About AEBIOM
European Biomass Association

• Represents and promotes interests of bioenergy stakeholders
• 30 national associations
• About 80 associated companies
• Activities: lobbying, workshops, newsletters, European projects, working groups, conferences and networking, etc.
• Based in Brussels in the Renewable Energy House
• Member of EREC (European Renewable Energy Council), WBA (World Bioenergy Association) and EUFORES (MEP association)
Annual report 2012

Member’s catalogue

International Biomass Torrefaction Council – IBTC

Annual Statistical report
CONTENT

• EU biomass consumption and supply developments

• Biomass EU policy developments

• European Industrial Pellet Suppliers group/ EIPS – introduction and developments
EU biomass consumption and supply

**BIOMASS CONSUMPTION IN ELECTRICITY**

For 2010, many MS in line with NREAP projections
- AT, ES and IE below 2010 projections
- EE, FI, SE, UK, NL and BE above projections

![Diagram showing gross electricity generation from solid biomass (GWh)](source: AEBIOM)

Source: AEBIOM

![Bar chart showing deviation from indicative target](source: ECOFYS study, EC RES progress report, 2013)
EU biomass consumption and supply

**BIOMASS CONSUMPTION IN H&C**

For 2010, almost all MS in line with NREAP projections
FI has reached the increase foreseen for 2020. UK, DE, RO and SE are close
**EU biomass consumption and supply**

**WARNING FOR 2020**

- Commission RES progress report (March 2013): EU and most MS are currently on the right track to achieve 2020 targets. However, current policies alone will be insufficient to trigger the required renewable energy deployment in a majority of MS. Hence, additional efforts will be needed.

- **This statement is valid for solid and gaseous biomass in H&C and electricity:** 104 Mtoe planned for 2020 in NREAPS compared to expected production of 86 Mtoe according to EC modelling (relation with production cycles of the wood, pulp and paper industries?)

*Planned (blue) versus estimated (red/dotted) trend in EU biomass energy*

### EU biomass consumption and supply

#### Pellet trade within EU 27

<table>
<thead>
<tr>
<th>Exporting country</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>main target country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>159</td>
<td>285</td>
<td>274</td>
<td>IT, DE</td>
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<tr>
<td>Belgium</td>
<td>119</td>
<td>50</td>
<td>51</td>
<td>FR, NL</td>
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<tr>
<td>Bulgaria</td>
<td>11</td>
<td>8</td>
<td>6</td>
<td>IT</td>
</tr>
<tr>
<td>Czech R</td>
<td>72</td>
<td>102</td>
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<td>AT, IT, DE</td>
</tr>
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<td>Denmark</td>
<td>20</td>
<td>124</td>
<td>184</td>
<td>DE, SE, NL</td>
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<tr>
<td>Estonia</td>
<td>316</td>
<td>383</td>
<td>562</td>
<td>DK, SE</td>
</tr>
<tr>
<td>Finland</td>
<td>154</td>
<td>187</td>
<td>116</td>
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<td>France</td>
<td>59</td>
<td>62</td>
<td>87</td>
<td>IT, BE, DE</td>
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<tr>
<td>Germany</td>
<td>370</td>
<td>543</td>
<td>680</td>
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<td>Hungary</td>
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<td>13</td>
<td>20</td>
<td>IT</td>
</tr>
<tr>
<td>Italy</td>
<td>2</td>
<td>4</td>
<td>10</td>
<td></td>
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<td>Latvia</td>
<td>231</td>
<td>420</td>
<td>670</td>
<td>DK</td>
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<td>Lithuania</td>
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<td>Luxembourg</td>
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<td>Netherlands</td>
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<td>Poland</td>
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<td>DK</td>
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<td>Portugal</td>
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<td>Slovakia</td>
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<td>Slovenia</td>
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<td>81</td>
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<td>Spain</td>
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<tr>
<td>Sweden</td>
<td>104</td>
<td>69</td>
<td>154</td>
<td>DK</td>
</tr>
<tr>
<td>UK</td>
<td>6</td>
<td>61</td>
<td>57</td>
<td>DK</td>
</tr>
<tr>
<td><strong>EU27</strong></td>
<td><strong>2308</strong></td>
<td><strong>3323</strong></td>
<td><strong>4420</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Growth rate</strong></td>
<td></td>
<td></td>
<td></td>
<td>44%</td>
</tr>
</tbody>
</table>

