



AEBIOM NEWSLETTER

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Dear Readers,



At the time we published the last Newsletter we expected to get the new RES Directive by the end of this year. Things have changed. The Directive will now be published by the end of January. Many discussions are still going on: on the allocation of national targets, on the certification of biofuels, on the flexibility of the targets. AEBIOM expects that biomass for heat but also biogas will be given their rightful place in the Directive.

In the last weeks new applications from biomass associations from France, Spain and the UK were submitted to AEBIOM. AEBIOM is growing in terms of full and associated members. We welcome the new associations and companies.

The supply of sufficient biomass will be an important issue in the future. CEPI, the federation of European paper and pulp mills together with AEBIOM organised a common workshop on this topic with constructive results.

In a study, recently finished, AEBIOM underlines the importance of the restructuring of the heating sector to reduce CO₂ emissions. Given the findings of the IPCC and the development of the crude oil markets, it becomes clearer and clearer how important an increased and efficient use of biomass will be for the future energy system.

Heinz Kopetz –President

AEBIOM NEWS

► New AEBIOM members

CEPI, as well as several companies working in biomass field, have recently joined AEBIOM as associate members.

AEBIOM welcomes the new associate members:

- CEPI – the Confederation of European Pulp and Paper Industry represents the interests of pulp and paper industry within the European Institutions.
- pro2 Anlagenbau GmbH (Germany) – manufacturers of bioenergy and decentralised energy technology - develops and builds facilities for energy supply, gas/biogas treatment and utilisation. Their product range includes co-generation power plants, systems for the utilisation of biogas, sewage gas, landfill gas and others.
- Palazetti – one of the biggest pellet stove manufacturers in Italy
- Latgran Ltd. – Latvian producer and trader of pellets.

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EU ENERGY POLICY FOR RENEWABLES

► An overall renewables directive – state of play

The Commission has already drawn up a draft text for the renewables directive, the final version of which is expected to be published at the end of January.

The draft includes several important points for the biomass sector: sustainability criteria for biomass, national action plans, removal of administrative barriers, the distribution of the overall EU target, the future of renewables support schemes. There are still a couple of key points, however, where decisions remain to be taken. Amongst these, the issue of how to divide up the EU's 20% renewables target at a national level and an open question whether the voluntary trading mechanism should be based on a country or a company level. Also, it is still unsure how the voluntary trading mechanism will help to ensure that the overall target is reached.

National action plans

According to the draft proposal, member states will have to adopt national action plans with binding targets for heating and cooling, electricity and biofuels from renewables. The national target for biofuels will have to be at least 10% of final energy consumption in transport in that member state. The draft also sets out proposals for calculating the targets at national level.

These national action plans will have to be notified to the Commission by 31st March 2010 at the latest. There will be interim targets for 2014, 2016 and 2018 and it will be the Commission's task to ensure that these targets are reached. The member states will have to report to the European Commission on their progress every 2 years starting from 2011. If a member state fails to reach the target, the Commission might require that the country grants access, for new renewable energy producers from other countries, to its renewables support schemes. It also can decide that such a country must allow the transfer of renewable energy from new RES producers in another member state via RES energy certificates (so called guarantees of origin which are given to electricity and heat installations of at least 10 MW_{th}). However, the trade of certificates (guarantees of origin) would not be obligatory and will be left up to member states to decide.

Administrative procedures and new buildings

The draft proposal states that member states will have to modify their existing national legislation in order to eliminate regulatory and non-regulatory barriers. Member states will have to choose by 31st March 2011 whether to establish one-stop authorization authorities, or to provide an automatic approval of planning and permit applications if the authorizing body has not responded within the set time limits, or to develop spatial planning mechanisms for the best possible exploitation of local RES sources.

The draft sets out certain rules which should apply to new buildings. These include the establishment of minimum levels of the use of RES in all new or refurbished buildings. Member states will lay down requirements for 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.

Final energy versus primary energy

The figures in the draft take into account final energy consumption (energy commodities delivered to final consumer) rather than primary energy use (used in various previous Commission documents such as the White Paper on renewable energy, Biomass Action Plan, Biofuels directive etc). The counting of final energy for the biomass sector means that bioenergy producers will consider the conversion efficiency from primary to final energy.

