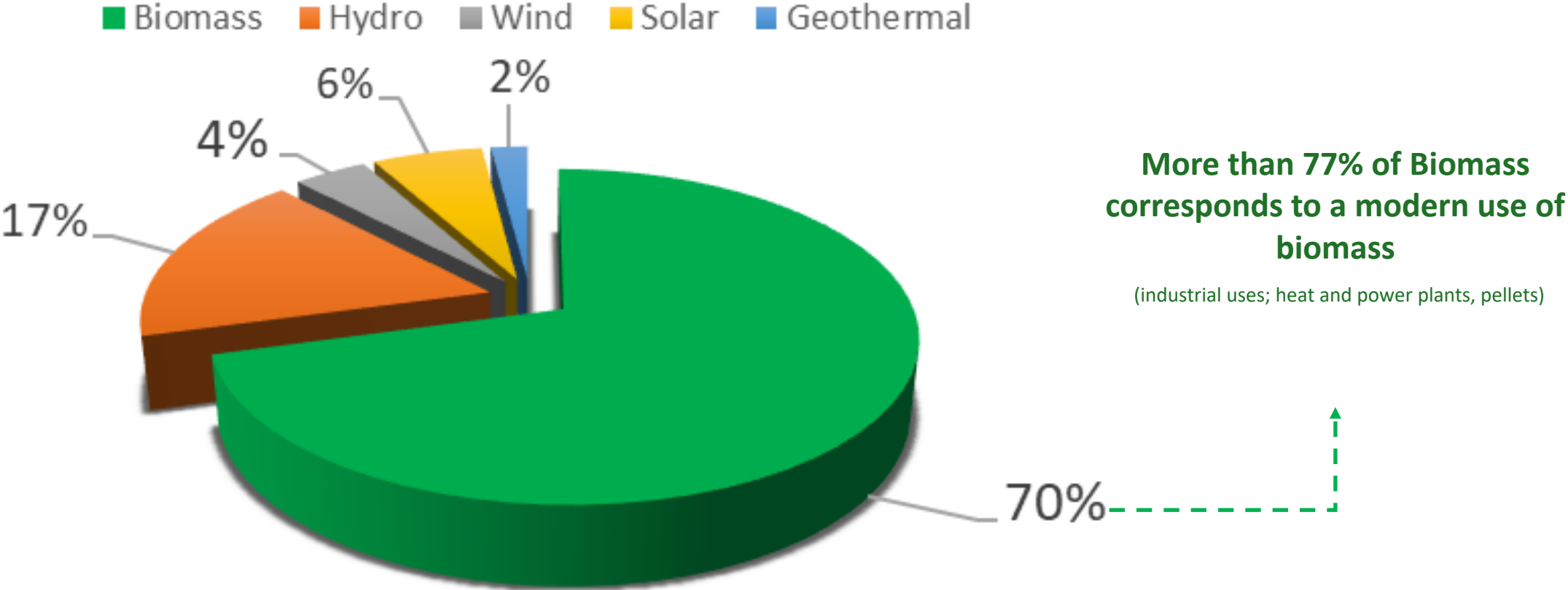


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# Primary Energy Sources:

