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Pellets & Power: A Hybrid Approach to Industrial Decarbonization

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bktech

Introduction to BKtech

Company overview

- Founded in 2006
- Today about 70 employees and 350 MSEK in revenue

What we offer

- Complete wood pellet boiler systems for industrial customers and district heating
  - Prefabricated, modular and mobile solutions
  - Output range 1–15 MW for steam, hot water and thermal oil
- Wood powder burners which can handle multiple fuels simultaneously (solid, liquid, and gaseous)

Example of BKtech bioenergy center

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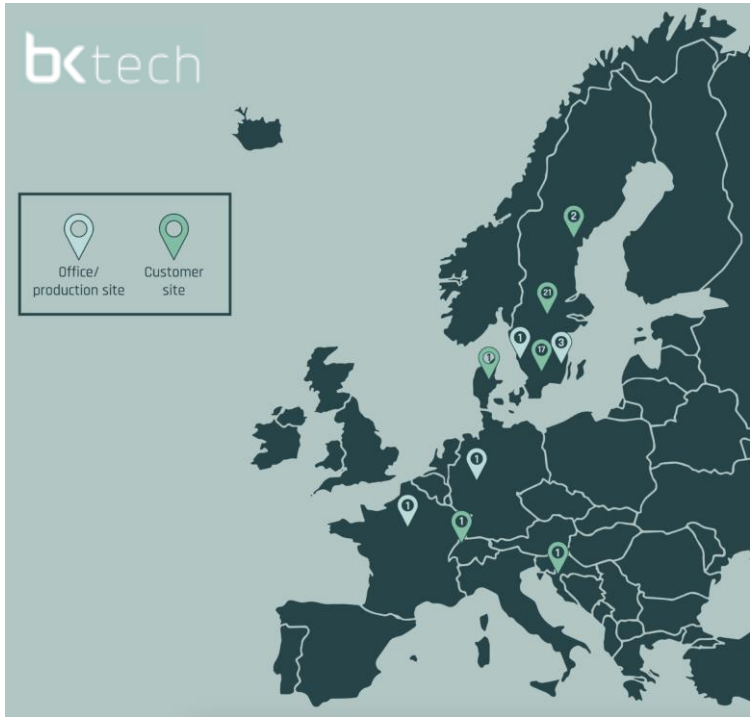
Our experience

