Newsletter: December 2014

The bioenergy voice in Europe

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EDITORIAL

Dear readers,

The first week in December, AEBIOM arranged several workshops and events which wrapped up our activity for 2014 and launched several important objectives for 2015, such as the Biomass Counts Campaign.

The most well attended event was the “Sustainable Biomass Backs European Economy” with 112 participants, were industry representatives shared their story on their investments in the bioenergy sector, either as part of their daily activities (KWB, Forest Cooperatives) or as part of their production process in order to replace fossil fuels (Volvo, L’Oréal). These are clear examples on the role that bioenergy is playing and will continue to play to create jobs, strengthens investments and competitiveness within the EU and increase the EU energy security.

At the current global crude oil price, bioenergy obviously loses competitiveness and thus, there is a window for the national governments of the EU to meet the lower oil price with an increased carbon emission fee in the heating sector to support renewable energy, energy efficiency and European energy independence.

Having finished a fruitful and busy 2014, I wish you Season’s Greetings and we thank you for your continued support.

2015 promises to be very busy at EU level for our sector with, among others, the ongoing discussions and possible future decisions on the EU 2030 climate and energy framework, on biomass sustainability and on energy security. AEBIOM’s role is thus more than ever essential to raise the voice of the European bioenergy stakeholders. Therefore, we encourage you to stay tuned to our 2015 ambitious activities.

Gustav Melin
AEBIOM President

AEBIOM NEWS

Sustainable bioenergy backs European economy- High level event

The European Biomass Association held a high-level event titled “Sustainable Biomass Backs European Economy” in Brussels. Top EU companies gathered to highlight the benefits the bioenergy sector offers in reaching the EU's energy security, affordability and sustainability objectives.

The conference achieved successful results thanks to the participation of 112 leading experts who gathered in order to hear success stories from the industry’s side and specific reasons why biomass counts. The success of
the conference is also attributed to the enthusiastic discussions and insightful debates which took place at the end of the event. Here you can find the press release and photo of the event.

AEBIOM launches the Biomass Counts Campaign

The European Biomass Association launched the new “Biomass Counts” campaign (www.biomasscounts.eu), an initiative that seeks to balance the current debates on biomass by showcasing the reasons why sustainable biomass counts in the EU policy debate.

Biomass is essential when it comes to the EU’s energy security, affordability and sustainability priorities. Our objective is to deliver the clear message that biomass plays a unique role in a strong and competitive low carbon economy. Biomass is and will continue to be a vital component of our energy mix in the mid and long term.

The campaign is based around 4 main motives:

Biomass counts:
1. as a component of our future energy mix
2. for the alleviation of our fossil fuel energy dependency
3. for the creation of jobs and the fostering of growth rural areas
4. in tackling energy poverty and improving economic competitiveness

The campaign also focuses on what is needed by the bioenergy industry in order to guarantee the continued growth of the bioenergy sector. This includes, among other things, the need for an EU strategy or action plan focused on the heating and cooling sector and the defining of EU harmonised legally binding EU sustainability criteria.

More facts and figures on the benefits of biomass and the solutions provided by the bioenergy industry can be found on the Biomass Counts platform: www.biomasscounts.eu.

AEBIOM launches the 2014 Statistical Report

On November 19th, AEBIOM launched in partnership with the European Pellet Council (EPC) the 7th Annual Edition of the AEBIOM Statistical Report “European Bioenergy Outlook 2014” which contains a detailed and comprehensive collection of data with the latest figures in the bioenergy sector. Due to the complexity of the bioenergy sector, this report provides a clearer picture of the sector overview, its dynamics and development.

Besides the general overview of RES and bioenergy situation in Europe, the report consists of two main parts. The first part provides basic information about the biomass resources originated from forest, agricultural and waste streams. The second part is structured according to its end use: electricity, heat and transport.

European energy demand amounted to 1684 ktoe in 2012, with a still worrying dependency on imports (55% in 2012). Luckily, renewables are steadily increasing and becoming the most important indigenous energy source overtaking the production of energy from European coal, natural gas and oil. In 2012, renewables represented 14.1% of the total EU gross final energy consumption. Bioenergy gets the lion’s share, with 62.4% of RES.
The total bioenergy consumed in Europe (102 Mtoe) corresponds to the heat sector, followed by biofuels for transport (14%) and bioelectricity (13%). Solid biomass, and particularly wood-based biomass, remains the major source of bioenergy. Contrary to what many believe, the wood stock in the forest is increasing by 300 million m³ annually, making the future of biomass bright for many years to come!