## Distributuion of Renewable Energy in Chile- Primary Matrix



**More than 77% of Biomass corresponds to a modern use of biomass**  
(industrial uses; heat and power plants, pellets)

# History:

## Production vs Sales

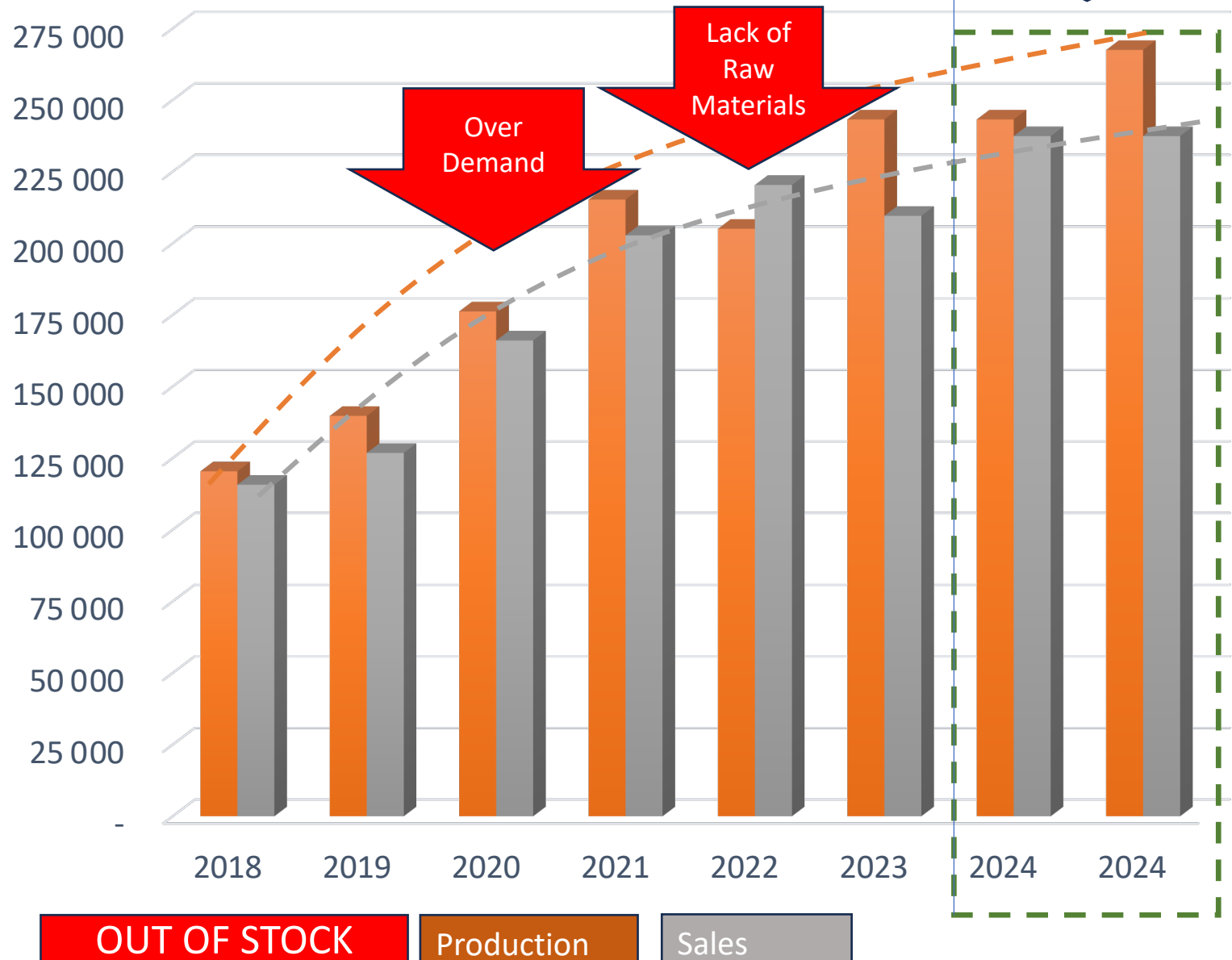
i. **Production and Sales: 2x between 2018 and 2024.**  
(Growth reduction of demand since 2021)

ii. **Out of Stock during 2020 and 2022:**

- 2020: +31% of demand (>40% in winter; worst season for production) and + 26% on production (Pandemic over demand).
- 2022: + 8,7% on demand and -4,7% on production (Lack of Dry Raw material)

iii. **Today, local demand can be guarantee** (having a surplus between 10K Ton and 30K Ton on 2024; with a relevant exceeding capacity).