- Delivered 50+ bioenergy centers
- Installed 60+ multifuel burners

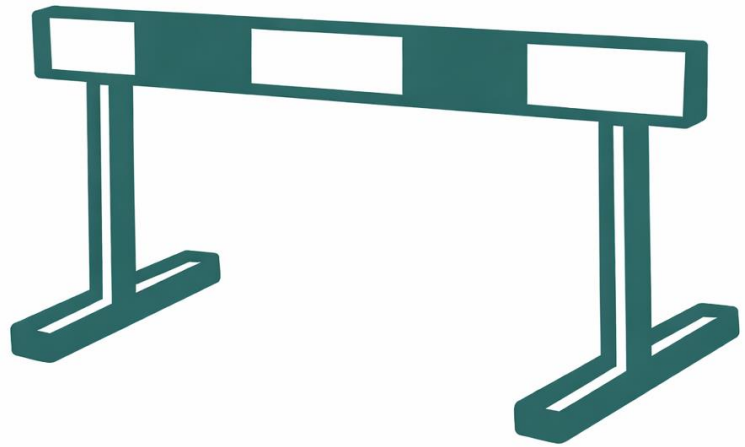
BKtech boiler installations in Europe



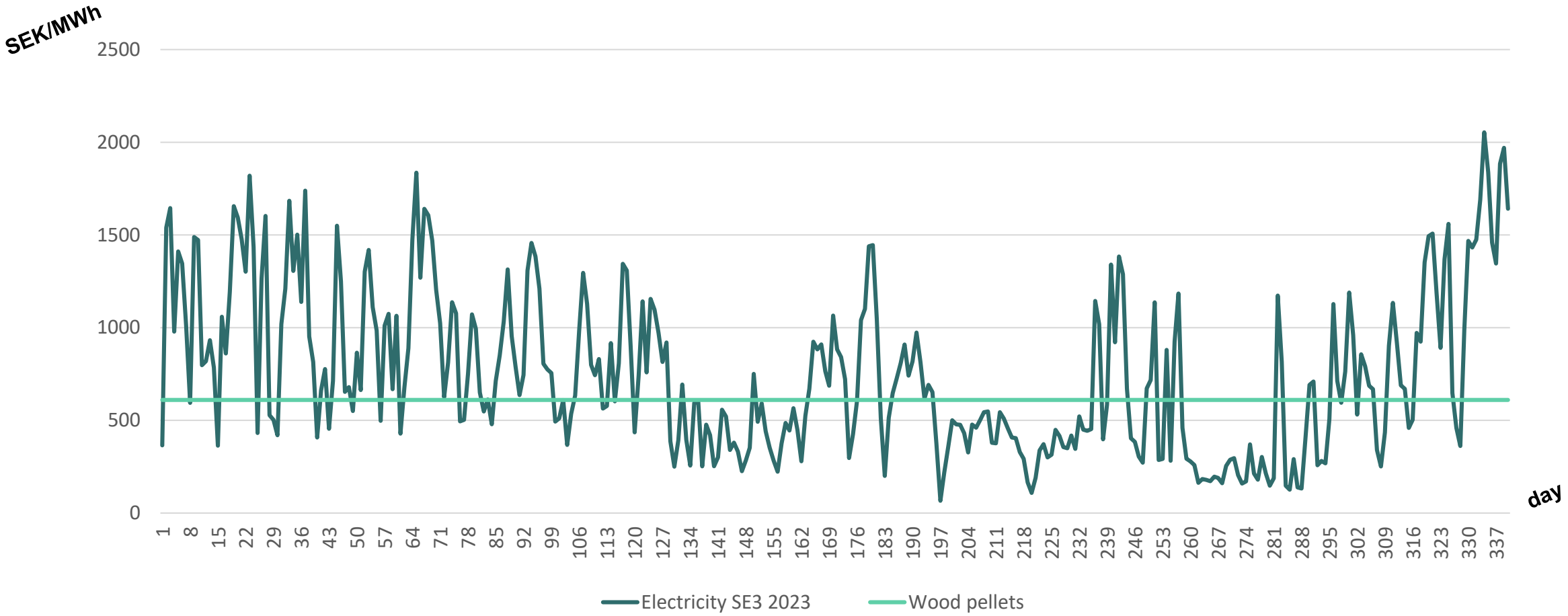
The main market challenge – indecisive customers

Although pellets often meet customer requirements and represent the best alternative, many customers hesitate

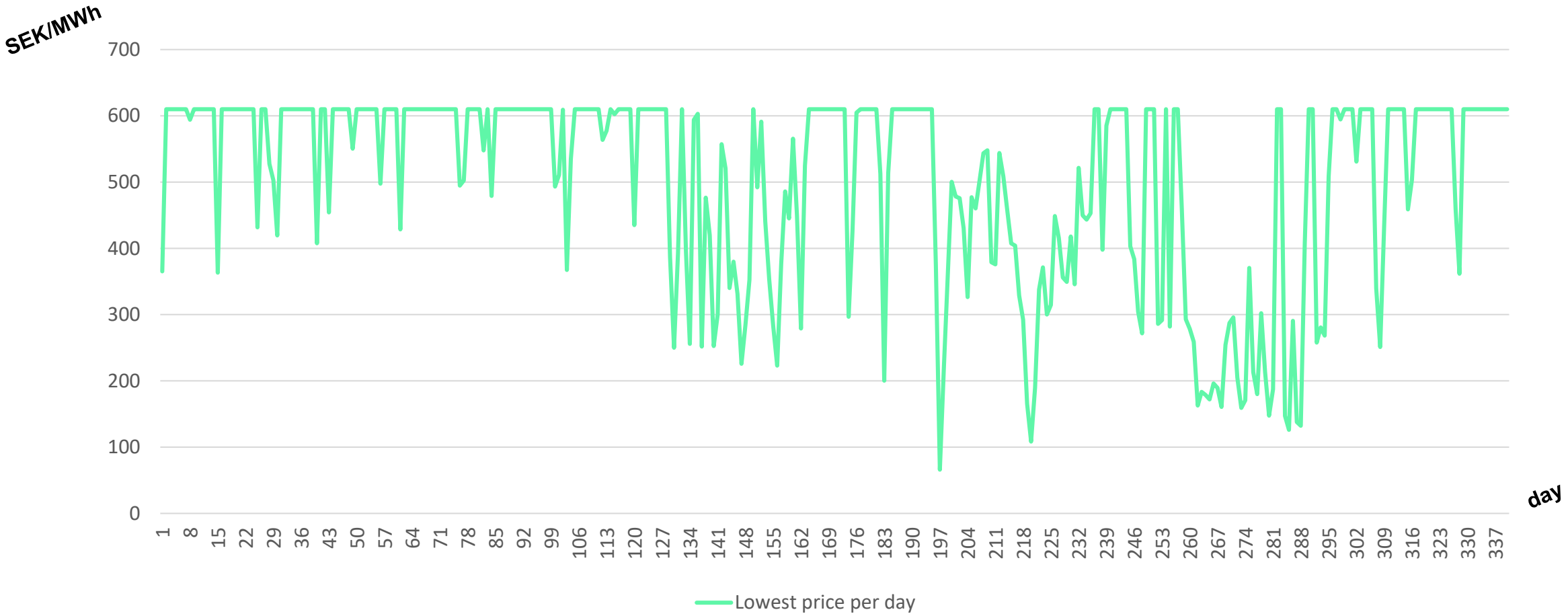
- Hesitation driven by a fear of making the wrong decision, or missing future technologies
- Uncertain political frameworks and priorities
- Heavy focus on electrification
- Fluctuating energy prices



