

An answer to Gazprom tariff: alternative energy boost has finally reached Ukraine

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Agency: **Stolnitsky Ideas**

While politicians fight over the price of gas, Ukrainian businessmen cut down their energy expenses. Ukraine witnesses a boost in demand for alternative energy – biofuel and wind-power generators.

“By processing 600 thousands of corn silo we receive 40 mln. m³ of gas per annum. The gas we get is equivalent to natural gas supplied by Russia,” – comments Oleg Kuprienko, chief manager of a biogas plant project on a sugar plant in Babyno village (Rivne region, Ukraine). In 2009 the group of companies “Inseco,” owners of the sugar plant, decided to switch to alternative power of their own making. Plant’s 33 reactors will process organic waste and corn silo. While the raw materials don’t cost “Inseco” a cent, the project itself has the budget of 25 mln. Euro. “We’re willing to take the following expenses,” – says Oleg Kuprienko. – “The price for natural gas is constantly rising. The plant will provide energy for all our needs and we will also be able to sell electricity on the energy market.”

While alternative energy constitutes 5% of the world’s energy supply (15% - in EU countries), currently alternative energy in Ukraine provides approximately 1% of the country’s total energy potential. However, before the financial crisis, alternative energy segment constituted only 0,5% of the total energy supply and doubled over the year.

“In first few months of 2010 we received 9 new contracts, in comparison to 7 contacts we signed in course of 2009,” – states Igor Aksjutov, CEO of “ZORG Ukraine,” construction company that built biogas plants for Inseco. – “Yet, a large amount of companies, willing to build a biogas plant, need to spent a year or two planning the funding schemes for future construction projects.”

As NAER experts state, in case if banks will provide credit programs for the purchase of technical equipment in the nearest future, in 2015 alternative energy segment in Ukraine will reach 5% of the national energy supply.

About ZORG:

ZORG executes full range of engineering services within biogas industry. The company designs and builds biogas plants under German state-of-art technology and know-how license.

ZORG works on a global scale: company’s projects have been successfully implemented in Kazakhstan, Ukraine, Latvia, and Turkey.

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