Support schemes

Important for biomass for the heat sector is that the draft requires member states to differentiate support schemes in favour of heating and cooling systems and equipment that achieve a significant reduction of primary energy consumption. High efficiency cogeneration plants should be eligible for support schemes for RES in electricity generation, high-efficiency cogeneration and renewable heating and.

Member states may also give more support for biofuels made using wastes, residues, grasses, straw and lingo-cellulosic material than for others.

The use of biofuels

Member states will have to ensure that diesel fuel comprises from 5 to 10% biodiesel and complies with other fuel specifications set out in the directive. Such fuel will have to be made available in all filling stations that sell diesel by 31 December 2010.

Sustainability criteria

Although sustainability criteria are present in the draft, they only apply to transport biofuels. The Commission will have to submit a report on biofuels (its origin, the impact of their production on land use etc) to the European Parliament and the Council in 2012. In this report, the Commission will have to make proposals on sustainability requirements for energy uses of biomass outside the transport sector. The Commission will particularly have to analyse the impact of increased demand for biofuels on sustainability in the EU and in third countries and, if necessary, propose corrective actions.

The sustainability criteria, according to the draft, will have to be based on greenhouse gas savings from biofuel use, calculated on a lifecycle basis and compared to the conventional fuels that the biofuels replace. The directive will indicate greenhouse gas saving values for all type of biofuels as well as the rules of calculation. However, these values are still under discussion. Furthermore, the production of biofuels is forbidden on the land that had the following statuses in May 2003: wetlands, forest land with trees higher than 5 metres, forest undisturbed by human activity, areas designated for nature protection purposes.

▶ European Parliament pushes for biogas

The European Parliament, on 21 November, discussed its draft report on biogas. 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.

[Read the draft report](#)

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▶ EP amends the Commission proposal on energy statistics

In order to verify whether the goals set by the EU directives are met, the monitoring of the energy situation is necessary. 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](#)

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▶ European Institutions are working on a SET- Plan

The European Commission on 22 November proposed a SET-Plan (European Strategic Energy Technology Plan) – a Communication that provides guidance to Member States on how to address the challenges faced by Europe to meet its energy and climate change targets for 2020 and 2050, using R&D policy and technology policy.

Second generation biofuels together with wind power, solar power and the development of a "single, smart European electricity grid able to accommodate the massive integration of renewable and decentralised energy sources" are described as "key technological challenges for the next 10 years to meet the 2020 targets".

The European Commission advises Member States that to reach the 2050 targets, Europe must "bring the next generation of renewable energy technologies to market competitiveness" within ten years.

The provision of heating and cooling from renewables, however, is not regarded as a "key technology challenge for 2020" even though the heating and cooling of buildings accounts for half of all final energy consumption. It is strange that the SET Plan considers a breakthrough in the cost of technologies for heating and cooling not to be worth including in the table summarising the "key challenges for 2020".

[Read the SET-Plan](#)

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▶ Aid for energy crops has been reduced for 2007

Financial aid for farmers to grow energy crops was introduced in the 2003 reform of the Common Agricultural Policy, in order to provide an incentive to increase the production of biofuels, and electricity & heat produced from biomass. Up to the maximum guaranteed area of 2 million hectares, farmers receive €45 per hectare as long as they have concluded a contract with a collector/first processor in order to ensure the crops will be used for processing into the relevant energy products. If the defined area is exceeded, the farmers get a reduced aid. The area in 2007 reached approximately 2.84 million hectares and so a reduction coefficient of 0.70337 has been set. Therefore, the farmers will receive the €45/ha aid for just over 70 % of the land on which they claimed the aid. The expansion of the area under the scheme in 2007 reflects its successful implementation among Member States. The farmer's interest in production of energy crops has significantly increased in only four years, and 2007 will be the first time that the total budget of €90 million will be fully used.

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AEBIOM POSITION ON EU ENERGY POLICY

▶ AEBIOM position on RES directive

AEBIOM published a position paper on the overall RES directive that covered the following points: allocation of RES target, heat sector, national action plans, CO₂ reduction, liquid biofuels, sustainability criteria and the trading scheme.

[Read AEBIOM position on RES directive](#)

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▶ EREC position paper on RES trading mechanism

EREC, the European Renewable Energy Council, in its position paper, welcomes that the European Commission will not propose a mandatory certificate trading scheme for electricity from renewables, and renewable heating installations, as well as the fact that the Commission does not intend to harmonise or endanger existing successful national support mechanisms.

