EU policies affecting wood pellet markets
Recent developments and outlook

Fanny-Pomme Langue

Pellets Industry Forum

Berlin 14 October 2014
- Biomass sustainability
- 2030 EU climate and energy framework
- Energy Security
- Competition of uses and cascading
- EU requirements for bioenergy installations
Biomass sustainability criteria: EC report

- Staff working document published 28 July 2014 – Non legal document

- AEBIOM has welcomed the fact that this report, initially due in end 2011, was finally published and the efforts of the Commission to summarize the state of play on the sustainability situation

- Rather balanced: biomass benefits and risks

- **BUT**: the decision on possible EU legally binding criteria is postponed to the 2030 EU climate and energy debate – No certainty for investors
**Biomass sustainability criteria: EC report**

<table>
<thead>
<tr>
<th>BENEFITS</th>
<th>RISKS</th>
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<tbody>
<tr>
<td>Impact on forests</td>
<td>Bioenergy developments have had no negative impacts on EU forests</td>
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<td>GHG savings</td>
<td>Solid and gaseous biomass is key to achieving the 2020 renewable energy targets and the EU long-term decarbonisation goals by 2050</td>
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<td>A vast majority of the biomass pathways used today provides carbon reductions in the medium / short term and long term</td>
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<td>Competition of uses</td>
<td>Competition between energy and pulp, paper and board industry will increase – Evaluation and monitoring are needed</td>
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Biomass sustainability: the debate is ongoing

CALL FOR TENDERS
ENV.F.1/ETU/2013/0033

Study on impacts on resource efficiency of future EU demand for bioenergy

Forest biomass for energy in the EU: current trends, carbon balance and sustainable potential
for BirdLife Europe, EEB, and Transport & Environment

POTENTIAL AND IMPLICATIONS OF USING BIOMASS FOR ENERGY IN THE EU
A call for tender by BirdLife Europe, the European Environmental Bureau and Transport & Environment
Deadline: 20 September 2015

ENV.B.1/ETU/2014/0043.

Study on the environmental implications of the increased reliance of the EU on biomass for energy imported from North America.

Biomass, mostly wood, makes up more than half of the renewable energy in the EU likely to remain dominant for the foreseeable future. North America has emerged in recent years as a key supplier of biomass to the EU. The aim of the study is to gain up-to-date information on biomass imported from the US, the policy environment for US biomass exports and possible implications on the EU’s approach to biomass for energy.
2030 EU Climate and Energy framework

- Commission’s proposal towards 2030
  - 27% EU renewable energy target (BUT: no more national targets)
  - 40% GHG emissions reduction
  - 30% reduction of energy consumption

- This proposal lacks ambition for RES developments
  - The target is too low!
  - No legal commitments from Member States will make it more difficult to deliver

- Member States to adopt their position on October 23rd (European Council)
  - The EU RES sector is requesting a more ambitious target and a legal commitment from Member States
Energy security

- EU security of energy supply is threatened by dependency on fossil fuel imports from unstable regions
  - weakening the EU’s geopolitical influence
  - GDP-leakage: imports of fossil fuels = €545 billion or 4.2% of EU GDP

  - highlights that “a fuel-switch to indigenous renewable heating sources can displace significant amounts of imported fuels”. BUT no concrete measures nor commitments that address the supply side of heating at European level
Energy security

POSITION PAPER

RENEWABLES FOR HEATING AND COOLING AND EU SECURITY OF SUPPLY:
SAVE OVER 20 BILLION EURO ANNUALLY IN REDUCED FOSSIL FUEL IMPORTS

21st May 2014

KEY MESSAGES

RENEWABLE ENERGY IS THE RIGHT ANSWER TO THE CHALLENGE OF EUROPEAN ENERGY SECURITY.
A MORE AMBITIOUS RES TARGET IS NEEDED FOR 2030!

Brussels, 22 September 2014 – The EU renewable industry is calling on EU policy makers to show more ambition for renewables in the future EU climate and energy policy and in the action plan to tackle the energy crisis.
Competition of uses and cascading

- **EU Bioeconomy strategy** (Feb 2012)
  - Cascading principle and competition of uses are part of the debate

- **Experts panel** to support interactions between different sectors and stakeholders in the bioeconomy
  - Working groups on “Market making” and “towards a competitive supply of biomass”

Brussels, 25th November 2013

**Joint Statement on cascade use of wood**

AEBIOM, CEPF, COPA-COGECA, EIPS, ELO, EUSTAFOR
Competition of uses and cascading

CALL FOR TENDER

No 394/PP/ENT/RCH/14/7689

STUDY ON OPTIMISED CASCADING USE OF WOOD
Open procedure

TENDER SPECIFICATIONS
EU requirements for bioenergy installations
Clean air package

- December 2013: Commission’s proposal on reducing emissions from Medium Combustion Plants (1- 50 MW fuel capacity)

- Fill legislation gap: large combustion plants are already subject to a Directive
  - Emissions thresholds for sulphur dioxide, nitrogen oxides and particulate matters

- Possible important impacts on bioenergy plants

- Decision: Member States and European Parliament
  - AEBIOM position elaborated with experts
EU requirements for bioenergy installations
Ecodesign requirement

- Minimum criteria for solid fuel boilers (lot 15) and local space heater (lot 20) with a capacity ≤ 500 kW to be put on the market

- Emissions and energy efficiency criteria

- Possible important impacts on bioenergy appliances

- Decision: Member States 13-14 October

- The Ecodesign regulation will be accompanied by an Ecolabelling regulation
Others

- New Common and Agricultural Policy
- EU Forest Strategy
- New EU state aid guidelines for energy and environment
- Etc…
Thank you for your attention!

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