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## **Hitachi Zosen Inova to Operate Biomethane Supply Business in Italy ～ Third project to operate its own biomethane plant ～**

Hitachi Zosen Inova AG, a 100% subsidiary of Hitachi Zosen Corporation, engaged in the design, construction, maintenance, and operation of Waste to Energy (WtE) plants and renewable gas plants (Switzerland, hereinafter "HZI"), has decided to undertake a 20-year biomethane supply project in Pianfei (Kuneo, Piedmont), a city in northwest Italy. Hitachi Zosen Inova Schmack GmbH (Germany), a 100% owned subsidiary of HZI, will undertake the construction and operation of the plant, targeting to start operation in early 2025.<sup>1</sup>

In this project, HZI will acquire all shares of BBV Biomethane Societa Agricola, Srl, a special purpose company (SPC) established for the biogas business, as well as the land for the plant construction. The HZI Group will design, finance, build, own, and operate the plant in an integrated DFBOO manner, making this the third biogas facility that HZI will own and operate, following those in the United States and Sweden.

The plant will use wet methane fermentation technology owned by HZI Schmack GmbH to produce biogas from organic wastes such as livestock manure, agricultural by-products (vegetable and fruit residues), cocoa bean residue and rice husks. The biogas is purified by the gas purifier of Hitachi Zosen Inova BioMethan GmbH (Germany), a subsidiary of HZI, and supplied as "biomethane" through pipelines, existing infrastructure.

The plant will have an annual processing capacity of 42,500 tons of livestock manure and agricultural by-products, and the biomethane production of the gas purification system (production capacity: up to 400 Nm<sup>3</sup>/h) to increase purity will be equivalent to an annual energy supply of approximately 35 GWh. In addition, when compared to fossil-derived natural gas, it will reduce CO<sub>2</sub> emissions by approximately 7,800 tons.

In its medium-term management plan "Forward 25," which started in fiscal 2023, Hitachi Zosen Group has set "implementation of investment strategy (business investment and development investment)" as a priority measure and plans to make a business investment of JPY75 billion, and this project at DFBOO is in line with the Group's strategy.

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<sup>1</sup> Biomethane: biogas produced by fermentation of organic waste is purified to a methane concentration of at least 90%, which is equivalent to natural gas.

It is also part of HZI's efforts in recent years to strengthen its maintenance and operation business of WtE plants and new businesses such as biogas and biomethane.

The European Commission has launched "REPowerEU," a plan to expand the use of biomethane and hydrogen from the perspective of energy security, among other things. Hitachi Zosen Group will utilize the biogas and biomethane technologies it has developed in Japan and Europe to proactively contribute to meeting the ever-increasing demand.

The outline of the project is as follows

1. Order and owner : BBV Biomethane Societa Agricola, Srl (acquired by HZI)
2. Construction site : Pianfei, Cuneo, Piedmont, Italy
3. Biomethane production : approx. 35 GWh/year (energy equivalent)
4. Operating period : 20 years after completion in early 2025

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<sup>2</sup>REPowerEU is a renewable energy utilization plan that the European Commission published in detail in May 2022. It includes a proposal for a significant increase in biomethane production as an alternative to natural gas.