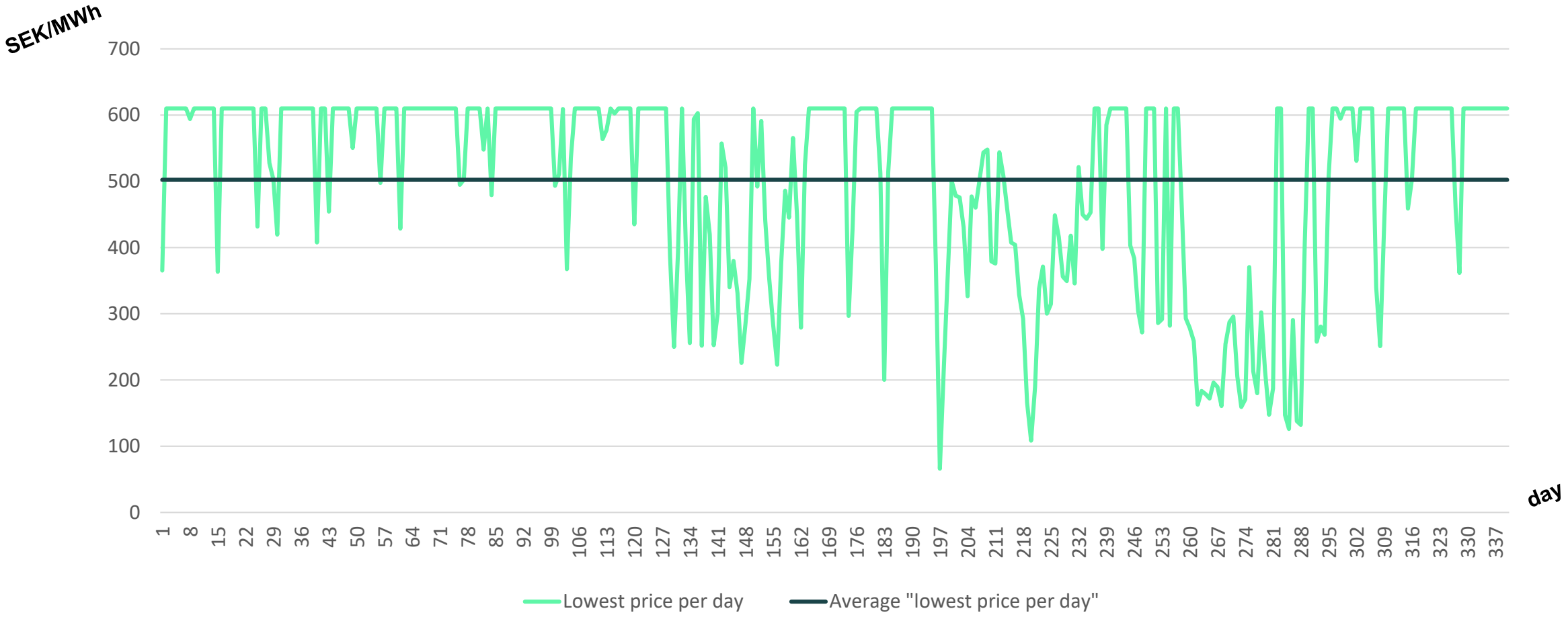
Comparison of the electricity price and the pellets price



