



LLC "Ecoles-Pizhma"

[www.ecoles-nn.ru](http://www.ecoles-nn.ru)

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## THE IDEA THAT DESERVES TO BE PUT INTO EFFECT

### TIME, GO AHEAD!

**Ecoles Pizhma Company (headed by Valery Yurievich Fomin, the Director), one of the leaders on Nizhny Novgorod's wood processing and solid biofuel market initiated setting up an energy-saving agency which is a unique structure in both Nizhny Novgorod Region and the Russian Federation. According to the initiative, such agency shall draw individual facilities and areas in Nizhny Novgorod Region into a single regional project aimed at conversion of small and medium boiler plants to biofuel which makes it possible to reach energy consumption efficiency and improve energy supply as well as to attract investments and gain on them using Kyoto protocol schemes.**

### *USING BEST FOREIGN PRACTICES*

According to Tatiana Svechnikova, the project's initiator and Deputy Director of Ecoles Pizhma LLC, the idea to set up an energy-saving agency was generated by the Ecoles Pizhma Company due to the best foreign practices.

Tatiana Svechnikova is cited as saying that such model exists and, for instance, efficiently works in Scandinavia. The idea to create such structure resulted from discussions with Bu Johansen, the Director for Exports of Danish Weiss A/S, an esteemed company manufacturing up-to-date boiler equipment, during his visit to the Region. Contribution to development of the idea was made by Elena Kuznetzova, the Director of Saint-Petersburg-based Financial Consulting Group LLC, and Vladimir Kholodkov, an expert in bioenergy projects. We knew what we wanted and clearly understood that we need to unite in the single project if we are planning to integrate associated capacities we have in a single workable business entity.

Which capacities are meant here? First of all, this is availability of high-quality, efficient, easily operated and reliable boiler equipment of foreign makers. People in Ecoles Pizhma Company are sure that except ecological aspects this is an economic issue because money invested into new boiler plants may be paid back due to reduced emissions and using Kyoto protocol schemes. This is what the initiators of the agency concept want to put into effect. However, in order for the money to be paid back the project is to be of rather large scale because the Russian Kyoto Protocol operator represented by the RF Ministry for Economic Development and the Savings Bank of Russia apply specified rules and advance their requirements. What is more, the project is to have an owner.

Tatiana Svechnikova is cited as saying that for this reason we have the only opportunity to efficiently enter into the Kyoto Protocol framework, i.e. TO UNITE AND INTEGRATE which means to integrate all boiler plants that require replacement of equipment with state-of-the-art energy-saving facilities and conversion from oil and stove fuel and coal to biofuel, into a single enterprise (on lease, ownership etc. basis). Finally, in order to raise money for the project (equipment is rather expensive) there is a need of a trustworthy company. Once the idea has been generated, we laid it down to V.V. Ulyanov, the Minister for Housing, Public Utilities, Fuel and Energy of Nizhny Novgorod Region. We formulated our proposal as follows: to establish a legal entity with participation of governmental authorities, Ecoles Pizhma Company, Danish Weiss A/S as a boiler equipment manufacturer, and financial institutions to provide workable financing in the agency. Using a chance, I invite all interested parties including investors to business mutually advantageous cooperation. I believe this idea deserves being put into effect. By the way, the concept was discussed in a dedicated meeting attended by V.V. Ulyanov, the Minister for Housing and Public Utilities, and Fuel and Energy.

The algorithm of project completion is as follows.

Time required to prepare documents is about 5-6 months (all depends on how fast local and regional authorities and companies are prepared to provide data and information needed).

The deliverable shall comprise the project feasibility study for conversion of boiler plants in northern Nizhny Novgorod Region to biofuel; calculated amounts of reduced emissions to borrow the so-called "carbon loans"; the project flowchart (including legal status of the legal entity that owns the project, approved list of participants (founders) of the legal and description of their duties and scope of participation in the project), specified source of project (pilot facilities) financing, and the scheme of urgent investments. All the documents may be formalized as a regional (municipal or inter-municipal) scheme for conversion to local biofuel.