This year’s “European Bioenergy Outlook 2014” also features a special section dedicated to the pellet market, detailing the growth and development in production over time, analysing today’s pellet consumption, and offering insights into the pellet market at international and national level. With contributions coming from key experts from industry and research in addition to those of EPC/AEBIOM members, this chapter can be considered one of the most significant analyses of the pellet sector to date.

The growth of the international wood pellet sector over the last decade has been nothing short of astounding. Estimates show that at 24.5 million tonnes, world production levels today are more than 14 times those of 2000 and with the EU being responsible for the consumption of around 80% of this, there is no doubt that wood pellets have become a significant player in the world and EU energy markets.

This year’s edition of the AEBIOM Statistical Report can be purchased on the AEBIOM website: www.aebiom.org. The PDF version will be sent alongside with a short summary of the most relevant statistics and a separate file with pellets statistics prepared by EPC.

The 6th AEBIOM European Bioenergy Conference 2015

The AEBIOM Bioenergy Conference 2015 will be the sixth edition of the growing series. The conference is a key occasion on the bioenergy events calendar since 2010. Next year, the conference will focus mainly on policy issues such as the EU 2030 Climate and Energy Framework, EU Energy Security, Biomass Sustainability and Air Emissions. Please see HERE our draft programme for this event.

We have also conceived a promotional video of the conference which will show you what you should be expecting. Please see HERE. For more information and registration please visit www.aebiom.org/conference.

EU POLICY AND AEBIOM POSITION

Energy security

The renewed concerns for our security of supply are to date mainly due to the EU’s heavy dependency on natural gas from Russia, mostly used for heat. Indeed more than 40% of natural gas consumed in Europe is being used for heating of buildings and 31% for industrial processes. Gas is not the only fossil fuel which the EU is dependent on. The same goes for oil which the overall dependency rate keeps increasing (around 80%). In this context, the bioenergy sector can contribute to alleviate the EU fossil fuel dependency. In its proposal for a “European Energy Security Strategy”, published on 28 May 2014, the European Commission rightly highlights that “a fuel-switch to indigenous renewable heating sources can displace significant amounts of imported fuels”. In addition, in its “Energy Security Stress Test communication”, the Commission clearly identifies biomass both in urgent recommendations and medium term measures to tackle the EU energy security issues. It is now crucial to accompany these statements with concrete measures and commitments that accelerate fuel switch and address the supply side of heating at European level. Biomass technologies are available and practical options which, alongside energy efficiency, will alleviate our fossil fuels dependency.

EU 2030 Climate and Energy Framework

In October, Member States have confirmed the proposed approach of the Commission to set a minimum 27% renewable energy target binding at EU level but with no binding national commitments from Member States. AEBIOM regrets this decision which means a limited growth perspective and does not build on the potential renewable energy sources (including bioenergy) offer. However, the target approach is not the only tool able to guarantee future RES progress. Indeed, the Commission is now expecting to set the appropriate framework
(including a governance system) so as to make sure that renewable energy technologies continue their development and that Member States contribute to the EU objective. This framework could, among others, encompass concrete measures and detailed indicators for renewable progress reporting.

### Ecodesign

On 13-14 October, Member States (Council) found an agreement and voted on ecodesign requirements for lot 15 (solid fuel boilers) and lot 20 (local space heaters). Both set of requirements have now been published (LOT 15 – LOT 20). Regarding labelling for these two lots, the Commission will proceed with the adoption, considering the comments made by Member State experts already last year. AEBIOM, after consultation with its members, has contributed to the preparation of the text that will be proposed and published by the Commission in the coming weeks/months.

### Commission Investment Plan

The Commission has published the report of the task force and a list of projects for implementation of the EU investment Plan (so called "Juncker’s plan"). AEBIOM is contributing to and following closely the developments of the plan.

### EPC- EUROPEAN PELLET COUNCIL

#### ENplus 2014- A review of another great year

2014 marked yet another year of success for the EPC-managed ENplus pellet certification scheme – in fact, this year was the system’s strongest year of growth yet. The 6.5 million tonnes reported in 2014 will represent an increase in certified production of around 58% on last year’s total, with further applications pending. These figures are expected to increase further in 2015 as ENplus continues to strive for the improvement of the pellet quality on the European market and beyond. Compared to the 1.2 million tonnes certified in 2011, considered a huge success at the time, reaching the current level of success is extremely impressive.

