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Environmental permit to St1's first Cellunolix® plant in Kajaani, Finland

The Regional State Administrative Agency of Northern Finland has granted an environmental permit to energy company St1 to build a bioethanol plant in Kajaani at Renforsin Ranta. The project development of the plant making lignocellulose-based ethanol for transport is in progress and the objective is to make the investment decision by the summer 2014 and to begin production in late 2015 or early 2016.

St1 currently produces ethanol out of bio waste and process residues from food-industry in five plants around Finland. Domestic bioethanol that is almost carbon-neutral is used for RE85 ethanol fuel and RED95 ethanol diesel and as a low blend bio component in petrol.

St1's objective is to expand its production to lignocellulosic raw materials, which increases the production potential several dozens times over. The raw material for the plant will be sourced from sawmills on site and in close region. The designed annual production capacity is 10 million litres of ethanol.

Mika Aho, the Managing Director of St1 Biofuels explains that Kajaani's Cellunolix® project is an important move both technically and commercially in the utilisation of woody process residues as a raw material for advanced biofuel. The concept is scalable up to annual capacity of 50 – 100 millions of litres per plant. The project's employment effect during design and construction is estimated at 200 person-years. Upon completion, the Kajaani ethanol plant would employ more than 30 persons either directly or indirectly .

The Global market for the concept is significant. To act as catalyst for the market development the EU should therefore set a dedicated and binding sub-target for advanced biofuels. This binding target should be combined with ambitious GHG emissions requirements to secure stable investment climate and to ensure that future growth in the EU biofuels comes from the best performing biofuels.

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