



AEBIOM NEWSLETTER

February 2008

[Subscribe](#)

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[Feedback](#)

AEBIOM NEWS

- ▶ New AEBIOM members
- ▶ AEBIOM members discuss the RES directive in the European Parliament

EU ENERGY POLICY FOR RENEWABLES

- ▶ European Commission proposes renewables directive
- ▶ European Parliament presents an opinion on the report on biogas
- ▶ EP amends the Commission proposal on energy statistics

AEBIOM POSITION ON EU ENERGY POLICY

- ▶ AEBIOM discussion workshop on renewables directive
- ▶ EREC position paper on RES directive

PUBLICATIONS

- ▶ European Barometers on solid biomass and renewable energy
- ▶ White Paper on Internationally Compatible Biofuels Standards

EU PROJECTS

- ▶ CONCERTO call for proposals
- ▶ CHEUBIO project – EU-CHINA collaboration in cofiring
- ▶ RESTMAC project – brochure on dedicated energy crops available
- ▶ Bioenergy in Motion project – a movie on innovative heating and cooling technologies
- ▶ EUBIONET project

EVENTS

- ▶ International conference-exhibition in Guimaares, Portugal on 6-9 April
- ▶ World Bioenergy 2008 in Stockholm on 27-29 May

Highlights

23/01/2008 [European Commission publishes the proposal on RES directive](#)

28/02/2008 [AEBIOM associate members debate upon the amendments of RES directive within the European Parliament](#)

01/2008 [European Parliament presents its opinion on the report on biogas](#)

02/2008 [AEBIOM position on the proposal of RES directive](#)

01/2008 [EREC position paper on RES directive](#)

01/2008 [European barometers on biomass and renewable energy 2007](#)

08/04/2008 [CONCERTO calls for proposals – information day on 8 April](#)

6-9/04/2008 [International conference exhibition in Guimaares, Portugal](#)

Editorial



Dear Readers,

The directive on RES is already on the table. It delivers a good basis for further development of renewables in Europe.

It is of crucial importance that for the first time the heating sector is included in the new legislation. After approval of the directive by the European Parliament and the Council the next step will be the elaboration of the national actions plans. Our members are invited to cooperate with the governments to set up well conceived national action plans. These action plans will define sectoral targets for renewable heat, electricity and biofuels. At a European level we expect a share of at least 35 % renewable heat, 35 % electricity and 10 % biofuels (mandatory).

Certainly, there are many ideas on how to further improve the directive.

AEBIOM has organised a workshop on this topic in the European Parliament on 28 February. This newsletter provides detailed information on the results of the workshop. Yet, I think we should not get lost in details. At the present moment, it is of utmost importance that the directive is adopted as soon as possible so that we have a stable basis for the development of RES in the next ten years.

Heinz Kopetz –President

AEBIOM NEWS

► New AEBIOM members

AVEBIOM – Spanish Biomass Valorisation Association which represents biomass sector in Spain, as well as several companies working in biomass field, have recently joined AEBIOM.

AEBIOM welcomes the new associate members:

- Danish Biofuel Holding – bioethanol producer in Denmark;
- Biowanze – bioethanol producer in Belgium;
- Seeger AB - manufacturer of CHP and district heating boilers in Germany;
- Regional Municipal Waste Incineration Plant, Lithuania – develops and builds bioenergy facilities for energy supply using waste;
- Lantmannen Energi – Swedish farmers cooperative that is active in growing energy crops;
- Global Natural Resources Holding AG – the Swiss company active in transport biofuels sector – growing jatropha.

[Top ↑](#)

► AEBIOM members discuss the RES directive in the European Parliament

AEBIOM, on 28 February 2008, has organised a workshop in the European Parliament, at which AEBIOM associate members working in the biomass sector explained their views (and proposed amendments) on new renewables directive which was published on 23 January by the European Commission. The idea was to debate upon which amendments for the directive would be the best when it comes to promoting biomass use in Europe. The workshop produced a list of 49 recommendations setting out further actions at a European level. More information about the workshop can be found in the section of the newsletter entitled "AEBIOM position on EU policies".

[Top ↑](#)

EU ENERGY POLICY FOR RENEWABLES

► European Commission proposes renewables directive

The European Commission on 23 January 2008 proposed a directive on renewable energy sources.

