

Newsletter: December 2012

Bioenergy Voice in Europe

Highlights

AEBIOM NEWS

- ▶ AEBIOM publishes European Bioenergy Outlook 2012
- ▶ AEBIOM working groups on sustainability and advanced biofuels

EUROPEAN PELLET COUNCIL

- ▶ More than 3 million tons of ENplus pellets in 2012
- ▶ New ENplus handbook as a Christmas present
- ▶ Join the European Industrial Pellet Suppliers (EIPS)

EU ENERGY POLICY FOR RENEWABLES

- ▶ Agricultural policy: delayed vote in the European Parliament
- ▶ ILUC – the EC proposal gives a clear message to biofuels sector
- ▶ Energy taxation – Cyprus proposing lower rates for biofuels and biogas

AEBIOM POSITION ON EU POLICY

- ▶ AEBIOM statement on biomass carbon neutrality
- ▶ AEBIOM press release on ILUC

PUBLICATIONS

- ▶ German Energy Transition

PROJECTS

- ▶ CrossBorder Bioenergy B2B Platform
- ▶ RHC-Platform builds bridges with National Technology Platforms on RES heating & cooling
- ▶ LogistEC project is launched
- ▶ BioGrace II – harmonised calculations of bioenergy GHG emissions in Europe

EVENTS

- ▶ 4th AEBIOM European Bioenergy Conference, Brussels, 17-19 June 2013
- ▶ Other events

15/11/2012

AEBIOM publishes European Bioenergy Outlook 2012

12/2012

EN plus pellet production reaches more than 3 million tons in 2012

18/10//2012

EC publishes a proposal on ILUC

05/11/2012

AEBIOM publishes a statement on carbon neutrality of biomass

19/10/2012

AEBIOM press release on EC proposal on ILUC

12/2012

Cross Border Bioenergy B2B Platform – an opportunity for networking

12/2012

BioGrace II – Calculation tool of bioenergy GHG emissions

17-19/06/2013

AEBIOM European Bioenergy Conference in Brussels



Dear readers,

I heard one question the other day. How many potatoes are there in the world? The audience was quiet for a while, so the speaker replied himself: not many more than we pay and demand for. If potatoes are not sold, farmers lose money and will grow less the next year. It is the same situation with global food production. How much food is produced in the world? Only the amount that we ask for and that the governments intend to store to secure the next year's needs.

Many people believe that we are not able to produce enough food globally for a growing population. The problem today is not the capacity to produce food but that people who do not have food – they have no means to afford it. If there is a demand and a possibility to buy it, there is always food.

It is the same with biomass; since the demand is low, little is produced or used. It becomes easy to claim that biomass resources are limited, but if the demand was higher, we would find ways to source and produce more in a sustainable way. I visited a number of Combined Heat and Power stations this week in Sweden. None of them have supply problems. In fact, at the moment there is an over-supply of biomass fuels in Sweden, even though 32 percent of our energy use comes from biomass. It is the same in most countries. We all have enough biomass for energy or waste heat for profitable use. But there is a need to politically create the demand. ETS could play an important role here; therefore, AEBIOM hopes the European Commission will be able to improve the Emission Trading Scheme without delay.

Gustav Melin, President of AEBIOM

AEBIOM NEWS

► AEBIOM publishes European Bioenergy Outlook 2012

AEBIOM has published its' Annual Statistical Report 2012 which is a comprehensive collection of data on biomass contributing to a better understanding and further successful development of bioenergy sector in Europe. The request for AEBIOM Statistical Report is significantly increasing every year. Last year more than 3000 individuals downloaded our report worldwide.

AEBIOM has published a new edition on 13 November entitled "European Bioenergy Outlook 2012". The report is available free of charge on AEBIOM website.

The European Bioenergy Outlook 2012 figures are compiled from data published in many different EU sources, presentations, conferences as well as information gathered from AEBIOM members and other bioenergy experts. The report is divided in two main parts: the first one provides basic information about biomass resources originating from forest, agricultural and waste streams and the second part is structured according to biomass end use: electricity, heat and transport. Two more special chapters are dedicated to biogas and pellets sectors.

▲ [Top](#)

► [Read more](#)

► AEBIOM working groups on sustainability and advanced biofuels

AEBIOM held two working groups on 15 November: on sustainability (focussing on ILUC and carbon neutrality aspects) and on advanced biofuels with the participation of Mr Oyvind Vessia from DG Energy, European Commission. Mr Vessia explained the EC proposal on ILUC which aims to amend RES and Fuel Quality directives. He concluded that with such a proposal, the EC respects the investments already made in crop based biofuels and enhances incentives for advanced biofuels that can be produced with little risk of ILUC. Such biofuels offer new possibilities for fuels through substantial technological advancement which can ensure a competitive, sustainable and more domestically based future fuel supply. During the meeting on sustainability, there was a detailed discussion over the impacts of such proposal with a negative view of AEBIOM on it.

