

Delivering Sustainable Bioenergy in Europe – Commission Adopts Report on Sustainability Criteria for Biomass

Catherine Bowyer, Hakon By – IEEP – March 2010

Summary

The renewable energy Directive (2009/28/EC) requires the European Commission to examine the desirability and nature of requirements for a sustainability scheme for energy uses of biomass other than bioliquids and biofuels (ie solid biomass used in heat and electricity generation). Projections in the 2007 Renewable Energy Road Map¹ anticipated that biomass has the potential to make a very significant contribution to reaching the Directive's 20 per cent renewable energy target – important in both the electricity and heating sector with significant quantities sourced from solid biomass and biogas (see annex).

Following the publication of the renewable energy Directive it was originally anticipated that the European Commission would bring forward binding requirements for the sustainable sourcing of solid biomass (used to deliver the EU target), akin to the use of biofuels and bioliquids. In December 2009, however, the Commission reported that this now seemed unlikely and that recommendations in terms of good practice would be set out with Member States left free to adopt their own approaches to deliver the sustainable sourcing of solid and gaseous biomass for energy. These rumours were confirmed with the publication on 25 February 2010 of the Commission's report on the sustainability of solid biomass² and the associated impact assessment³.

The Commission's report concludes that introducing binding criteria would impose

¹ Communication from the Commission to the Council and the European Parliament, Renewable Energy Road Map Renewable energies in the 21st century: building a more sustainable future, COM(2006)848, 10.1.2007 - <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0848:FIN:EN:PDF>

² Report from the Commission to the Council and the European Parliament on sustainability requirements for the use of solid and gaseous biomass sources in electricity, heating and cooling, http://ec.europa.eu/energy/renewables/transparency_platform/doc/2010_report/com_2010_0011_3_report.pdf

³ Commission staff working document, Summary of the impact assessment, Accompanying document to the Report from the Commission to the Council and the European Parliament on sustainability requirements for the use of solid and gaseous biomass sources in electricity, heating and cooling http://ec.europa.eu/energy/renewables/transparency_platform/doc/2010_report/sec_2010_0066_1_impact_assesment_summary.pdf

'substantial' costs on EU economic operators, making the assumption that most biomass used in the EU would be produced domestically (it should be noted that importance of domestic supply is highly variable depending on the Member State). As such, the report concludes that at this stage, more detailed legislation is not necessary. In the absence of EU rules on biomass, Member States may introduce their own national schemes for biomass sustainability. Within their report the Commission presents recommendations for criteria it is considered could be introduced without creating requirements that limit intra-European trade in biomass.

Background

The EU's renewable energy Directive¹, adopted in 2009, sets out a range of sustainability criteria applicable to biofuels and bioliquids. During the Directive's negotiation Members of the European Parliament and some Member States pushed for similar criteria to be applied to the sustainable sourcing of other biomass for energy. Following pressure, however, from Member States with large forestry sectors (such as Sweden, Finland and Austria) these proposals were rejected and as a compromise reached requiring the European Commission to assess and report on the need for a sustainability scheme for biomass other than biofuels and bioliquids. On 25 February 2010, the Commission released its report² and the impact assessment upon which conclusions were based³.

Report Conclusions

Within their report on sustainability requirements for the use of solid and gaseous biomass sources, the European Commission states that introducing binding criteria would impose 'substantial' costs on EU economic operators. This is based on the assumption that most biomass used in the EU is currently produced domestically. There are, therefore, two important assumptions upon which this conclusion is based: that production will remain domestic; and that EU production of biomass is already considered to comply with requirements for sustainability. Ultimately it is concluded that, at this stage, more detailed legislation is not necessary. The Commission expresses particular concern in relation to the impact imposing such criteria might have upon small businesses operating in the EU.

In the absence of EU rules on biomass, Member States may introduce their own national schemes. The Commission's report includes recommendations on how to introduce such schemes without creating requirements that limit intra-European trade in biomass. Indeed the Commission puts forward in essence recommended sustainability criteria, rather than binding ones. The Commission recommends the following criteria for inclusion into national schemes; however, Member States are under no obligation to adopt them.

- A general prohibition on the use of biomass from land converted from primary

forest, other high carbon stock areas and highly biodiverse areas.