All information relevant to the proposal can be found on the following website: http://ec.europa.eu/energy/climate_actions/index_en.htm.

This proposal is now being analysed by the European Parliament and will be adopted by both – the European Parliament and the Council, hopefully in 2009. It is possible though that this directive is not adopted before the European Parliament elections in June 2009 which might delay the adoption process of the directive.

In order to reach the renewables targets and implement decisions agreed by the Council in March 2007 - 20% renewables share, 20% energy efficiency and 10% transport biofuels targets by 2020, the Commission proposed the following tools: mandatory renewable energy and transport biofuels targets for all member states, rules for guarantees of origins establishing the trade between member states, reinforcement of heat sector and removal of administrative barriers, electricity grid connections and sustainability criteria for transport biofuels.

Renewable energy targets and national action plans

The proposal of the directive sets national renewable energy targets for every member state of the EU (annex IA) as well as interim renewable energy targets (to be counted from a trajectory given in the Annex IB). The national targets were defined combining different calculation methods such as a flat-rate increase for all member states and modulating results considering GDP in each member state. National starting points were also considered and those countries that significantly increased the share of renewable energy from 2001-2005 had a bonus. The flat-rate approach modulated by GDP is the most appropriate as it provides a simple common, fair increase for all member states.

The member states will have to submit national renewable energy action plans with binding targets for heating and cooling, electricity and transport biofuels from renewables by 31 March 2010 at the latest. It is up to member states, however, to decide on the mix of contributions from these sectors to reach their national targets, choosing the means that best suit their national circumstances. Nevertheless, each member state will have to achieve at least a 10% share of biofuels in the transport sector by 2020.

The proposal provides a formula on how to count the interim targets for 2011-12, 2013-14, 2015-16 and 2017-18. According to this formula, two thirds of the overall effort has to be done from 2015 until 2020. Whilst interim targets are indicative and the failure of meeting them will mean that the country has to re-submit its national action plan, the failure to achieve the binding national RES target by 2020 gives the right to the Commission to initiate the proceedings at the European Court against that member state.

The member states' report on their progress will have to be submitted to the Commission by the end of June 2011 at the latest and every 2 years later thereafter. On the basis of the member states' reports, the Commission will submit a report every two years to the Council and European Parliament.

Calculation of renewable target

For calculation of renewable energy target, the proposal takes into account final energy consumption (energy commodities delivered for energy purposes to final consumer) rather than primary energy use used in various previous Commission documents such as the White Paper on renewable energy and Biomass Action Plan. The counting of final energy for the biomass sector means bioenergy delivered to the final user. However, the further text reveals that primary energy will be taken into account when counting the share of renewable electricity "final consumption of electricity from renewable sources shall be calculated as the quantity of electricity *produced*...". As for heating and cooling, final energy will be counted "consumption of energy from renewable energy sources delivered to manufacturing industry, transport, households, agriculture, forestry...".

Guarantees of origin (GoO)

In order to give more flexibility to member states the system of non-obligatory trading of certificates has been established in the proposal of the directive. This means that member states will be able to buy guarantees of origin (certificates providing/indicating the renewable origin of energy) from other member states if they fail to reach the national target. However, only those member states whose share of renewable energy equalled or exceeded the interim renewable energy targets, can sell guarantees of origin.

Guarantees of origin will be issued (upon producer's request) to renewable heating and cooling producers with a production capacity of at least 5 MW_{th} and to electricity plants. A guarantee of origin will be of the standard size of 1MWh.

Each member state will have to establish a national body responsible for registering and transferring of guarantees of origin. However, those units of renewable electricity and heat receiving support in the form of feed in tariffs, premium payments etc will not be a part of GoOs and will have to be submitted for cancellation (within 12 months after its issue) to the Member State.

This should (in theory) enable member states to remain in control of their own renewable energy policies and will prevent, for example, national feed-in systems from being undermined.

By December 2014, the Commission will, depending on data availability, assess the implementation of the provisions relating to the transfer of GoOs, together with a cost/benefit analysis, possibly accompanied by

legislative proposals.

Heating and cooling sector

This proposal creates - for the first time - an EU-wide legislative framework for market development of renewable heating and cooling technologies.