As there is currently no European association dedicated to advanced biofuels, AEBIOM has decided to launch an industry-led Working Group on Advanced Biofuels. This initiative is supported by Jan Lindstedt from SEKAB. The 25 participants discussed about the major challenges faced by the industry in regards to the commercialization of their products. The lack of a stable political framework, financing (especially for the first plants) and system integration along the supply chain appear to be the main common challenges for the market deployment of advanced biofuels. The Working Group will meet again in the beginning of 2013.

The minutes of these working groups are available to all AEBIOM members under request. Please contact us at [info\(a\)aebiom.org](mailto:info(a)aebiom.org) if you wish to receive it.

AEBIOM is also launching a new working group on torrefaction, the meeting of which will take place in Brussels on 5 December.

▲ [Top](#)

► [Read more](#)

EUROPEAN PELLET COUNCIL

► More than 3 million tons of ENplus pellets in 2012

According to preliminary data of EPC and 8 ENplus implementing associations across Europe, 3.20 Mt of pellets will be produced under the ENplus certification in 2012. Bulk trade of pellets is significantly increasing as well reaching 0.65 Mt in 2012. ENplus pellets are currently produced in 15 countries in Europe and Canada.

▲ [Top](#)

► [Read more](#)

► New ENplus handbook as a Christmas present

During the last EPC meeting in October 2012, EPC members decided to make important updates in the ENplus handbook. The editorial changes are being finalized at the moment and the new handbook will be published in December, certainly, a nice Christmas present for the European pellet sector.

The consultation process took two years to be accomplished and was supported by the IEE project PellCert.

▲ [Top](#)

► [Read more](#)

► Join the European Industrial Pellet Suppliers (EIPS)

European Industrial Pellet Suppliers (EIPS) has been recently created under umbrella of AEBIOM with an aim to gather together industrial pellets producers. EIPS is discussing and formulating the position of pellet suppliers

regarding specifications and sustainability requirements for industrial pellets. Other issues include best practices regarding safety and security as well as public relations and lobbying issues of the sector.

Industrial pellet producers as well as industrial pellet traders are invited to join EIPS as full members (a discount is applicable to early applicants) while other stakeholders along the supply chain are welcome to join as supporting members. More information (statutes, work plan 2013, application form, and minutes) is available on the website of EIPS.

[▲ Top](#)

[► Read more](#)

EU ENERGY POLICY FOR RENEWABLES

► Agricultural policy: delayed vote in the European Parliament

The European Parliament is currently working on compromise amendments on CAP to be presented to Agricultural Committee on 15 December and voted on 23/24 January instead of 5 December as it was planned. The vote in plenary will take place in March 2013 and from March onward, there will be a trilogue negotiations between EU Commission, Parliament and EU Ministers.

It seems like that there is no consensus yet regarding the percentage of arable area to be 'sacrificed' as ecological focus area as some MEPs, during the meeting on 5 November, clearly stated that even 5 % instead of 7% proposed would be too high percentage to agree upon in compromised amendments. Some MEPs also expressed their opinion that energy crops should be included in such area.

AEBIOM hopes that energy crops and especially perennial energy crops due to their environmental benefits will be allowed to grow on ecological focus area and that there will be sufficient support available for bioenergy under rural development as the EU relies on agriculture to meet 2020 RES targets.

[▲ Top](#)

[► Read more](#)

► ILUC – the EC proposal gives a clear message to biofuels sector

The new European Commission's proposal, issued on 18 October 2012, aims to amend the Renewable Energy and Fuel Quality Directives by introducing ILUC (Indirect Land Use Change) related measures for biofuels sector.

The EC proposal restricts the contribution of crop based biofuels and bio-liquids to the EU RES transport target. Such biofuels should meet maximum 5% of EU RES target in transport out of the possible 10% target. Most EU member states have already fulfilled the 5% biofuels target which means a complete stop of any development of the crop based biofuels sector. The proposal also introduces a multiplication factor of 4 for some wastes and residues and an obligation to increase CO₂ savings of 60% for new biofuels installations.

[▲ Top](#)

[► Read more](#)

► Energy taxation – Cyprus proposing lower rates for biofuels and biogas

Currently, the Council is working on energy taxation issue. In October, the Cyprus presidency proposed an updated text where the rates of energy taxation for biofuels and biogas sectors are lowered. However, it is unknown whether the Member States would be keen on this proposal. AEBIOM hopes that bioenergy sectors will have a beneficial treatment as it is the best way to reduce CO₂ in transport and heating sectors.

