Biowaste Capacity 2015

Charting AD vs IVC trends 2009-2015

Since 2009, Link2Energy Ltd ("L2E") has been tracking the rise of Anaerobic Digestion ("AD") facilities which are licensed to handle Animal By-Products ("ABP") and their capacity versus the related decline in the In-Vessel Composting ("IVC") sector which seeks the same feedstock. Periodically, this information is used as the basis for a market report such as the "Anaerobic Indigestion" report produced in Summer 2015 which presented the case that the processing of biowastes in the UK faced existential challenges due to a perfect storm of limited feedstock, growing competition for food waste and the erosion of subsidies. AD capacity looked set to rise during 2015, which would put further pressure on the IVC organisations.

Anaerobic Indigestion

Is The Growing AD Sector Heading For Heartburn?

Updating the base data at the end of 2015, this trend has continued, though not to the degree to warrant a revision of "Anaerobic Indigestion". Some overview charts displaying number of sites registered by Defra and their total operating capacity are presented here, with 2015 information presented as at the close of the year.

Key points:

- In 2015, ten new AD facilities appeared on the Defra register relating to the processing of ABP (thus the information presented in the L2E reports does not include on-farm AD units which have a feedstock of, say, crop residues). The total additional capacity created by the commissioning of these sites amounts to over 350,000 tonnes. This is not to believe that this capacity is being utilised to its fullest extent - the likelihood is that many units (both AD and IVC) are running at levels lower than their headline capacity.

- During the same timescale, six IVC sites ceased operating, although some simply switched their technology to AD by developing a biogas facility at the same postcode. Thus, the charts confirm an ongoing increase in AD and an associated decline in IVC. Overall, the processing capacity continues to rise in spite of the closure of some IVC units - thereby continuing to increase demand for feedstock when there is no sign that food waste availability is improving.

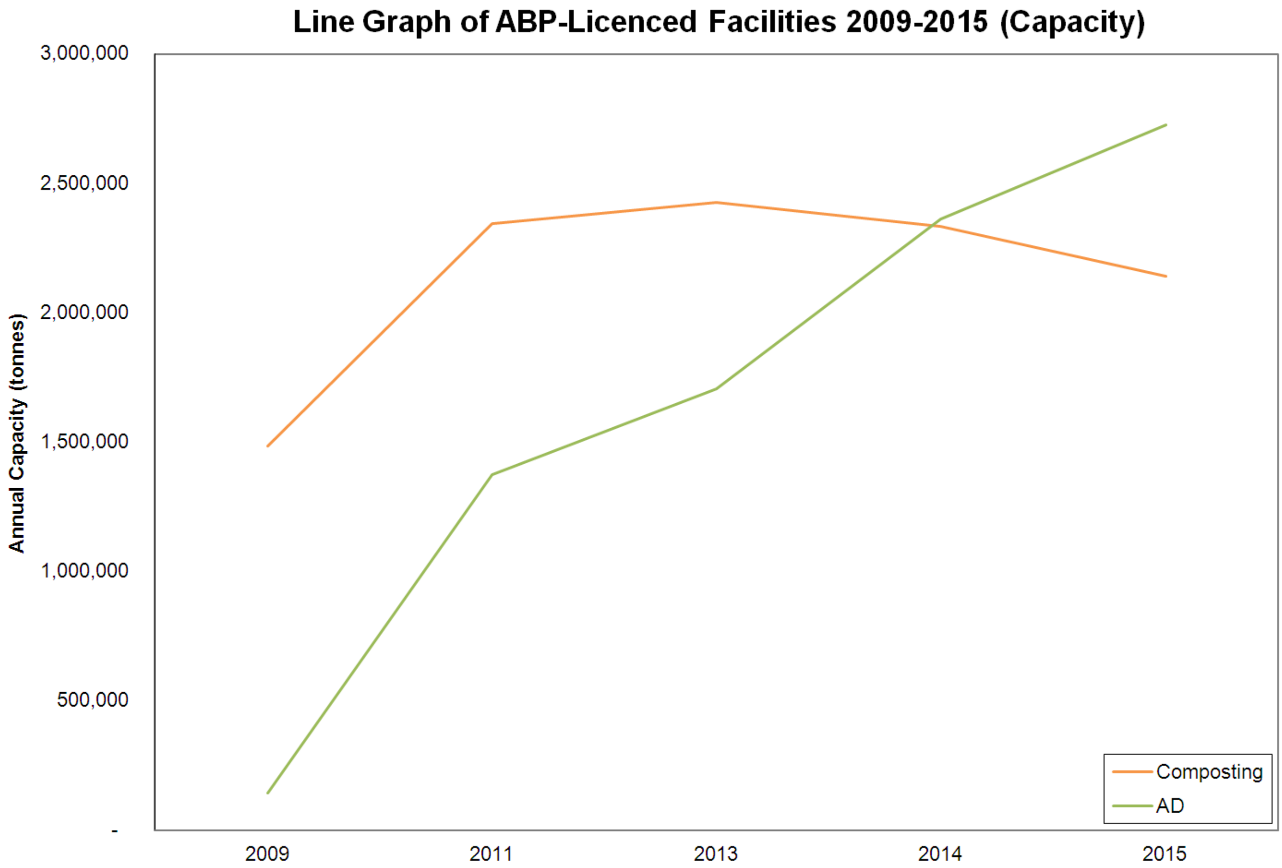

Fig. 1

At the end of 2014, AD capacity managed to nudge ahead of total IVC capacity, and that gap has widened during 2015 (*Fig. 1*). Indeed, it is likely to widen further still with a number of AD units still in development and some AD operators committed to building a network of facilities.

