

Hi,

We have set up a wood pellet production plant and produced our first ton of pellets in August '06 when we got the machines commissioned. We are presently getting a dryer made to dry the sawdust and also need a boiler to heat it as the sawdust comes in to us at 60-65% moisture and we must dry it down to 10-13%. We have invested a lot of money in this already and are still not up and running due to conditions beyond our control - in Europe the humidity is much lower and most of the pellet plants buy in dry sawdust, but for the month of Nov. the rain has'nt stopped here in Galway, and this is a big disadvantage.

We also need to invest in a good bagging system and need to know if there is any possibility of financial assistance.

We have a book-load of people who are gone mad looking for pellets and can't get them anywhere. They are not available in Europe either as the bunkers, that are usually full at this time of year, were empty at the end of June when we went to Austria checking out the marketing process for bulk deliveries - it seems the Europeans have installed a lot of pellet heating systems this year also.

Also, the vat rate would want to be reduced to 0% as we have to charge 13.5%, which puts us at a big disadvantage competing with Northern Ireland who have a 5% vat rate for renewable fuels. Reducing the vat rate on renewables would make much more sense than bringing in carbon tax.

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