[▲ Top](#)

[► Read more](#)

► AEBIOM statement on biomass carbon neutrality

AEBIOM, on 5 November, published a statement on biomass and climate change benefits showing that current controversial debate on carbon savings of biomass has not sufficiently evaluated actual sustainable forest management and biomass feedstock utilization practices and the positive role biomass plays in ensuring healthy and productive forests thus delivering climate change benefits.

The statement explains the difference between fossils and bioenergy concluding that it is strange to suggest that biomass would be worse than coal on account of its carbon cycle.

According to the statement, biomass stimulates forest development. Wood demand generates investments in forest management and new forest plantations. The forest stock in Europe is steadily increasing. In the last 20 years, the European carbon stock increased by 26% (FAO) due to an increased forest area (an additional 3.5 million hectares between 2000 and 2010, EUROSTAT) and harvesting at levels well below the annual growth (only 63% of the annual growth is harvested, UNECE). Statistics show steadily growing forests, although the use of bioenergy has been increasing at the same time. The situation in the USA is similar (increase from 701 Mt CO₂eq in 1990 to 922 Mt in 2010, or 31,5% in 20 years, EPA) This means a significant carbon stock has been built up. Without wood demand and income for forest owners, forests would be neglected with smaller productivity due to maturation and higher risks of forest fires. Forest management and thinnings are vital for forest health, productivity, and fire and pest prevention.

Biomass relies on sustainable forest management and does not mean over-exploitation of the forests, nor the use of high value round wood. Most forest biomass is produced from material that would have no other use such as sawmill residues, forest thinnings and forest wastes such as tops, branches, and low quality logs left over after higher quality logs have been removed. Now, instead of being wasted, forest biomass is used to replace fossil fuels, and in doing so delivers socioeconomic benefits in rural communities. It is incorrect to suggest that increased bioenergy adoption will lead to increased harvesting of our forests.

AEBIOM believes that it is essential to ensure that forests are sustainably managed and harvested so as to keep the forests healthy, to respect biodiversity requirements and to maintain carbon stocks. Over-exploitation of this resource with annual harvest levels above annual growth is a non-sustainable short-term practice that will drain the forest resource over time.

▲ [Top](#)

► [Read more](#)

► AEBIOM press release on ILUC

AEBIOM, on 18 October 2012, published a press release on EC proposal to include ILUC related measures in RES and Fuel Quality Directives. AEBIOM welcomed the EU Commission's decision to drop mandatory ILUC factor based on uncertain methodology (the EC proposed non-mandatory ILUC factors instead).

ILUC rules even though non-mandatory together with proposed obligation to increase CO₂ savings of 60% for new biofuels installations will penalise biofuels producers (especially biodiesel) and companies in Europe for actions they cannot influence.

The capping of crop based biofuels at 5 % of the RES transport target would slow down or even stop the development of crop based biofuels sector.

AEBIOM considers that multiplication factor of four times for certain wastes and residues would manipulate statistics significantly meaning that 1.25 % biofuels made from wastes and residues in reality would be counted

as 5 % biofuels. It will also create virtual renewable energy whilst in practice fossil fuels will be used to cover the energy needs.

AEBIOM considers that in order to avoid possible indirect land use change, a sound, severe and monitored environmental policy is needed in the countries with a high risk of a “negative” land use change, e.g. deforestation combined with good governance.

[▲ Top](#)

[► Read more](#)

PUBLICATIONS

► German Energy Transition

Germany is aiming to switch to a renewable energy economy and leave nuclear and fossil energy behind. There is much of international attention given to the German Energy Transition; however, the information is sometimes misleading when it comes to the role of coal power, energy price trends and carbon emissions.

The book published in November 2012 by Heinrich Boll Stiftung aims to explain the German Energy Transition. It provides facts and explains policies and politics behind to the international audience. The publication and the website highlight the effects of such transition on German economy, environment and society. The book can be downloaded under read more below.

[▲ Top](#)

[► Read more](#)

PROJECTS

► CrossBorder Bioenergy B2B Platform

AEBIOM is coordinating the CrossBorder Bioenergy project supported by IEE programme and designed to help companies to evaluate bioenergy markets in Europe and, as a result, make appropriate investment decisions.

An essential part of the project is the setting up of a B2B Platform that has an aim to promote networking between international market players in the bioenergy sector. This platform provides an opportunity for companies to post their offers and requests and get informed about relevant news and international events.

Join the CrossBorder Bioenergy B2B in www.crossborderbioenergy.eu and make your business visible at European level. For further information or any help related to the database, contact us at [calderon\(a\)aebiom.org](mailto:calderon(a)aebiom.org).