*Source: Eurostat, EPC calculation*
# EU biomass consumption and supply

## Pellet export to EU 27

<table>
<thead>
<tr>
<th>Exporting country</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>main target country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>10</td>
<td>9</td>
<td>6</td>
<td>IT</td>
</tr>
<tr>
<td>Australia</td>
<td>9</td>
<td>66</td>
<td>14</td>
<td>NL</td>
</tr>
<tr>
<td>Bosnia</td>
<td>54</td>
<td>44</td>
<td>47</td>
<td>IT, SLO</td>
</tr>
<tr>
<td>Belarus</td>
<td>75</td>
<td>90</td>
<td>100</td>
<td>LT, DK</td>
</tr>
<tr>
<td>Canada</td>
<td>520</td>
<td>983</td>
<td>1160</td>
<td>UK, NL, BE</td>
</tr>
<tr>
<td>Chile</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>IT</td>
</tr>
<tr>
<td>Croatia</td>
<td>73</td>
<td>95</td>
<td>115</td>
<td>IT</td>
</tr>
<tr>
<td>New Zealand</td>
<td>0</td>
<td>21</td>
<td>30</td>
<td>IT, UK</td>
</tr>
<tr>
<td>Norway</td>
<td>10</td>
<td>4</td>
<td>13</td>
<td>SE</td>
</tr>
<tr>
<td>Russia</td>
<td>379</td>
<td>396</td>
<td>475</td>
<td>DK, SE</td>
</tr>
<tr>
<td>South Africa</td>
<td>42</td>
<td>25</td>
<td>43</td>
<td>NL, UK</td>
</tr>
<tr>
<td>Switzerland</td>
<td>6</td>
<td>15</td>
<td>3</td>
<td>IT</td>
</tr>
<tr>
<td>Ukraine</td>
<td>30</td>
<td>57</td>
<td>149</td>
<td>PL</td>
</tr>
<tr>
<td>USA</td>
<td>535</td>
<td>763</td>
<td>1001</td>
<td>NL, UK, BE</td>
</tr>
<tr>
<td><strong>Total import to EU27</strong></td>
<td><strong>1742</strong></td>
<td><strong>2569</strong></td>
<td><strong>3161</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Growth rate</strong></td>
<td></td>
<td></td>
<td></td>
<td>47% 23%</td>
</tr>
</tbody>
</table>

Source: Eurostat, EPC calculations

According to estimates, **by 2020, imports from third countries could represent 20% of the EU consumption (mostly in the form of pellets)**
Biomass EU Policy developments

SUSTAINABILITY

- AEBIOM is in favour of EU harmonised binding sustainability criteria for solid and gaseous biomass because
  - Strengthen public acceptance
  - Provide a stable legal framework
  - Secure investments

- These criteria need to be flexible, cost-effective and proportional
  - Take the existing EU and nationale rules and legislations into account
  - Exemption of small installations and small biomass producers

- AEBIOM and Eurelectric common press release published in March (see AEBIOM website)

- The sustainability debate is now related to the so called “carbon debt“ debate
Biomass sustainability

- EC report may be published by July 2013
- Consistency with the EU legal criteria established for biofuels (RES Directive)
  - Biofuels system under implementation in MS
  - NB: woody material can be used for producing biofuels, heat or power. Sustainability requirements should be consistent

- Land with high biodiversity value: no go area
- No conversion of land with a high carbon stock

- GHG saving criteria:
  - Calculation methodology adapted to take into account biomass conversion into energy
  - Biomass burning = 0
  - GHG savings threshold probably a 50 or 60%
  - Probably updated default values compared to 2010

Criteria related to sustainable forest management (SFM)
SUPPORT SCHEMES GUIDELINES

- In 2012, the Commission’s Renewable Energy Strategy announced plans to introduce guidance on support schemes to help MS identify best practices.

- March 2013 RES progress report: This guidance is necessary to ensure that support schemes are adjusted regularly and quickly enough to:
  1. take account of falling technology costs
  2. to ensure reform makes renewable producers part of the energy market (eg: FiT to premiums or quotas; using tendering to avoid over compensation etc.)
  3. To ensure such market interventions are correcting market failures and not adding or maintaining market distortions
  4. To ensure that support schemes are cost effective but not disruptive (changes that reduce return on investments alter legitimate expectations of business and clearly discourage investment at a time when significantly more investment is needed)

- Timetable: June 2013 – Will probably be focused on the electricity sector
TIMBER REGULATION

- Entered into force on 3 March 2013
- Applies to the wood biomass sector (fuel wood) as indicated in Annex of the Regulation. Category 4401 of Regulation 2558/87: Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms
- Requires that operators exercise due diligence when placing timber or timber products on the EU market for the first time
- Wood fuels that are being bought or sold by private individuals for their own personal use are excluded
- The application of the TR to wood fuels depends on when the first placing on the internal market occurs. Type of wood and geographical origin can play a role in this definition
### Biomass EU Policy developments