### Pellets Sales vs Production in Chile 2018 – 2023; 2024 forecast



## History:

-Installed Capacity (Tons/Year)

-Production (Tons/Year)

-Utilized Capacity (%)

(42 mills. 19 are members of AChBIOM members → 90% of Chilean production)

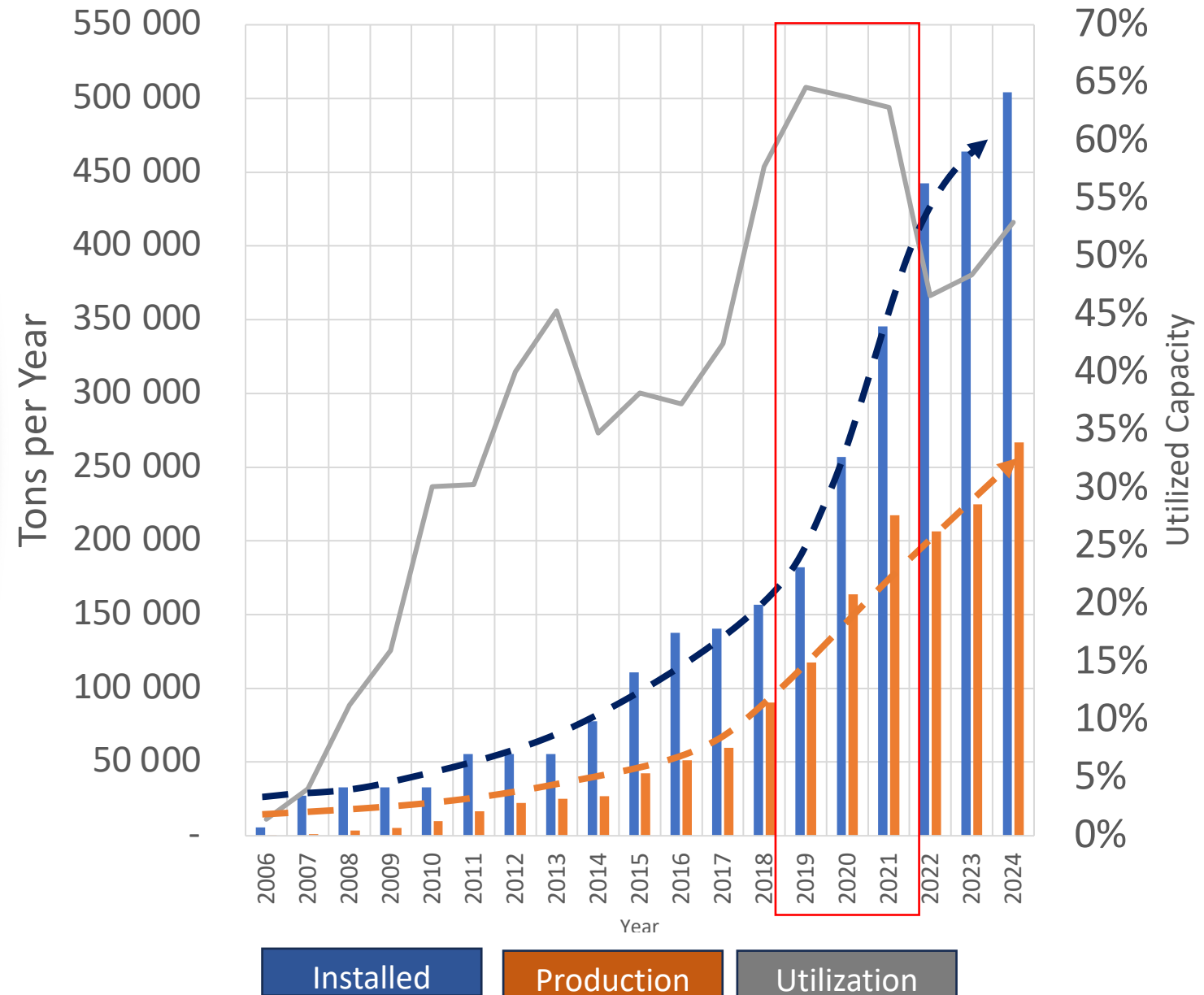
Stock Out on 2020: Even though figures shows a big production capacity, relevant capacity was installed after the high demand/stock out period.