Following the certification of the first US producers in 2013, this year saw the growth in the production of ENplus pellets accelerate and spread to new plants all across the south east as producers moved to capitalise on the growing European heat market. US production should be more than 2.5 times that of last year and is expected to exceed 550,000 tonnes. 2014 also saw ENplus reach east toward Eastern Europe with ENplus certified pellets being produced in Russia, Ukraine, Bulgaria and Bosnia and Herzegovina for the first time. Add this to the further increase in certified production in the Baltic States and Romania, and the situation in Easter Europe is certainly a
healthy one. There are now certified producers located in most European countries, with applications and
enquiries coming from many of the others.

While ENplus has continued to spread further afield, it has continued to develop steadily in the Central and
Western European Countries in which the scheme enjoyed its initial success. Germany continues to lead the way
and by the end of the year will surpass the significant milestone of 2 million tonnes of certified production, up
around 16% on last year. Austria comes next when ranked by tonnes certified, increasing its certified production
this year by almost 21% compared to 2013 and edging closer to the 1 million tonne milestone. Both Austria and
Germany now certify over 90% of their domestic production, demonstrating clearly the influence that ENplus can
have in raising the overall pellet quality. Additionally, Belgium, France and Italy saw the volume of their certified
production increase greatly, particularly Italy who, at over 100,000 tonnes, can now boast 6 times more certified
production than at the same stage in 2013. Following a cold winter, 2014 was also a good year for Canada,
forecasted to come close to 200,000 tonnes of certified production.

As mentioned earlier, the total certified production in 2014 will come to just over 6.5 million tonnes. This figure
aggregates the totals of almost 200 certified producers. The number of producers has increased significantly,
reaching this number from around 120 at the end of 2013. With the number of certified traders also approaching
200, there has been a sizable increase on the 130 or so traders that were certified as of the end of 2013.

The outlook for 2015 certainly looks positive. Even if expecting to sustain the ever-rising growth rate of previous
years may not be realistic, new producers are constantly applying for certification. Interest in certification seems to
have grown in East Asia and South America as new regions further recognise the huge potential in the European
residential heat market. Late this year, the first Brazilian producer was certified, suggesting that 2015 could see a
new trend towards the uptake of the scheme among producers in that part of the world. ENplus is truly being
recognised for the key role it is playing in raising and harmonising the quality of pellets on the market and
ensuring a sustainable pellet heat market worldwide. 2015 looks set to be yet another prosperous year for pellet
heating.

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ENplus Fraud

Fraudulent activities are considered to be any attempts by a company to present non-certified products as being
ENplus certified. EPC has identified three main types of what we can call ‘ENplus fraud’: Marketing Fraud refers
to the use of the ENplus trademark (seal, likeness, name, etc.) on its promotional materials. Usually this type of
fraud is seen on websites, posters or in sales emails. Similarly to this, Product Fraud involves the use of the
ENplus trademark on the product – be it on the bags or the delivery documents. Another type of fraud that has
been observed is the forging of official ENplus documents such as certificates and reports.

With this in mind, it is important to remember that all certified companies are listed centrally on the EPC website. If
a company claims to be ENplus certified, it is strongly advised that you refer to the relevant pages (Producers
and Traders) to ensure that this is indeed the case. When you have doubts, or indeed, believe that you are
dealing with fraudulent company, you should contact EPC. This chart can offer some guidance on whether you
should report a case or not.

Reporting a case

For the reporting of fraudulent cases, a new dedicated section on the ENplus website has been recently launched
to enable you to do so easily. The new page entitled “Report Fraudulent Actions” can be found here. A form has
been incorporated for you to fill out, give details on the case and upload any documents relating to the case that
you may have. Your details remain fully confidential as action is taken against the fraudulent party.
Alongside this new reporting page, a blacklist has been published. When a fraudulent case is identified, a number
of steps are taken by EPC to ensure that the company ceases their fraudulent activities. Those that refuse to
comply with these instructions will be listed publicly on the blacklist.
EPC is currently employing the services of Becker Büttner Held (BBH), a partnership of lawyers, tax advisors and auditors who are specialized in both the energy sector and in copyright law. EPC has worked with BBH in formulating the procedure for tackling ENplus fraud and will not hesitate to commence legal proceedings against a company should the necessity arise.

Your help in protecting the reputation, reliability and integrity of the ENplus scheme is greatly appreciated. Please be sure to inform EPC about any possible fraud cases you may come across.

EIPS- EUROPEAN INDUSTRY OF PELLET SUPPLIERS

Over the last months, the EIPS group (European Industry of Pellet suppliers) continued to follow the developments of the Sustainable Biomass Partnership (SBP) initiative which standards version 0.0 are now available online. The group held its second annual meeting in early December.