Beside the obligation to include the heating and cooling sector in national RES action plans, the renewable heating will strongly benefit from the introduction of minimum requirements of renewable energy use in new and refurbished buildings. Member states will have to require local authorities to consider the installation of renewable heating, cooling and electricity equipment and systems, as well as district heating and cooling, when planning, designing, building and refurbishing industrial or residential areas. The proposal foresees certification schemes for installers of renewables systems, including small-scale biomass boilers and stoves. This certification scheme will have to be recognized by other member states. Member states are required to promote the use of renewable energy heating and cooling systems and equipment that achieve a significant reduction of energy consumption. Provisions for better information and training on renewable energy for architects, planners and accreditation of installers will also play a key role in the development of renewable heating and cooling and electricity sectors.

Furthermore, in the case of biomass for heat, member states will have to promote conversion technologies that achieve a conversion efficiency of at least 85% for residential and commercial applications and at least 70% for industrial applications.

Electricity

With regard to electricity from renewable energy sources, the proposal tackles grid system issues such as access to the grid. According to the proposal, member states must take the necessary steps to develop grid infrastructure in order to further develop the use of electricity from renewables.

Transport biofuels

Member states will have to ensure that diesel fuel comprising from 5 to 10% biodiesel is made available in all filling stations that sell diesel (with more than two pumps) by 31 December 2014. For a period 2010 - 2014, the directive provides an obligation for biodiesel share from 0 to 7% for 2010.

The biofuels produced from wastes, residues, non-food cellulosic material, and ligno-cellulosic material will count double comparing to other biofuels. However, it will not affect 10% national target which remains obligatory for each member state of the EU.

Sustainability criteria

Biofuels and other bioliquids that do not fulfil the environmental sustainability criteria laid down in Article 15 shall not be taken into account when calculating national RES target and will not be eligible for financial support.

The sustainability criteria are established not only for biofuels but also for bioliquids (liquid fuels from biomass for cogeneration and heating purposes). First criterion is that greenhouse gas emissions savings from the use of biofuels and bioliquids should be at least 35%. The GHG savings are calculated on a lifecycle basis and are compared to the conventional fuels that the biofuels replace. The proposal indicates greenhouse gas savings default values for 23 types of biofuels as well as the rules of calculation. Second criterion requires that biofuels and bioliquids shall not be made from raw material obtained from land with high biodiversity value (land that had this status in January 2008). The production of biofuels is also forbidden on the land with high carbon stock (land that had this status in January 2008).

The biofuels and bioliquids will have to meet the standards set in the agricultural cross compliance rules (Council regulation (1782/2003) and in accordance with the minimum requirements for good agricultural and environmental conditions.

These criteria will be a subject of further improvement. The Commission will report in 2010 and 2012 to the European Parliament and the Council on sustainability criteria and if necessary propose corrective actions.

The Commission will also have to submit a report (to the European Parliament and the Council) regarding the need of sustainability scheme for other types of biomass by 31 December 2010 at the latest.

[Top ↑](#)

► [European Parliament presents an opinion on the report on biogas](#)

The European Parliament, on 23 January, discussed its draft report on biogas. The Committee on Industry, Research and Energy presented an opinion on the biogas report for the Committee on Agriculture and Rural Development. This opinion can be accessed from the link bellow this article.

The aim of the report is to review/strengthen the biogas sector within EU legislation. The draft report states that so far only 50PJ of biogas is produced on the basis of manure, energy plants, sludge and organic waste, while the potential only from manure alone is 827PJ. Even though biogas can be exploited in many useful ways including electricity production, heating and cooling as well as fuelling cars, the development of biogas

installations has considerably slowed down.

The draft demands the European Commission and the member states to come up with a coherent biogas-policy and asks the Commission to present a specific report on biogas (by 15 December 2008) and its promotion in Europe, outlining the necessary changes to increase biogas production.

The draft report promotes the adoption of an EU-directive on biogas production that should include the following elements: specific targets for agricultural biogas share within the target for renewable energy production, annual statistics, measures for the construction and promotion of biogas installations etc.

The draft also calls on the Commission to foster the feeding of biogas into natural gas networks by way of recommendations or a directive.

It is important to note that biogas could be an excellent opportunity for the transport sector due to its high efficiency and high availability of primary material for biogas production. However, in order to promote the use of biogas in the transport sector, efforts are needed to ensure there are enough biogas filling stations in Europe.