**TIMBER REGULATION** Examples (non exhaustive list)

<table>
<thead>
<tr>
<th>Description</th>
<th>Due diligence exercise when placing the woodfuel on the market</th>
<th>No Due diligence exercise when placing the woodfuel on the market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber that is being bought or sold by private individuals for their own personal use</td>
<td>X (excluded from the Regulation)</td>
<td></td>
</tr>
<tr>
<td>Sawdust/woodchips that originate from the processing of roundwood sold by an EU forest owner to an EU sawmill</td>
<td>X (this is not the first placing on the market: the woodfuel originates from material which has previously been placed on the EU internal market. In this case, the due diligence will have been exercised previously)</td>
<td>X</td>
</tr>
<tr>
<td>Woodchips that originate from forest management operations in an EU forest and are sold by the forest owner to an EU energy installation</td>
<td>X (operator: forest owner)</td>
<td></td>
</tr>
<tr>
<td>Sawdust/pellets/woodchips imported by an EU energy company that produces energy and sells this energy to EU Member State National Grid</td>
<td>X (operator: Energy company)</td>
<td></td>
</tr>
<tr>
<td>Sawdust/pellets/woodchips imported by an EU Timber merchant who sells them to an EU energy company that produces energy and sells this energy to EU Member State National Grid</td>
<td>X (operator: timber merchant)</td>
<td></td>
</tr>
<tr>
<td>Sawdust/woodchips that originate from the processing of roundwood sold by a third country operator to an EU sawmill</td>
<td>X (this is not the first placing on the market: the woodfuel originates from material which has previously been placed on the EU internal market. In this case, the due diligence will have been exercised previously)</td>
<td>X</td>
</tr>
</tbody>
</table>
Biomass EU Policy developments

New Common and Agricultural Policy

- EU trialogue ongoing
- Measures that can bring opportunities for bioenergy (Short rotation coppice, fast growing trees and agri energy crops):
  - Direct Paiement Regulation: “Diversification of crops”; “Ecological focus area”
  - Rural Development Regulation: “Afforestation measure”; “Investments in physical assets”

LULUCF: Decision on accounting rules and action plans on greenhouse gas emissions and removals resulting from activities related to LULUCF (13 March 2013)

Establishes a framework for:

- A mandatory accounting obligation on Member States as regards GHG
- General accounting rules that must be applied;
- Specific accounting rules for afforestation, reforestation, deforestation, forest management
- Adopting MS Action Plans to limit or reduce emissions and maintain or increase removals resulting from the activities
Biomass EU Policy developments

Green Paper “A 2030 framework for climate and energy policies“

- **Objective:** consult stakeholders to obtain evidence and views to support the development of the 2030 energy and climate framework- DL for response: early July 2013

- **Energy roadmap 2050:** the policy scenarios indicate that the share of RES in the energy system must continue to increase (30% in 2030)

- **Support schemes:** Challenge (among others): ensure over time that RES become more cost-efficient so as to limit the use of support schemes only to those technologies and areas that still need it

- **EU RES binding target?** : Could an EU RES share be achieved only by the ETS and regulatory measures to create the right market conditions. The shape of a possible RES target will depend on (i) whether a target is necessary to ensure increase RES use and contribute to reduce energy dependence and to more growth and jobs; (ii) if it can be achieved without undesirable impacts of RES support schemes on the energy market

- **Questions:** lessons learnt from the 2020 framework; targets; instruments, competitiveness and security of supply
EIPS group: introduction and developments

- **Joint forces of** industrial pellet suppliers (producers and traders) and supporting stakeholders (equipment manufacturers, logistics partners etc)
- Status, 2013 work plan and minutes of meetings available online: [www.industrialpellets.eu](http://www.industrialpellets.eu)
- A. Dale and L. Spohr President and Vice-President; Supported by AEBIOM

- **Objectives:**
  - Promote the use of industrial pellets as energy carrier in Europe.
  - Elaborate positions and express the views of EIPS against policy makers, media and the general public on EU policy issues such as biomass sustainability or carbon accounting
  - Platform for industrial pellet suppliers to develop common initiatives in fields unrelated to competitive issues such as health and safety, regulatory compliance, standardization and certification of pellets etc.
  - International cooperation: USIPA and WPAC
  - Cooperation with the utilities: IWPB, IWPR
  - Monitoring of national legislations related to industrial pellet
  - Collection of data
EIPS group: introduction and developments

- **10 companies** have already joined:
  - 4 producers: ETH Umwelt; SBE Latvia; Kurzemes granulas; Latgran
  - 4 traders: Ekman; Vis-Nova trading; Evolution markets; Renergy UK
  - 2 support members: Charmont investments; CPM Europe.

- Last meeting: 16 April – 12 companies; EPC; USIPA and WPAC

- **Biomass sustainability and carbon accounting**: EIPS in favour of an EU harmonised sustainability approach. Balance between reactive and constructive mode.

- **Statistics**: data collection on the members activities

- Feedback from the workshop on **safety** organised by AEBIOM and EPC in March 2013

- **Next meeting**: October in Berlin
Programme Overview

- European Legislation: ILUC, sustainability
- **Pellets: EIPS session**
- Sustainability and certification
- Company profiles
- Dinner at the EU Parliament
- B2B meetings
- Visits to 6 bioenergy plants
Thank you for your attention!

Fanny-Pomme LANGUE

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