IBTC- INTERNATIONAL BIOMASS TORREFACTION COUNCIL

IBTC in the 5th Biomass Pellets Trade & Power, Seoul

IBTC organized a Breakfast Talk during the 5th Biomass Pellets Trade & Power on 24th September 2014, during which the added-value of torrefaction and the current status of the sector were presented. In the afternoon, IBTC organized a roundtable discussion in order to strengthen the relation and future business opportunities between IBTC members and Asian utilities.

IBTC welcomes new member

The Agricultural Research Center of Wallonia, Belgium, as supporting member. CRA-W maintains extensive contacts with farmers, horticulturalists, businesses, universities and research centers in Belgium and abroad. The range of services and analyses provided by the Centre covers all aspects of agriculture. The “Biomass, Bioproduct & Energy” Unit at Walloon agricultural Research Center conduct researches solid biofuels for more than 30 years now. They will commission a pilot torrefaction facility at the beginning of 2015 with a capacity of 50-100 kg material /hour that will be open for external testing.

IBTC meeting during the 13th Industry Pellets Forum

The International Biomass Torrefaction Council (IBTC) held its latest meeting in Berlin the 13th October in the framework of the 13th Industry pellets forum. The latest activities, working plan and standardization were discussed.

The day after, IBTC organized a meeting with SECTOR project in order to learn more about the latest project results and share information on specific topics.
PROJECTS

**BASIS: Sustainable Wood Chip Supply Risk**

The BASIS project, coordinated by AEBIOM, organized a workshop on “Sustainable wood chip supply risk” the 3rd of December. Project major outcomes and its related GIS were publicly presented for the first time. BASIS consortium have identified more than 3000 bioenergy plants in Europe and calculated their wood consumption. Besides, pellet factories, pulp mills and particle board producers have also been spotted on the European map in order to give a broader picture of the total wood-chips consumption. The GIS tool is available here: [http://www.basisbioenergy.eu/](http://www.basisbioenergy.eu/). In the framework of this workshop a panel debate about wood competition was organized with national bioenergy associations of Austria, Finland, Spain, Latvia and Sweden, and representatives of the European Paper Industry (CEPI) and Panel Federation (EPF).

**LogistEC Project: Event on Impact of Energy Crops**

The “Impact of Energy Crops” workshop was organized by AEBIOM in the framework of the LogistEC project on December 2nd. This workshop aimed at raising the awareness of major NGOs on lignocellulosic crops and summarizing their expectations, so that their recommendations may be taken into account when implementing these crops. Speakers included project experts, NGOs and scientists from the LogistEC project and experts on food vs. non-food and indirect land-use change issues.

The event and debates were successful with the participation of 70 persons. The discussions were held around the environmental impact of energy crops and how to integrate environmental concerns and criteria when growing...
energy crops takes place. A recommendation paper, addressing the best way to take environmental requirements into account when developing bio-based projects will be produced in the coming weeks. The presentation and photos of the workshop can be viewed HERE.

### EVENTS

#### AEBIOM events

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<td>6th AEBIOM Bioenergy Conference 2015, Brussels, 04-05 May 2015</td>
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<td>Final joint event of INFRES, EUROPRUNING and LOGISTEC, Italy, 19 May 2015</td>
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<td>International Pellets Conference- Challenges and innovation for the market, VICTAM, Germany, 01 June 2015</td>
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#### Other events

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<td>European Pellet Conference 2015, Austria, 25-26 February 2015</td>
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<td>Conference &amp; Exhibition for S-E Europe on Green Energy &amp; Environment, Bulgaria, 11-13 March 2015</td>
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<td>Bois Energie 2015, France, 19-22 March 2015</td>
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<td>Argus European Biomass Trading 2015, UK, 14-16 April 2015</td>
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<td>Nordic Baltic Bioenergy Conference, Latvia, 14-16 April 2015</td>
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<td>37th European &amp; Power Congress, Estonia, 27-28 April 2015</td>
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<td>International Biomass Conference &amp; Expo, USA, 20-22 April 2015</td>
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<td>2nd REGATEC 2015, Spain, 07-08 May 2015</td>
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<td>COGEN Europe Annual Conference &amp; Dinner, Brussels, 19-20 May 2015</td>
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<td>FIAAP/VICTAM/GRAPAS International 2015, Germany, 01-11 June 2015</td>
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<td>Bioenergy 2015, Finland, 02-04 September 2015</td>
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