[Top ↑](#)

► [EP amends the Commission proposal on energy statistics](#)

The EP amendments of the Commission's proposal on energy statistics took place on 29 January (and on 27 February). Within the European Parliament, the MEP's disagreed on the issue of peat – whether it is a renewable source of energy or not. As a result, they reached an agreement that the definition of peat should be placed in renewables directive rather than in the directive on energy statistics.

The proposal is now being analysed by the Council and if accepted, will be voted in the plenary session on 10-14 March.

The aim of this proposal for a Regulation of the European Parliament and the Council is to improve the existing statistics on energy so that they are reliable and available in a timely manner for Community policy on energy. As for renewable energy, the draft proposal recognizes that there is a lack of knowledge of real energy flows and energy flows mobilized in conversions (in particular with biofuels). In order to remedy these shortcomings it is proposed to extend the data required for renewable energy, biomass included. For example, the draft (after Parliament's amendments) lists among applicable energy products: solid biomass in the form of wood and energy crops (willow, poplar etc), wood wastes in the form of wood pellets, bark, shavings, chips etc, and other solid biomass which includes the biomass coming from agriculture and agricultural by-products such as straw, stem residues, poultry litter etc. In order to prevent distortion caused by the conventions for converting final energy into primary energy, the draft proposes to base the EU's future objectives and statistics for renewable energies on final energy percentages.

[Read the EP amendments](#)

[Top ↑](#)

AEBIOM POSITION ON EU ENERGY POLICY

► [AEBIOM discussion workshop on renewables directive](#)

The workshop took place on 28 February and gathered about 70 participants from the European institutions, bioenergy (bioheat, green electricity and biofuels) production companies and national biomass associations. As a result of the workshop, the top 10 recommendations for action at EU level were identified:

1. An additional article should be added in the RES directive dealing with district heating and cooling grids, as well as CHP. This article would ensure that the future energy infrastructure favors CHP and district heating and cooling;
2. Interim targets of renewables should be mandatory;
3. The directive should contain guidelines on how to prepare the National Action Plans. These guidelines should be prepared by the Commission and included as an annex of the directive. This would ensure comprehensive and comparable national action plans;
4. It should be ensured that trading of green certificates does not endanger national support systems and that member states do not lose control over the renewables targets;
5. When planning heat installations in industrial and residential areas (article 12 paragraphe 3.), the use of renewable energy for heat should be mandatory;
6. An EU wide certification scheme (similar to energy efficiency labeling of appliances A, B, C...) should be created/applied for boilers and stoves;
7. Directive should also contain provisions to mobilize/produce/use bigger quantities of biomass rather than only restrictions of biomass use (article 15);
8. An additional article should be added regarding the priority access of biogas installations to the electricity and natural gas grids;
9. As regards to biofuels, there must be at least one interim target in order to ensure the achievement of the

10% biofuels target by 2020! (for example 7,5% by 2015);
10. Trading of virtual certificates, especially heat certificates, brings insecurity for investments and should be considered as a very last option.

The participants were welcomed by Swedish MEP Lena Ek, who stressed the importance of such a workshop at the time when the European Parliament is reflecting on amendments for the renewables directive. Tom Howes, an official of the European Commission, explained major points of the directive and clarified Commission's standpoints on several hot topics. Jean-Marc Jossart, secretary general of AEBIOM, presented AEBIOM's position on this directive which supports the directive but would like to see further clarification of definitions, mandatory intermediate targets for renewable energy, intermediate mandatory targets for biofuels, further strengthening of the biomass to heat sector, the guidelines for National Action Plans, obligation for bioethanol etc. During the next three sessions, AEBIOM associate members presented/discussed their views on transport biofuels, biogas and solid biofuels for heat and cogeneration purposes.

AEBIOM, with regard to the identified during the workshop recommendations, will soon publish a report on this workshop and a position paper on the RES directive. The presentations of the workshop can be found on AEBIOM website: www.aebiom.org under the "previous events" section.

[Top ↑](#)

► EREC position paper on RES directive

EREC, the European Renewable Energy Council, in its position paper, welcomes the European Commission's proposal on renewable energy directive. EREC explains the view of renewable energy sectors on several key points.