Nevertheless, EREC indicates that the voluntary trading scheme (even though it has EREC's support), is not the best solution either. EREC believes that such a mechanism could probably work if based on the following principles:

- The mechanism must be operated on a Member State level only, and not on a company level
- National binding intermediate targets must be put in place
- The use of such a mechanism should be allowed only after the exporting country has met its national intermediate target and is on course to meet its next target.
- Only production exceeding the (interim) target may be transferred

Only a mechanism on this basis would guarantee flexibility to Member States and at the same time would not interfere with national support mechanisms.

[Read the EREC position](#)

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▶ Joint AEBIOM-CEPI position paper on bioenergy resources

CEPI and AEBIOM, have published a position paper where it outlines key points/recommendations as regards the use of biomass for bioenergy.

The paper invites policy makers to focus on the following aspects:

- The increasing demand for solid biomass for energy purposes cannot be met only by the European forestry but requires the production of solid biomass on agricultural land by planting new perennial energy crops (short rotation forests, energy grass, etc.).
- Another important biomass source for heat and electricity is by-products coming from agriculture, as well as residues from the maintenance of the landscape, parks and gardens (such as straw, hay from unused grasslands, trees, branches, bushes etc). Biomass policies should seek to mobilise the use of those often wasted biomass resources.
- The efficiency of biomass based energy production should be a priority knowing that sometimes the same biomass will be used for all sectors of heat, electricity and transportation biofuels, but with different efficiencies and different support systems.

- Generally speaking heat production with biomass provides high efficiency possibilities and requires relatively low subsidies. CO₂ mitigation costs are relatively low. Incentives for innovation and technological development are needed to further boost the use of increasingly efficient technologies (such as cogeneration, and biorefineries producing 2nd generation biofuels).

[Read the position paper](#)

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▶ AEBIOM position on CO₂ savings using different technology routes

This paper explains how the European targets on CO₂ reduction, improved efficiency and increased use of RES only can be attained with a new policy for heat supply in Europe. This new heat policy comprises three main pillars:

- reduction of the heat demand by better isolation
- strong push for RES-heat
- strong push for the use of derived heat from thermal power plants.

Such a policy requires financial support, an integrated approach and involves initiatives of, among others, DG TREN, DG AGRI, DG ENVIRONMENT. It is the only chance to really reduce greenhouse gas emissions. Such a new heat policy is crucial not only for Europe, but for our planet as a whole.

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PUBLICATIONS

▶ Study " Funding opportunities for project developers"

The overall aim of the Energy and Environment Funding Review is to summarise the new elements of energy, environment and transport related funds available in the new financial period of the European Union. There are several sources of support for these fields with different applications and selection criteria. The report provides a brief overview about the funds for the current period based on experiences gathered in 2007 and on the changes compared to the previous period. This study is primarily meant for project proposers, who intend to brave the next round of EU calls, but could be interesting for decision makers as well.

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EU PROJECTS

▶ 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. Besides the opportunity for technology introduction, this approach also offers the prospect of mitigation of greenhouse gas CO₂ emissions through a reduction of coal use in the power generation sector, with associated CDM credits. A well-established consortium has been established, comprising EU and Chinese organisations, namely IEA Environmental Projects Limited (UK), Aston University (UK), VTT Processes (Finland), Exergia (Greece), European Biomass Association (Belgium), China Electricity Council (China), Tsinghua University (China), Energy Research Institute Of Henan Province (China). During the first twelve months, these partners have undertaken up to three missions to China during which they gathered data on the sources and availability of biomass/biogenic wastes in China; determined various concepts for the co-firing of such renewable energy materials with coal in the various types of Chinese coal fired plants; carried out techno-economic, socio-economic and environmental assessments of these concepts; and considered the policy, institutional and regulatory impacts. In the second year of the project they will determine the commercial attractiveness of introducing co-firing into the Chinese power sector, estimate the realistic market potential for the EU industry to introduce such co-firing technology and assess the CDM possibilities for the EU power sector. These findings will then be disseminated to EU and Chinese stakeholders. This process will be followed by further initiatives to assist those stakeholders to establish cooperative opportunities, from which the basis for technology demonstrations and subsequent deployment in China will be initiated.