In spite of the steady decline of IVC, the overall processing appetite has continued to rise (*Fig. 2*), though this has not necessarily been matched with an increase in feedstock availability. The 'capacity gap' was a theme within L2E's "Anaerobic Indigestion" report as well as reports from other leading consultants and so is not covered further in this short update.

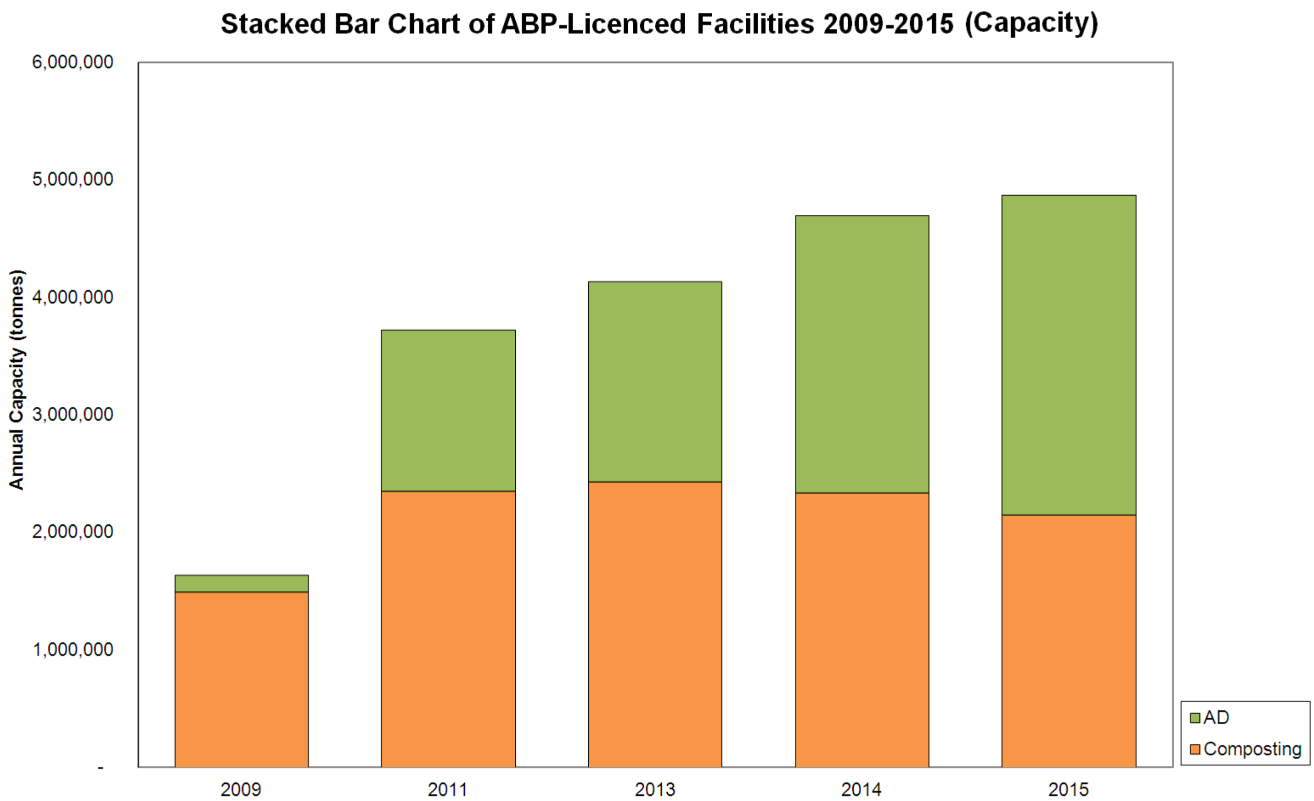

Fig. 2

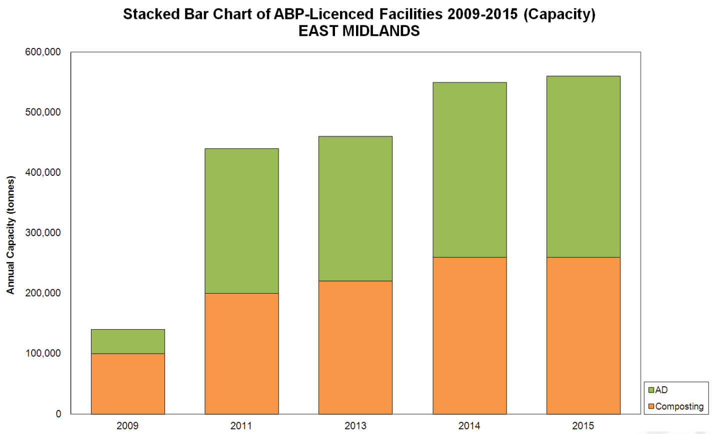

Fig. 3

As well as presenting a top-level overview, the "Anaerobic Indigestion" report presented a region-by-region breakdown in terms of AD vs IVC availability as well as an analysis of whether particular regions had too much or too little biowastes processing capacity relative to their population sizes. All of these charts have been updated using the latest data for each Government region of England plus Wales and Scotland and are available from L2E (see below).

The full suite of charts and an updated UK map of ABP-licensed AD and IVC facilities are available for purchase from L2E for only £50 + VAT.

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