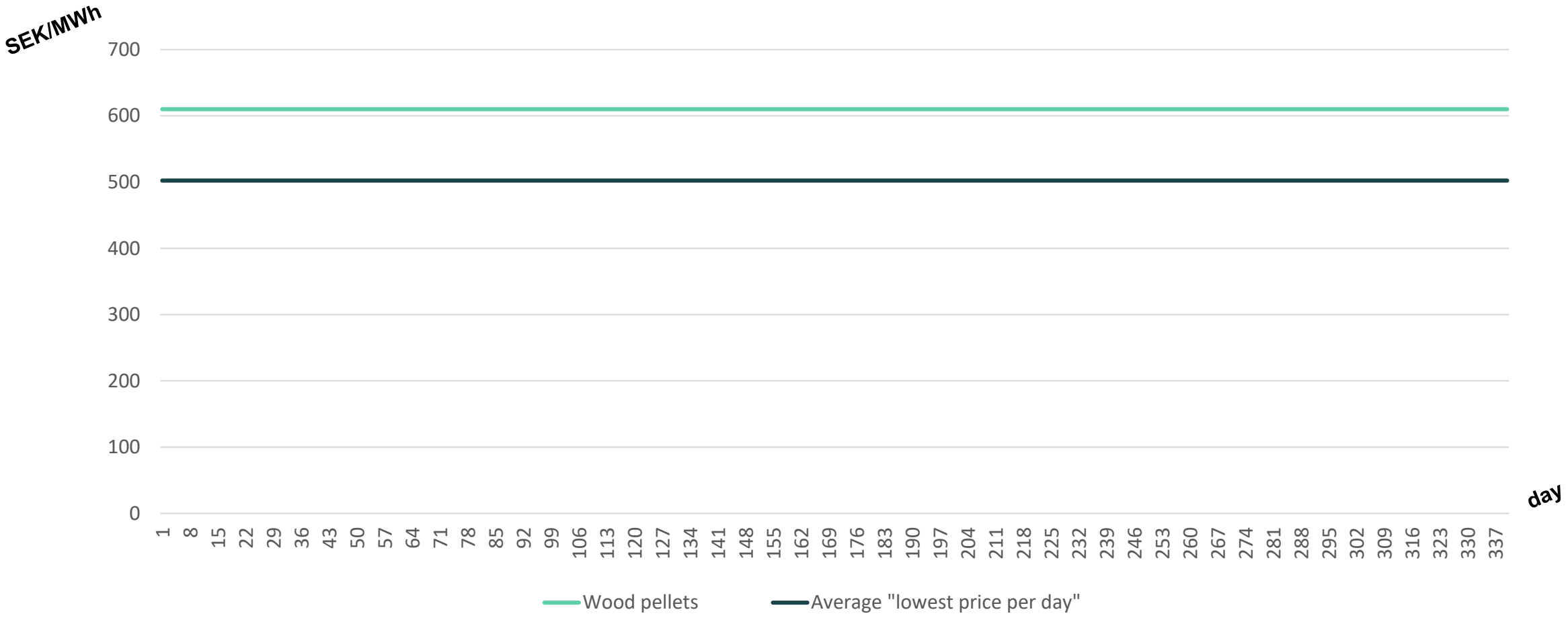
Lowest price per day (when choosing between pellets & electricity)



Average price over the year, if always choosing the lowest of pellets and electricity



Cost reduction when switching energy source: approx. -20 %



Example project in Sweden with a food processor

Customer conditions and requirements

- Have wood pellets today
- Want to scale their production
- Would like to be able to produce at near full capacity during maintenance stops
- Have previous experience with an electrical boiler and the annual energy costs seemed close to wood pellets

Annual energy cost comparison	Energy costs (M€ / a.)
Electrical boiler only	~1,35
Wood pellets boiler only	~1,25
A combination of both	~1,0

Solution

- Hybrid setup with 6 MW electricity & 4+4 MW pellets
- Provides security during maintenance and repair stops or during grid constraints
- Offers real-time fuel shifting depending on availability and price → resulting a much lower predicted annual energy cost
- Built to handle uncertain future development of the energy market
- Back up boiler now also fossil free

Lessons learned

Hybrid solutions add flexibility but come with challenges

- Grid access can be uncertain or conditionally limited
- Current grid fee structures are not well suited for flexible hybrid solutions
- Total investment requires a high utilization to justify cost and grid fees

Why wood pellets matter

- Pellets remain the strongest baseline option, providing stability and predictable cost in hybrid solutions