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

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▶ RESTMAC project – upcoming workshop on dedicated energy crops

As a part of the RESTMAC project, AEBIOM is now preparing a brochure on the topic "Dedicated energy crops for solid biofuels" which will be presented and distributed during the Central European Biomass Conference 2008 which will take place on 16-19 January in Graz, Austria. Within the conference, a special RESTMAC session will be 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.

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▶ BIOHOUSING project – web based catalogue on heating equipment

Launched in January 2006, the BioHousing project aims to promote the use of biomass based heating systems in private houses. Among other promotional tasks, information materials on biomass heating systems are produced and disseminated to end-users. One of them is a web based catalogue of biomass heating related equipments. BioHousing catalogue is a user-friendly web tool, allowing multi-criteria searches of over more than 3800 products available in five participating countries (Austria, Finland, France, Italy and Spain). The catalogue is focused on small scale biomass utilisation, which includes stoves, inserts, burners, boilers, and also equipment for producing fuels (splitters, chippers). The equipment data sheets display relevant technical details such as emissions and efficiency, as well as information on manufacturers and retailers. The catalogue is available in English, French, German, Italian, Spanish and Finnish.

For further information, please contact Ms. Corinne Floc'h-Laizet (Regional Biomass Association of Normandie) c.laizet@biomasse-normandie.org or Ms. Camilla Wiik (VTT): camilla.wiik@vtt.fi.

[Project website](#)

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▶ EUBIONET project – CEPI event on biomass resources

CEPI (Confederation of European Paper Industries), in collaboration with AEBIOM and the EUBIONET project, has organised a conference on the mobilisation of biomass on 28 November in Brussels.

Both the paper and bioenergy industries are dependent on the same raw material, and therefore are facing similar challenges. For this reason, the conference focused on biomass potential from forestry and agriculture from the perspective of different actors: producers, policy makers, end users etc. The conference also presented the findings of the EUBIONET II project.

One of the key points discussed was the McKinsey report "Bio-energy and the European Pulp and Paper Industry - An impact Assessment". This report estimates that the EU renewables targets could lead to a shortage of 200 Million m³/year of wood supply by 2020. The speakers, however, have shown that this fear is unfounded if the additional biomass is mobilized due to improved usage of forest residues, mobilization of wood coming from small forest holders and the use of agricultural land for short rotation coppices. The forest industry is starting to realise that the development of bio-energy is an opportunity to expand its own business activity, according to Antti Jääskeläinen from Stora Enso. The pulp and paper industry already has a well functioning logistical network for the manipulation of big quantities of biomass, a prerequisite for a cost competitive use of biomass for energy.

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EVENTS

▶ Central European Biomass Conference in Graz, 16-19 January 2008

The Central European Biomass Conference 2008, organised by Austrian Biomass Association, aims at providing an up-to-date overview of the latest economic and technological developments in the field of bioenergy – heat, electricity and fuels. The conference will focus on the bioenergy situation in the enlarged Europe as well as on the key factors for successful market development. The event will also provide a platform for discussion on bioenergy market prospects, strategies and necessary action at EU and national levels. As a result, specific targets for bioenergy use in the enlarged EU and proposals for further biomass use will be drawn up.

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► Sustainable Energy Week in Brussels on 29-31 January 2008

The Seventh ManagEnergy Annual Conference on Local Energy Action takes place in the Charlemagne Building, Brussels from 29 January to 31 January 2008 as part of EUSEW 2008: The Second EU Sustainable Energy Week.

The EUSEW (EU Sustainable Energy Week) is the key reference for sustainable energy issues in Europe. The events organised during EUSEW cover key topics that highlight the multi-sectoral nature of sustainable energy development and stress the need for everyone to work together towards a common goal: from renewable energy sources to energy efficiency, from EU policy to local action, from distributed energy to planning, from technologies to markets, from legislation to behaviour to education, from buildings to transport.

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► Bioenergy World Europe 2008 in Verona, Italy on 8-10 February

The conference and exhibition "Bioenergy World Europe 2008" aims to provide business possibilities to all those looking to develop their current bioenergy activity or those who intend to enter the bioenergy sector for the first time.

The conference will provide the following:

- business meetings with professionals and experts via organised network meetings "Chance2Meet".
- thematic study tours around Verona
- debates via the international Forum presentations

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► 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, including plenary sessions, by invited speakers with a technical exhibition and a match making brokerage event.

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► Nordic 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.

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