- A common greenhouse gas calculation methodology which could be used to ensure that minimum greenhouse gas savings from biomass are at least 35 per cent (rising to 50 per cent in 2017 and 60 per cent in 2018 for new installations) compared to the EU's fossil energy mix.
- A differentiation of national support schemes in favour of installations that achieve high-energy conversion efficiencies.
- Monitoring of the origin of biomass.

It is unclear whether any Member States will actually introduce national schemes in the absence of EU-wide rules. NGOs are concerned that the Commission decision will cause irreversible damage to forests, in particular in the countries with large biomass production or production potential.

The UK government has expressed the desire to help coordinate a mechanism for ensuring Member States adopt similar approaches to the application of sustainability requirements for biomass. This issue is of greatest concern to Member States such as the UK and the Netherlands who anticipate that they will be importing significant quantities of biomass to deliver their renewable energy commitments.

European Commission Impact assessment

When the European Commission brings forward a proposal they are required to complete an impact assessment, assessing the different options available to address a given challenge. The Commission performed an impact assessment on the potential options for sustainability criteria for biomass; the following list of options was assessed in order to reach the conclusions set out in the report.

- **Option A1: No new EU action.** Voluntary schemes continue to elaborate certification schemes for sustainable biomass production and land management;
- **Option A2: Guidance on intensification methods in forestry.** Guidance on land use issues related to increased bio-energy production in forests eg increased use of stumps and branches and leaves;
- **Option A3: Minimum criteria on biodiversity and land use.** Criteria on biodiversity and land use or so-called 'no-go' areas under the renewable energy Directive to apply to all biomass. Forest management issues are left out of the scope;
- **Option A4a: Option A3 + Reporting on biomass origin.** As Option A3 + reporting requirements on Member States on biomass origin;
- **Option A4b: Option A3 + Reporting on Sustainable Forest Management (SFM).** As Option A3 + mandatory reporting requirements for Member States on sustainable forest management;
- **Option A5: Option A3 + SFM minimum obligations.** As Option A3 + obligations for Member States to count forest biomass only from sustainable managed forests towards their renewable energy target; and

- **Option A6: Option A3 + LULUCF accounting.** As Option A3 + evidence of good practice in case country of origin does not account LULUCF emissions.

The Commission considered that options A3 and A4a would ensure that highly biodiverse areas would be reasonably protected from conversion to biomass production. On costs, the impact assessment estimates that Option A3 would cost from €800 to €3000 per year per individual operator. For Options A4a to A6 the costs are estimated to be significantly higher.

Future developments

The renewable energy Directive requires Member States to submit National Renewable Energy Action Plans (NREAP) by the end of June. These plans will give an indication of the expected use of biomass in the renewable energy mix in the EU up to 2020. Should the NREAPs suggest a major expansion of biomass production in the EU, the Commission has committed to reconsider whether common sustainability criteria at EU level would be appropriate. This would take place in 2011.

Annex – Projected Fuel Breakdown in the Electricity and Heat Sectors up to 2020 – Taken from the European Commission’s Roundmap for Renewable Energy, 2007

Figure 1 - Projected breakdown for the sourcing of renewable energy within the electricity sector up to 2020 (projection for the whole EU) – Significant expansion anticipated in solid biomass and biogas

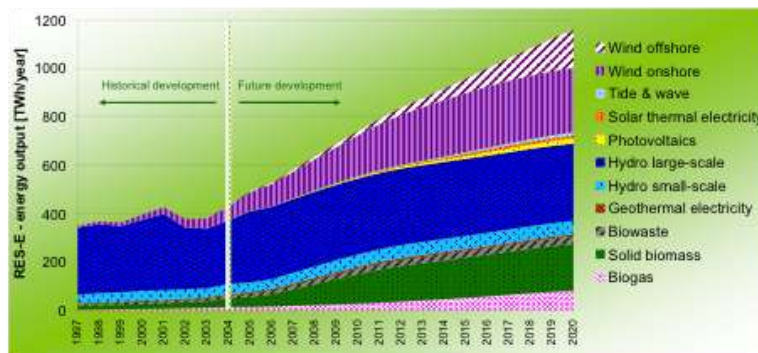


Figure 2 - Projected breakdown for the sourcing of renewable energy within the heating sector up to 2020 (projection for the whole EU) – Significant expansion anticipated in biomass heat