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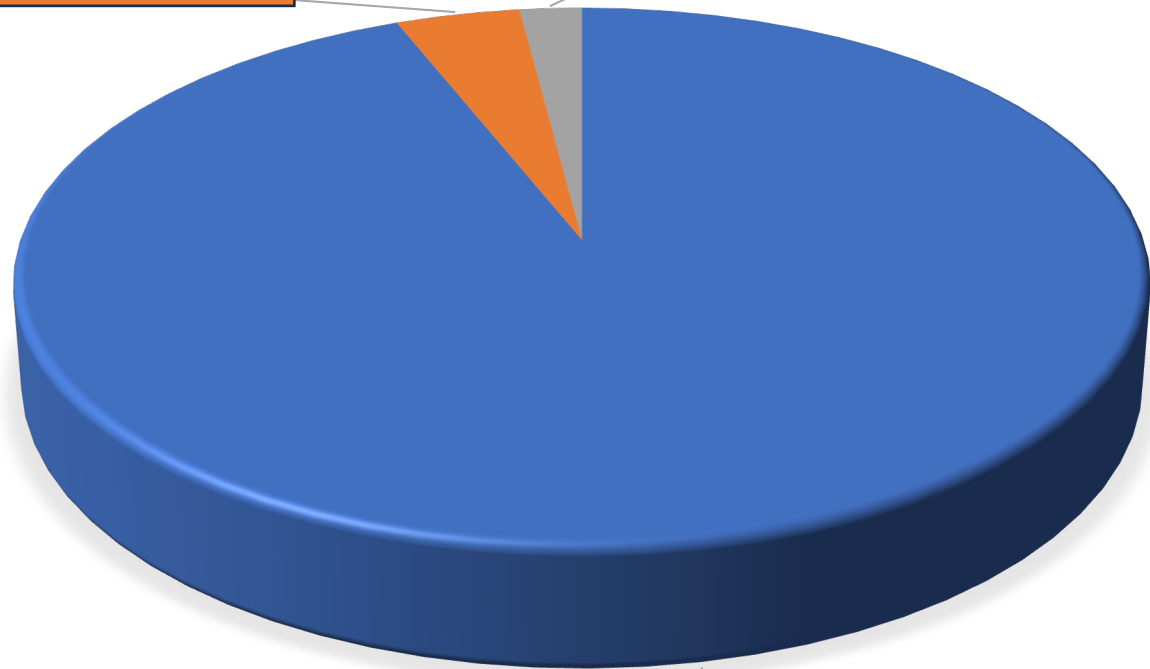
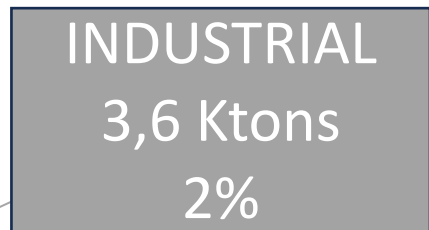
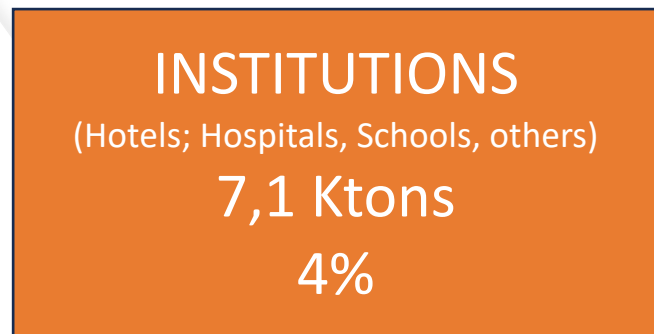
### Installed Capacity ; Annual Production; % Utilized Capacity



# Sales according to final type of customer

(Until September 2023)

Expectations on the increment of pellet for decarbonizing the industrial sector in the future.