[▲ Top](#)

[► Read more](#)

► RHC-Platform builds bridges with National Technology Platforms on RES heating & cooling

Coordination between European, national and regional research and innovation policies is crucial in order to avoid the duplication of research efforts and to reduce fragmentation of the European Research and Innovation Area. National Technology Platforms are important vehicles that enable synergies between the EU and national levels by providing an interface between policy-makers at the European level with policy-makers at the national and regional levels. The RHC-Platform is therefore seeking to reach out to National Technology Platforms on renewable heating and cooling, and other initiatives aimed at coordinating research on regional and national level.

In this frame, the RHC-Platform has organized a first workshop “Fostering National Technology Platforms on Renewable Heating and Cooling” on 5 September 2012 in Brussels. During this workshop, existing national technology platforms from Spain, Italy, Hungary and Austria shared their experience in the creation of a platform. The procedure followed differed from one platform to the other; however there was a general consensus on the benefits of such a structure for enhanced coordination of research activities. Existing national platforms are generally in favour of greater cooperation between the EU and national levels. However, as existing national platforms on renewable heating and cooling are still limited in number, a first step for the RHC-Platform consists in the promotion of the creation of new national platforms. With this aim, the RHC-Platform offers to assist organisations willing to create a national technology platform in the field of renewable heating and cooling.

[▲ Top](#)

[► Read more](#)

► LogistEC project is launched

LogistEC project has been launched on 1 September 2012 with a kick off meeting in Versailles and will run until the end of February 2016. The project supported by FP7 aims to develop new or improved technologies of the biomass logistics chains. Cost-efficient, environmental-friendly and socially sustainable biomass supply chains are needed to achieve the 2020 EU RES targets that might be impeded by the potential scarcity of lignocellulosic biomass from agriculture. The project covers all types of lignocellulosic crops: annual and multi-annual crops, perennial grasses, and short-rotation coppice. Innovative techniques for crop management, biomass harvesting, storage and transport provide a possibility to increase biomass supply whilst keeping costs down and minimizing adverse environmental impacts.

[▲ Top](#)

[► Read more](#)

► BioGrace II – harmonised calculations of bioenergy GHG emissions in Europe

The BioGrace II project funded by IEE programme aims to harmonise the calculation of greenhouse gas (GHG) emissions of bioenergy for electricity, heating and cooling production in the European Union. The project supports the implementation of the Renewable Energy Directive and in particular the European Commission report COM (2010)11 on sustainability requirements for the use of solid and gaseous biomass sources in electricity, heating and cooling.

The BioGrace consortium, including AEBIOM, is working on the calculation tool for electricity, heating and cooling. The first version of the Excel tool is expected to be ready in early 2013. The tool will show how the default values were calculated and will allow stakeholders to make the calculations themselves. A methodological background document and calculation rules will be published together with the GHG calculation tool.

[▲ Top](#)

[► Read more](#)

EVENTS

► 4th AEBIOM European Bioenergy Conference, Brussels, 17-19 June 2013

The AEBIOM Bioenergy Conference organized by the AEBIOM is the forth edition of the growing series.

With 300 international participants in the field of biomass production and supply, planning, and bioenergy production, representatives from the EC, EP and NGOs, the AEBIOM Bioenergy Conference has become Europe's major occasion for discussion and networking amongst important industry leaders and policy makers.

The conference will provide an ideal platform for everyone who wishes to get the latest news on sustainable bioenergy and exchange views and experience. This year the main topics of debate will be the **sustainability criteria of solid/gaseous biomass and the worrying carbon neutrality debate**. Therefore, AEBIOM has invited representatives from the European Commission and the European Parliament to give their perspective on the needs of the future promotional framework.

Main Conference highlights include:

- ▶ European Legislation: sustainability criteria, CO₂ accounting methodology, ILUC
- ▶ Focus on pellets biogas, sustainability certification
- ▶ Several company profile cases
- ▶ Event co-organizers: European Pellet Council, European Industrial Pellet Suppliers Group, European Biogas Association
- ▶ Dinner at the EU Parliament (17 June)
- ▶ B2B meetings (18 June)
- ▶ Organized visits to bioenergy plants in Belgium (19 June)

Sponsoring at the AEBIOM Bioenergy Conference 2013 will provide you an excellent opportunity to raise your company profile and showcase your expertise in front of a high calibre group of participants. The 7 conference packages will give you the possibility to choose something that is most suitable for your company.

[▲ Top](#)

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▶ Other events

Fuels of the Future 2013, Germany, 21-22 January, 2013

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World Biofuels Markets, Netherlands, 12-14 March, 2013

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3rd European Biomass to Power, Poland, 10-11 April, 2013

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Argus European Biomass Trading 2013, 17-18 April 2013

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World Biomass Power Markets, Netherlands, 16-17 May 2013

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36th Euroheat & Power Congress, Austria, 27-28 May 2013

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South-East European Eco Forum & Exhibition on Renewable Energy & Waste Management, Bulgaria, 29-31 May 2013

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