

## EU Policy challenges ahead

Fanny-Pomme Langué

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## Outline

- EU renewable energy policy post 2020
- Biomass sustainability
- Support schemes
- Emissions limit from combustion installations
- Renewable heating and cooling
- Competition of uses



## Bioenergy needed to reach decarbonisation objective

- EU 2050 energy scenarios: biomass will be critical to decarbonisation.
- EU 2050 Energy Roadmap (2011) “*decarbonisation will require a large quantity of biomass for heat, electricity and transport*”.
- EU 2050 low carbon economy roadmap (2011): energy from biomass will be an important component of the increase in renewable energy projected over the coming decades.



## EU 2030 framework for climate and energy

- Commission's Communication 22 January 2014
- Reduction of 40% of GHG emissions at EU level
- 27% Renewable Energy share: EU "binding" target with no target on Member States
- *"An improved biomass policy will also be necessary to maximize the resource efficient use of biomass in order to deliver robust and verifiable greenhouse gas savings and to allow for fair competition between the various uses of biomass resources in the construction sector, paper and pulp industries and biochemical and energy production. This should also encompass the sustainable use of land, the sustainable management of forests in line with the EU's forest strategy and address indirect land use effects as with biofuels"*



## EU sustainability criteria for solid biomass in heat and electricity?

- Renewable Energy Directive (2009): binding sustainability criteria for biofuels
- EC recommendations (2010) on sustainability criteria for solid and gaseous biomass in heat and electricity
- EC commitment to report by end of 2011 on the possible need for additional measures
- Next EU steps ?
- National schemes (UK, NL, BE, etc.) in place and voluntary scheme (SBP, etc.) under development



## EU biomass sustainability debate: issues at stake

### GHG savings: carbon accounting

Inform stakeholders about:

- current biomass sourcing practices
- commercial realities of Sustainable Forest Management decision making
- the critical nature of assumptions in forest bioenergy carbon modelling
- the carbon implications of several scenarios of biomass imports for EU bioenergy production

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

September 2013

*Report Prepared By:*



U.S. Industrial Pellet Association



*With the collaboration of:*

Drax  
GDF SUEZ / Laborelec  
Essent NV

E.ON Climate & Renewables  
Danish Energy Association  
Vattenfall AB



## EU biomass sustainability debate: issues at stake

### Sustainable Forest Management

- Forestry is not an EU competence
- EU Forestry Strategy (Sept 2013)

The EC will together with MS and stakeholders: *“Develop objective, ambitious and demonstrable EU sustainable forest management criteria that can be applied in different policy contexts regardless of the end use of forest biomass, by the end of 2014”*



## Support schemes

### Guidelines on environmental and energy State aids

- Published 9 April 2014
- Chapter on renewable energy
- Renewable electricity: Priority to feed in premium
- Renewable electricity : Bidding process (reference to biomass competition of uses)
- Framework conditions for renewable heat



## Emission limits from combustion installations

### Directive on Medium Combustion Plants

- 1 to 50 MW combustion plants – existing/new installations
- Limit the emissions of SO<sub>2</sub>, NO<sub>x</sub> and PM
- Proposal from the Commission (Dec 2013) under discussion in Council and Parliament. The draft requirements are strict and could strongly impact the bioenergy sector

### Ecodesign Directive

- Lot 15 (solid fuel boilers) and lot 20 (local space heaters)
- Installations with a capacity below 500 kW - New installations
- Limit the emissions of NO<sub>x</sub> and PM and energy efficiency requirements
- Vote of Member States before or after summer



It is important to limit the emissions of new small scale combustion installations put on the market. It is at least as much important to replace old combustion installations



## Renewable heating and cooling

- Heating and Cooling = 45% of final energy consumption in the EU
- International Energy Agency *“heating and cooling remain neglected areas of energy policy and technology, but their decarbonisation is a fundamental element towards a low carbon economy”*
- Commission Communication on 2030: absence of reference to heating or cooling whereas the text includes many references to electricity
- Common Vision (RHC platform): in **2020 over 25% of heat** consumed in the EU could be generated with **renewable** energy technologies
- This could lead to **saving EUR 21.8 billion** in reduced fossil fuel imports annually
- EU strategy and measures needed to support renewable heat



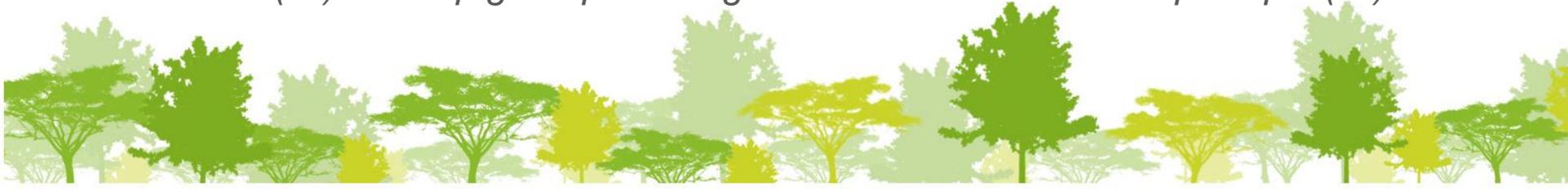
## Competition of uses

### Impact of support schemes?

- Critics from wood based industry: subsidies lead to unfair competition for the use of biomass (impact on prices and on wood supply)
- State aid guidelines: the bidding process can take into account *“the need to avoid distortions on the raw material markets from biomass support”*
- Ongoing study of the Commission on energy subsidies

### Cascade principle?

- EU roadmap *“A resource efficient Europe”* (2011)
- EP report on the Commission’s report *“A Bioeconomy for Europe”* (2012): *“calls for the development of a legal instrument... (that) ...should establish a cascading use principle in the ‘pyramid of biomass’”*
- EU Forest strategy: *“The Commission will, together with Member States and stakeholders (...) develop good-practice guidance for the “cascade” principle (...)”*



**Thank you for your attention!**

**Fanny-Pomme Langué**

**[Fanny.langué@aebiom.org](mailto:Fanny.langué@aebiom.org)**

**[www.aebiom.org](http://www.aebiom.org)**

