

Newsletter: October 2011

Bioenergy Voice in Europe

Highlights

AEBIOM NEWS

- ▶ New AEBIOM members

EUROPEAN PELLETS COUNCIL

- ▶ Launch of the EPC working group on industrial pellets
- ▶ Laborelec & AEBIOM workshop on ENplus and industrial pellets
- ▶ ENplus market share is steadily increasing in Europe
- ▶ First ENplus certified producer overseas
- ▶ First successful ENplus auditors training

EU ENERGY POLICY FOR RENEWABLES

- ▶ EC is unsure on how to develop the sustainability schemes
- ▶ Energy Taxation Directive – a revision will face EU members disagreement
- ▶ Energy Efficiency Directive aims to introduce a priority grid access from CHP
- ▶ EP resolution wishes to restrict certain uses of biomass
- ▶ EC proposal to reform the CAP

AEBIOM POSITION ON EU POLICY

- ▶ AEBIOM initial views on EP resolution to restrict certain uses of biomass

PUBLICATIONS

- ▶ Ernst and Young report on Indirect Land Use Change

PROJECTS

- ▶ Greenpellets – a successful workshop on agrifuels

EVENTS

- ▶ Biomass Technical Seminar of the RHC-Platform on 18 October in Spain
- ▶ AEBIOM General Assembly Meeting on 14 November in Brussels
- ▶ Expobioenergia 2011 in Valladolid on 18-20 October in Spain
- ▶ Envirotech and Clean Energy Investor Summit on 9-10 November in UK
- ▶ RENEXPO South-East Europe on 9-11 November in Romania
- ▶ InfraNews' Infrastructure Investors Forum: Renewables on 16 November in UK
- ▶ Biofuels International Expo & Conference on 16-17 November in Belgium
- ▶ International Biofuels Conference "Fuels of the Future 2012" on 23-24 January
- ▶ World Sustainable Energy Days 2012 on 29 February - 2 March 2012 in Austria
- ▶ Bioenergy in South-East European Forum on 28-30 March 2012 in Bulgaria

14/11/2011

Launch of EPC working group on industrial pellets

15/11/2011

AEBIOM & Laborelec workshop on EN plus and industrial pellets

10/2011

Energy Taxation Directive – a revision is going to be challenging

09-10/2011

EP resolution aims to restrict certain uses of biomass

05/10/2011

EP report on Energy Efficiency Directive

12/10/2011

EC reform of "Greening the CAP"

18/10/2011

Biomass Technical Seminar of the RHC-Platform

18-20/10/2011

Expobioenergia 2011 in Valladolid



Dear readers,

There have never been better circumstances to replace fossil oil for heating with bioenergy for both households and industry. Currently oil is 40% more expensive than pellets when buying in industrial volumes. An industry that changes their heating oil burner to a multifuel burner capable of burning either pellets or oil, will save on fuel price and on top of it will sell their CO₂ emission allowances (EUA) on ETS market (11 Euros/ton of CO₂ in early October) gathered by replacing fossil fuels with bioenergy.

Such historically low price of EUAs is a result of the fact that it is not difficult for companies to replace fossil fuels with RES. It is remarkable that the ETS price is low even after the German decision to phase out nuclear power which makes Germany more dependent on fossil fuels. However, as Mrs Karin

Törnblom, the CEO of the CHP plant Igelsta, explained during the visit of Members of the European Parliament, it is definitely feasible to replace fossil fuels and nuclear with renewable energy. Igelsta was able to replace 90% of fossil fuels into renewables in five years after the Swedish introduction of carbon dioxide tax in 1991.

Hence, it also shows that it is of utmost importance to enhance the renewable industry and energy efficiency efforts through harmonizing energy taxation and by introducing a carbon dioxide tax in the Energy Taxation Directive.

Gustav Melin, president of AEBIOM

AEBIOM NEWS

► New AEBIOM members

AEBIOM warmly welcomes three new associate members:

- **Vis Nova Trading GmbH (VNT)** - a subsidiary of Diersch & Schroeder Group (Bremen, DE) and the Mitsubishi Corporation of Tokyo, VNT provides international trade services and runs its own pellet factory with 130,000 tons a year - one of the largest in Germany. VNT is specialized in industrial pellets. www.visnova-trading.de
- **Ekman & Co AB** - this sales and marketing organization is focusing on the global forest industry. Ekman's activities in the pellet sector are significantly increasing – most notably by managing the sale of pellets produced in the world's largest pellet plant in Vyborg (RU). www.ekmangroup.com
- **Portuguese Renewable Energy Association (APREN)** - APREN was founded in 1988 and supports the development of renewable electricity in Portugal. The association is active in both biogas and solid biomass for bio-electricity production. www.apren.pt

▲ [Top](#)

► [Read more](#)

► **Launch of the EPC working group on industrial pellets**

AEBIOM together with the European Pellet Council (EPC) are the key actors for pellet stakeholders in Europe and worldwide. Pellet associations can become members of EPC, while companies can join AEBIOM. EPC is currently setting up a working group on industrial pellets which is open to all AEBIOM members. The initial goal of this working group is to represent the interests of industrial pellet producers and international traders to the Initiative Group of Wood Pellet Buyers (a group of 8 utilities working on standardised contracts, quality standards and sustainability criteria). An inaugural meeting is planned in Brussels on 14 November. Please, contact Peter Rechberger (rechberger@pelletcouncil.eu) if you are interested to join the working group.

