

PRESS RELEASE

EnviTec Biogas AG passes 200 MW mark for green electricity

Installed capacity supplies 500,000 households and helps to cut electricity prices

Lohne, 18 February 2011 – EnviTec Biogas AG, Lohne/Germany, the leading European manufacturer of biogas plants, has passed the 200 MW mark in terms of rated electrical output. Between them, the plants built by EnviTec generate some 1.75 billion kWh of carbon-neutral electricity, which is supplied to more than half a million households – this is equivalent to the population of a large city such as Cologne. At the same time, the electricity fed into the grid helps to cut wholesale prices at the Leipzig Energy Exchange, as has been shown by the latest surveys by the Federal Network Agency (“Bundesnetzagentur”).

At the bottom line, the biogas plants operated by EnviTec Biogas and its customers in Germany have a total electrical output of more than 170 MW, with another 30 MW installed abroad. Just under 25 MW of electrical capacity is under construction each in Germany and abroad. “Biogas is a success story – it stands for active climate protection, for Germany’s technological expertise, for soft structural change in the agricultural sector, for reduced dependence on energy exports and for a general downward trend in electricity prices,” explains Olaf von Lehmden, CEO of EnviTec Biogas AG. “We are pleased to lead the market in making an important contribution to the expansion of bioenergy in Germany and Europe.”

Bioenergy is the most efficient renewable energy

Unlike solar or wind energy, biogas can be generated at any time of the day and in any weather. Moreover, biogas can be stored and be converted into energy at any time. This means that biogas can meet both base load and peak load requirements. Moreover, the exhaust heat produced during the generation of electricity from biogas in cogeneration plants can be used as heating energy in local and district heat networks. Some “bioenergy villages” in Germany already benefit from the low-cost heat from cogeneration plants. The effective use of cogeneration with an efficiency of over 80 percent makes bioenergy the most efficient of all renewable energies.

Apart from enhancing the creation of value in rural areas, eco-electricity from biogas also has another direct economic benefit – it leads to lower electricity prices as it pushes unprofitable coal-fired power plants out of the market at the Leipzig Energy Exchange. This has recently been proven by a comprehensive survey carried out by the Federal Network Agency, which

has thus made it clear that the successful expansion of renewable energies may not be used as an excuse for dramatic electricity price increases. Right on the contrary: wholesale prices of electricity have dropped over the past two years, in some cases by more than half.

Energy from biogas cuts electricity prices

Electricity from renewable energy sources such as biogas has contributed to this price drop via the merit order effect. The merit order is a way of ranking available sources of energy in the spot market in ascending order of their short-run marginal costs of production. Those with the lowest marginal costs are the first ones to be brought online to meet demand, which means that the electricity price is determined by the most expensive plant that is needed to cover demand. These are usually fairly inefficient and environmentally hazardous coal-fired plants. Thanks to the increased amount of renewable energy, however, these are used increasingly less, which is not only good for the environment but also helps to lower prices at the Leipzig Energy Exchange.

This shows that the often-heard accusation that renewable energy sources lead to rising electricity prices due to the EEG apportionment is unfounded. The Bundesverband Erneuerbare Energie (BEE – Federal Renewable Energy Association) recently calculated that the monthly contribution made by an average German household to the expansion of renewable energy rose by approx. five euros between 2000 and 2010. The monthly electricity bill increased by about 30 euros during the same period.

About EnviTec Biogas AG

EnviTec Biogas AG covers the entire value chain for the production of biogas - including the planning and turnkey construction of biogas plants as well as their commissioning. The company provides the biological and technical service, and also offers full plant and operating management. In Güstrow, in the German state of Mecklenburg-Western Pomerania, EnviTec Biogas built the world's largest plant for the production of biogas to natural gas standards with a thermal output of 55 megawatts. In addition, the company also operates its own biogas plants. Today, the company is represented in 15 countries throughout Europe, as well as in India. EnviTec Biogas generated revenues of EUR 120 million and EBIT of EUR -0.5 million in 2009. The EnviTec Group currently has 420 employees. EnviTec has been listed on the Prime Standard segment of the Frankfurt Stock Exchange since July 2007.

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