In its position, EREC supports the trading between member states but clearly indicates that the trading between companies should not be allowed as it may undermine the existing support schemes such as feed-in-tariffs and it does not guarantee the investors security. EREC also supports measures regarding the heating and cooling sector as well as 10% biofuels target whilst underlying the importance of home grown biofuels. As regards to sustainability criteria, they believe a step by step approach is needed to avoid that the sustainability criteria penalizes the biomass sector alone.

[Read the EREC position](#)

[Top ↑](#)

PUBLICATIONS

► European Barometers on solid biomass and renewable energy

EUR'Observ'ER has published two reports relevant to bioenergy: "European Barometer of Renewable Energies 2007" and "Solid Biomass Barometer 2007". Solid Biomass Barometer indicates that primary energy production from solid biomass (wood, wood waste and other solid vegetal and animal materials) reached 62.4 million tons oil equivalent (Mtoe) in 2006, i.e. 3.1 Mtoe more than in 2005. Further statistical data within these publications is available for every country of the EU including all biomass sectors and analysis of various policy aspects of bioenergy.

[Read the barometers](#)

[Top ↑](#)

► White Paper on Internationally Compatible Biofuels Standards

To support the global trade of biofuels, representatives of Brazil, the EU and the U.S. agreed to promote, whenever possible, the compatibility of biofuels-related standards in their respective regions. Such compatibility would not only facilitate the increasing use of biofuels in each of the regional markets, but also would support both exporters and importers of biofuels by helping to avoid adverse trade implications in a global market.

This White Paper was drafted by an international Task Force consisting of experts on biofuels standards from the standardisation bodies of the Tripartite Agreement amongst Brazil, the European Union and the USA. The executive summary concludes with recommendations to further disseminate the White Paper to the standardisation bodies, to the International Biofuels Forum as well as the governments of Brazil and USA, and the European Commission.

Within this Task Force, the European Commission in cooperation with the US Mission to the European Union, the US Department of Commerce and the Mission of Brazil to the EU, the European Committee for Standardization CEN, the European Biodiesel Board EBB, and the European Fuel Oxygenates Association, EFOA organised an international conference on Biofuels Standards on 27-28 February, the presentations of which are available on the following website: <http://ec.europa.eu/energy/res/events/biofuels.htm>.

[Read the paper](#)

[Top ↑](#)

EU PROJECTS

► CONCERTO call for proposals (under FP7) – information day on 8 April

CONCERTO is an initiative launched and supervised by the European Commission under the framework research programme. This Europe wide initiative focuses on the integration of renewable energy sources (RES) and energy efficiency (EE) measures, involves eco-buildings integrating onsite RES with energy efficient building design and management, poly-generation, combined heat and power (CHP) and district heating (ideally using bio-mass). In addition, intelligent management of demand as well as local distribution grids and distributed generation are included. Yet another aspect of intelligent and innovative integration of RES and EE addressed by the CONCERTO initiative is how to tackle the issue of efficient energy storage in order to cover variability of RES supply, be it daily or seasonal.

The key target audience of the CONCERTO Initiative are local and regional authorities (and their representatives), utilities, energy service providers, energy agencies, technology providers, energy research and analysis teams, socio-economists and energy users.

The European Commission, on 8 April, is organising an information event on the CONCERTO initiative. The aim of the event is to explain the CONCERTO Initiative, to give a detailed overview of the call for proposals 2008, and to offer potential proposers an opportunity to meet, find new partners and discuss. More information can be found on www.concertoplus.eu.

[Top ↑](#)

► CHEUBIO project – EU-CHINA collaboration in cofiring

Project CHEUBIO is a specific support action within the European Commission's Sixth Framework Programme. It is a two year duration project that started November 2006 and concerns the 'development of co-firing power generation market opportunities to enhance the EU biomass sector through international cooperation with China'. The overall objective is to determine and establish the basis by which the EU industrial companies might enter the co-firing power generation market in China, which offers very significant potential.

