EU Policies impacting the bioenergy sector

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About AEBIOM
European Biomass Association

Mission: Develop the market for sustainable bioenergy and ensure favourable business conditions for its members through effective involvement in the EU political process.

Members: 30 national associations and 80 associated companies

Priorities:
Communicate as a single, united voice the opportunities and concerns regarding the development of bioenergy at European level
Develop and deliver effective strategic messages and initiatives to contribute to the EU political process
Ensure European bioenergy industry leadership through R&D and innovation
About EIPS

• Joint forces of pellet producers, traders and other stakeholders at European level
• Group of companies
• Focus on pellets produced in Europe
• Promote the use of pellets as energy carrier in Europe
• Express the views of pellet producers and their partners
• Platform to develop initiatives in common fields
• International cooperation: USIPA and WPAC
• Cooperation with EU utilities: Initiative of Wood Pellet Buyers
EIPS MEMBERS

Producers

Traders

Supporters
Outline

• Sustainability criteria for solid and gaseous biomass
• Carbon accounting
• Efficient use of the biomass resource
• RES post 2020 EU Policy
• Others files related to bioenergy
Sustainability criteria for solid and gaseous biomass

• EU legally binding criteria are in place for biofuels (RES Directive)
  - GHG saving criteria
  - Protection of land with high biodiversity value and land with high carbon stock

• Solid and gaseous biomass in H&C and electricity
  - Commission’s recommendations in 2010
  - Commission committed to report by end 2011 – Delayed
  - EU media reported that a draft Directive currently being discussed internally within the Commission
Sustainability criteria for solid and gaseous biomass

• Different national legislations in place on solid biomass sustainability (UK, NL, BE)

• AEBIOM / EIPS in favour of EU harmonised legally binding criteria
  - Strengthen public acceptance
  - Facilitate trade and secure investments

• The criteria should be flexible and proportional
  - Take the existing EU and national rules and legislations into account
  - Exemption of small installations and small biomass producers
Sustainability criteria for solid and gaseous biomass

• The discussion related to forestry biomass should be dealt with under that file “sustainability requirements for solid and gaseous biomass” and not the biofuels file

• 10 September: vote of the European Parliament on the proposal for a Directive on Indirect Land Use Change (ILUC)
  - The ENVI committee proposed to strengthen the biofuels criteria, in particular the provisions related to woody biomass - amendments rejected by the plenary session

• The European biomass sector is strongly committed in providing sustainable biomass and will continue to do so
Carbon accounting

• Biomass plays a significant role in the EU renewable energy picture (2020 targets and beyond)

• Fossil fuel substitution critical for lower levels of atmospheric carbon

• Multiple studies on carbon implication of energy production from forest biomass. Conclusions vary from large carbon mitigation benefits to opposite extreme

• In this context, the bioenergy sector considers it important to present its views and identify the inappropriate data and assumptions used in certain studies
Carbon accounting – Bioenergy sector report

Forest Sustainability and Carbon Balance of EU Importation of North American Forest Biomass for Bioenergy Production

With the collaboration of:

Drax
GDF SUEZ / Laborelec
Essent NV
E.ON Climate & Renewables
Danish Energy Association
Vattenfall AB
Carbon accounting – Bioenergy sector report

• Focus on South East US and British Columbia Canada, as the current and future main regions of biomass imports to the UE

• Objectives: inform stakeholders on biomass sourcing, SFM practices, commercial realities of the forest sector and modelling results based on realistic data from the field

• Conclusions also valid for European forests and European pellets
Carbon accounting – Bioenergy sector report

• Long-established histories of **sustainable forest management** and harvest in SE US and BC Canada

• Pellets are produced from **by products / secondary products** and low value roundwood

• Forests are managed under a **multiple products approach**. It is not economically interesting for forest owners to manage their forests for energy purpose only
Carbon accounting – Bioenergy sector report

- Methodological choices and scenario assumptions employed in models = huge role in determining outcomes

- When the data and assumptions from the field are used, models show that:
  - Wood pellets from BC Canada and SE US achieve significant GHG savings and make meaningful contribution to climate change mitigation
  - Carbon debt and foregone sequestration are very small compared to carbon savings that are achieved over time

- Critical difference between a small temporary “carbon debt” (when one might exist) and the permanent fossil carbon emissions savings achieved by use of bioenergy rather than fossil fuels
Efficient use of the biomass resource – EU context

• Cascading use principle / exclusion of roundwood have entered into the EU policy debate related to biomass sustainability

• The EP report on the EU bioeconomy initiative has called for “the development of a legal instrument that (...) shall establish a cascading use principle in the 'pyramid of biomass' so as to support ‘value-adding applications’”

• EU forestry strategy (20 Sept): several references to the “cascade” principle

• Some stakeholders support the idea of restricting certain types of biomass for energy purposes
Efficient use of the biomass resource – A few considerations

- Making the cascading use / exclusion of roundwood legally binding would not make sense from a legal, economical and practical point of views
- The European pellet producers do not use quality roundwood as a raw material and this is not expected to happen in the future
- Bioenergy is definitively a “value adding applications” – NB EU society today’s context with increasing energy prices
- The wood energy market as a new competitor is good for the forestry and wood sector (sawmills)
- Is there any other economic sector for which the EU proscribes which material they can or cannot use?
RES post 2020 EU Policy


• Support schemes: challenge to ensure over time that RES become more cost-efficient

• EU RES binding target? : Could an EU RES share be achieved by a CO2 target only to create the right market conditions?

• Replies available online

• Commission to present its view in end 2013 / early 2014
RES post 2020 EU Policy

17 September: public letter from the industry to call for a RES target
Other files related to bioenergy

• New CAP (Common Agricultural Policy)
• LULUCF
• Timber Regulation
• Bioeconomy
• State aid revision
Thank you for your attention!

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