Once the above work is completed, ideally the project requirements and financial performance are to be assessed. An entity is to be set up (or the appropriate process is to be launched according to the legal status chosen) and agreements on project financing (at least initial or partial) are to be executed. The objective is to start construction in next summer so as to commission first facilities to heat supply season 2012-2013.



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What this project may give to Nizhny Novgorod residents?

First, the region shall acquire new boiler plants of international standard.

Second, this will help the region address one of the most painful issue – refuse control problem.

## ***EVERYONE TO COMBAT THE REFUSE!***

I really regret, – Tatiana Svechnikova says, – that we have not raised the issue of combating against refuse at a meeting with the Minister. Only when talking to Bu Johansen, Weiss A/S's Director for Exports, on his visit to Nizhny Novgorod Region, we realized that there is yet one more key area in our cooperation, i.e. refuse-fired boiler plants (or on solid domestic waste). Industrial and domestic waste is immediately delivered to the furnace and then the unburned staff is sorted out. Besides, the equipment of Danish producers is furnished with unique system for filtration of flue gases and such energy- and air-saving boiler plants meet requirements of Kyoto Protocol. This makes it possible to recover spent money.

– We have a double ecological effect, – says V.Yu. Fomin, the Director of Ecoles Pizhma LLC. – First of all, in contrast to conventional equipment, new boilers do not discharge waste into atmosphere. At the same time, small municipal formations who have own solid waste landfills dispose of accumulated refuse.

Ecoles Pizhma people recognized that they decided to resolve waste disposal problem when accompanied by Mr. Johansen, they saw an ugly scene of burning waste dump near the road to Varnavino District. The Dane commented what he saw as follows: “We produce refuse-fired and incineration plants which convert waste to heat and electricity”. It appears that there is no need to invest in huge solid waste landfills. It is evident that no one will collect refuse at these landfills which are 100 or 200 kilometers away. Unauthorized dumps will grow like mushrooms after the rain. Ecoles Pizhma intends to supply Danish equipment which permits to incinerate refuse on site and produce heat and electricity. In the nearest future engineering and economic assessment for such plants will be undertaken and submitted by Ecoles Pizhma to two Ministries concerned including the Ministry of Housing and Public Utilities, the Ministry of Fuel and Energy, and Environment Protection and Natural Resources.

## ***The Ministerial level***

As mentioned above, the concept of energy-saving agency was discussed at a dedicated working meeting held in the office of V.V. Ulyanov, Minister of Housing and Public Utilities, and Natural Resources of Nizhny Novgorod Region. The goal of the meeting was to set out and determine the ways for establishing an integrated regional project aimed at conversion of middle and small boiler plants to biofuel, and prepare statement of work for participants in the meeting. According to Ecoles Pizhma and partners, the Minister gave a favourable answer to the idea to introduce energy-saving technologies. The company is aware of his competence and knows that the Minister supports business and is familiar with excellent performance of Danish-made equipment. He supports the idea of partnership between Ecoles Pizhma and Denmark.

– I have recently met with V.V. Ulyanov and I like to talk to him, – says Tatiana Svechnikova – V.V. Ulyanov is celebrating his birthday on June 9 and our Company is happy to cordially congratulate him on this occasion! We believe that his talent of a top manager has developed in full when he worked in the regional government. His contribution was highly appreciated both by the people and the local government headed by V.P. Schantsev, the Governor of Nizhny Novgorod Region. Owing to recent efforts made by V.V. Ulyanov, a number of important projects have been completed in the region. Each of them was supported by his activity, professional skills and outstanding personal identity. He has a lot to do in the future! Once again, we send our compliments and Ecoles Pizhma will contribute significantly to social and economic development of the region, support new initiatives of the regional government aimed at further prosperity of the homeland. God bless you and we hope for more your undertakings in energy field!

Dear Valery Vasilievich, we wish you a happy birthday, happiness, good health and long professional life. Your managerial skills in energy and housing and utilities will be always in demand.

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Weiss A/S boiler working on solid domestic waste



View of Weiss A/S boiler working on solid domestic waste



T.V. Svechnikova,  
Deputy Director of Ecoles Pizhma LLC



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Director of Ecoles Pizhma LLC