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## II. Local Development of Public Policies Related to Bioenergy and Wood Pellets



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# Public Policies

- ✓ Year 2015, Energy Policy promotes an energy transition to renewal energy, considering the Bioenergy sector as part of it.
- ✓ Solid Biofuels were recently recognized by law (Nov 2022).
- ✓ Implementation of quality standards and regulation will start since 2<sup>nd</sup> half of 2023, focusing on firewood and wood pellets.



# Public Policies

- ✓ Government has been promoting and subsidizing the substitutions of contaminant/inefficient equipments to cleaner and more efficient equipment.
- ✓ Total of 50k equipments changed by the state until 2023 + 2x by private sector
  - 150k pellet stoves in Chile.
- ✓ 70% of chosen equipment were pellets stoves.
- ✓ Remarkable reduction of PM emissions and also consumer's satisfaction with the savings and comfort achieved by using pellets



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Ministerio del Medio Ambiente

Recambio de Calefactores

Inicio

Ingresar Registrarse

Aires Limpios Para Chile Postula al Recambio 2023

Buscar Llamados por Región

**Programa Recambio de Calefactores**

El programa de recambio de calefactores implementado por el Ministerio de Medio Ambiente, tiene como objetivo reducir las emisiones de contaminantes generadas por la combustión residencial a leña. Por medio de este programa, los beneficiarios pueden acceder a un nuevo calefactor siempre y cuando hagan entrega de su antiguo calefactor y/o cocina, el cual debe estar instalado y en uso en la vivienda.



Planes de  
**Descontaminación Atmosférica**



## III. Conclusions



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# Conclusions

- ✓ **Pellets production has proved to be crucial on pollution reduction on the cities and also for decarbonizing the energy matrix.**
- ✓ **Pellet suppliers has adapted their supply chain and productive process to avoid new Stock Outs**
- ✓ **Today, Installed Capacity is much higher than local consumption, opening the possibilities to exportations.**
- ✓ **Good perception of wood pellets by the consumers (with some “turbulences” caused by the Stock Out” during some unnormal behaviour of the market and supply chain).**



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# IV. About AChBIOM



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# Our History

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1. **Stablished at the end of 2016 and started operations on 2017.**
2. **Started with 4 members. Today we have more than 45.**
3. **Pellets Capacity involved 90% of Chilean production.**
4. **Type of members (Locals and international members):**
  - ✓ Biofuels producers (Mainly pellets and hog fuel for industrial use).
  - ✓ Technology representants for biofuels and energy production (Since stoves for domiciliary use until heat and power plants).
  - ✓ ESCO for institutions and industrial market.
  - ✓ R&D.
  - ✓ Certification organisms
  - ✓ Academy.
  - ✓ Biogas producers



# Main Actions of AChBIOM

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## 1. Main representant of the sector in front of private and public sector:

- a. Public: Ministries of Energy; Agriculture and Environment.
- b. Private: Forestry, industrial and energy associations.
- c. International Actions: Board members on the WBA.

## 2. Participation on Specific and Relevant Committees and laws definitions:

- a. National Energy Policy 2050.
- b. Forestry National Policy (2015-2035).
- c. Air Quality Policies
- d. Local standards of biofuels committee (ISO 238).
- e. Members of Senate Commission: “Chile Sustainable Forestry”
- f. Among Others



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# Our Invitation

*“Become a member and work together on the promotion and development of Bioenergy as a sustainable and renewal source of energy, a crucial element to achieve a Bioeconomy”*



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# Contact Info



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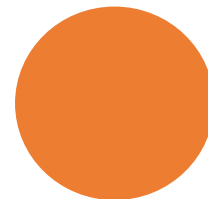
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