The recent study within this project has shown that the various EU approaches to co-firing should have equal technical merit in China and in principle there are major opportunities for future international cooperation. However, unlike in Europe, Chinese policy does not at present encourage co-firing. While China is keen to encourage use of biomass and the co-firing route is seen as an important part of that process, the Chinese legislation has inadvertently discouraged co-firing applications. At present there are two national incentives, namely CDM credits and the provision of an enhanced electricity-selling tariff if co-firing is used. Both incentives are important but the enhanced price the generators can get for selling 'green' electricity is a powerful driver. However, the Government has decreed that the green electricity price will only apply if co-firing includes at least 80% biomass addition (i.e. 20% coal: 80% biomass). For any reasonable size power plant, this creates major technical problems with operation plus significant logistical problems with collection and processing of biomass. Consequently, there is very little progress at present. This problem has arisen as the Chinese Government does not have faith in their monitoring and verification process for determining the proportion of biomass fired with coal. This is an area where Europe has particular expertise. Therefore the project team is cooperating with various institutes and industrial companies to explain EU monitoring and verification techniques, to aim to demonstrate that the EU approach is robust and that it may well be suitable for Chinese application.

Key project deliverables will be made available on the AEBIOM website www.aebiom.org/CHEUBIO. Those organizations that either require further information and/or wish to engage with the Chinese stakeholders should contact Edita Vagonyte at AEBIOM.

[Read more](#)

[Top ↑](#)

► RESTMAC project – brochure on dedicated energy crops available

As a part of the RESTMAC project, AEBIOM has prepared a brochure on the topic "Dedicated energy crops for solid biofuels" which was distributed during the Central European Biomass Conference 2008 that took place on 16-19 January in Graz, Austria. Within the conference, a special RESTMAC session was organised on dedicated energy crops for solid biofuels.

AEBIOM is one of 11 partners for the RESTMAC project, which is coordinated by EREC (European Renewable Energy Council). The project, developed by a consortium of European renewable energy industry research associations, aims at developing and implementing a concise, well targeted and thematic approach to ensure the dissemination and uptake of selected RES technologies by the market.

[Read the brochure on energy crops](#)

[Top ↑](#)

▶ Bioenergy in Motion project – a movie on innovative heating and cooling technologies

Demand for heating and cooling constitutes about half of the EU final energy consumption, however, this sector is lagging behind (as compared to renewable electricity and transport biofuels) due to inexistent legislation at a European level.

To promote the deployment of biomass heating and cooling technologies, a movie will be made in June 2008 showcasing successful applications and flagship projects.

The movie will address practical potential and possibilities, investment opportunities, and the policy context of biomass heating and cooling. The movie will cover applications in individual households and large buildings, block heating and district heating systems, and industries.

The core of the movie will consist of realised projects, interviews with key stakeholders, and information on national and EU policy targets and instruments. Three country-tailored versions of the movie will be made, covering Bulgaria, Estonia and the Czech Republic respectively. Each of these movies will have spoken word in the national language and in English, plus subtitles in various other languages.

The project is co-ordinated by BTG (The Netherlands) and financed under the Sixth Framework Programme. Further information is available on the project website www.bioenergy-in-motion.com.

[Top ↑](#)

▶ EUBIONET project

European Bioenergy network, EUBIONET2 focuses on biofuels markets and fuel supply chains in Europe. The project was carried out from 2005 until 2007 and provides a comprehensive analysis on biomass potential, biomass prices and international trade, feedback on CEN solid biofuels standards, legislation and policy and fuel supply chains. All project deliverables can be found on the project website www.eubionet.net.

[Read more](#)

[Top ↑](#)

EVENTS

▶ International conference-exhibition in Guimaares, Portugal on 6-9 April

“BIOENERGY: Challenges and Opportunities” will be the first International Conference in Portugal dedicated to Bioenergy and will take place in Guimaares in Portugal on 6-9 April 2008. It will provide a single comprehensive forum for the scientific and industrial community, in which state of the art bioenergy science and technology will be addressed by combining technical sessions, plenary sessions with international speakers and a technical exhibition as well as a match making event.

[Read more](#)

[Top ↑](#)

▶ World Bioenergy 2008 in Stockholm on 27-29 May

Nordic Bioenergy 2008 is one of the largest bioenergy events in Europe. The conference, which acts as a gathering point for professionals in the bioenergy industry, highlights the market trends, and aims at promoting Nordic bioenergy whilst also enhancing Nordic cooperation and competitiveness. Speakers will include leading decision makers from the transport, heat and power industries, buyers and sellers of equipment, fuels and systems, as well as service suppliers and consultants. Politicians, municipalities, research institutions, NGOs and journalists will also be represented in the conference.

[Read more](#)

[Top ↑](#)