▲ [Top](#)

► [Read more](#)

► **Laborelec & AEBIOM workshop on ENplus and industrial pellets**

EPC, in partnership with Laborelec (GDF Suez), is working on upgrading the ENplus pellet certification scheme in order to include quality levels for industrial pellets and sustainability criteria. This workshop is organised within the framework of the IEE project PellCert with an aim to upgrade the ENplus handbook. It will take place on 15 November in Belgium. The target group is large scale pellets users and producers. A visit to the laboratory facility of Laborelec will be organised within the workshop. Participation will be organised on individual invitation basis.

▲ [Top](#)

► [Read more](#)

► **ENplus market share is steadily increasing in Europe**

The first 5 ENplus producers in Spain will be officially presented at the Expobioenergia event in Valladolid (see the events section). ENplus pellets are currently produced in Austria, Canada, Croatia, Czech Republic, France, Germany, Romania, Spain and United Kingdom. The main markets are Germany (3/4 of the production capacity are ENplus!) and Austria (aiming at least 80% of the production capacity by the end of 2011).

▲ [Top](#)

► [Read more](#)

► **First ENplus certified producer overseas**

The Canadian company Trebio has adapted the ENplus system and will receive the first ENplus certificate outside Europe. Trebio is running a 130.000t/a pellet plant in Portage-du-Fort, Québec and will ship its' ENplus A1 pellets to various customers in Europe.

▲ [Top](#)

► [Read more](#)

► **First successful ENplus auditors training**

Ofi and EPC, on 10-11 October, has held the first training for auditors of ENplus inspection bodies at the ofi premises in Vienna. The standards used in ENplus were introduced to the participants from 8 countries as well as the physical and chemical parameters of pellets which were directly checked in the laboratory. The second day was dedicated to (trial) audits at two pellet production sites. The second training will take place in Vienna on 27-28 February in 2012. Please, contact Peter Rechberger (rechberger@pelletcouncil.eu) to secure a spot (only 5 places left!). The trainings are financially supported by the IEE project PellCert.

▲ [Top](#)

► [Read more](#)

► **EC is unsure on how to develop the sustainability schemes**

The European Commission will publish a second report on sustainability of solid and gaseous biomass by the end of 2011. At present, the European Commission is deciding internally (inter-service consultation started in the second part of August) on how to develop the biomass sustainability. The political decision whether the EC will propose the harmonized sustainability scheme is still not taken. If there is a need for such criteria, then one of the main EU questions is whether the sustainability criteria for biofuels is suitable for woody biomass and how to build on existing sustainability systems. Another concern is about which approach is the most appropriate to promote sustainable forest management. Finally, the EC is thinking whether to leave 1MW threshold. This threshold might become a reason for a leakage of unsustainable biomass as around half of bioenergy for heating is used in small scale heating applications.

On top of it, the EC is facing a disapproval of Nordic countries to harmonise the sustainability criteria for biomass. According to the Finnish and Swedish government representatives, strengthening forest legislation and thus ensuring the sustainable forest management as a whole is a right way forward. You cannot cut one tree and ensure a sustainability of its bark to be used for bioenergy but ignore the sustainability of the stem wood to be used by timber industry, argued Mr Esa Harmala, the Finnish representative during the breakfast seminar in the EP on 5 October. Mr Claude Turmes, a member of the European Parliament, however, was concerned about countries like Romania, Bulgaria and Poland that do not have such an extensive forestry management system as the Nordic countries.

▲ [Top](#)

► [Read more](#)

► **Energy Taxation Directive – a revision will face EU members disagreement**

The EC, on 13 April came up with a proposal to introduce a CO2 tax for energy. This CO2 tax will ensure the polluter pays principle leaving the EU member states an opportunity to redistribute gathered budget to households. The European Parliament is planning to adopt its' consultative report on 24 January 2012, however, this issue will have to be agreed on in the Council.

This proposal would boost the bioenergy industry; however, it is especially diesel and gas industries that are worried about the competitiveness of their industries. The revision will also face the reluctance from the EU member states in the Council.

Presently, Sweden, Denmark, Finland and Ireland apply a carbon tax, and some other Member States are planning to introduce it. The Scandinavian countries seem to support the Commission's proposal whilst Germany and Poland are concerned that their coal and steel industries would be negatively affected by the proposed tax. The Commission's proposal is also facing opposition from the UK. Taxation is one of few areas where unanimity is required at the Council for the proposal to be adopted, and consequently, the UK government can, veto it.

▲ [Top](#)

► [Read more](#)

► **Energy Efficiency Directive aims to introduce a priority grid access from CHP**

The EC, on 22 June, came up with a proposal to amend Energy Efficiency directive. The energy efficiency directive outlines ways in which member states can reduce wasted energy. This directive includes the requirement to MS to develop district heating, CHP and establish an inventory of energy efficiency data for fossil fuels. The directive aims to establish a priority grid access from CHP.

The European Parliament has come up with a draft report on 5 October (rapporteur of the EP is Claude Turmes) where it tries to ensure that the CHP priority access does not impede the priority access created for renewable energy. Benefits which cogeneration plants bring to the electricity system as a whole will have to be rewarded.

[▲ Top](#)

[▶ Read the report](#)

▶ EP resolution wishes to restrict certain uses of biomass

“The European Parliament, during the plenary session at the end of October is going to pass a resolution (final vote), demanding the EC and pleading the Council to take further actions to restrict biomass use only to those biomass use pathways that result in significant climate and social benefits.

The resolution explains that in the past the biomass increase in Europe led to numerous problems in the developing countries. The resolution particularly highlights the negative transport biofuels impacts and the lack of regulation regarding ILUC. The EU top officials, however, on 13 July, agreed to delay the regulation on ILUC by 7 years due to significant scientific uncertainties. Regarding solid biomass, the resolution calls to ensure that the forest carbon stocks do not diminish especially in the developing countries due to the intensification of biomass. The draft resolution also underlines that the biomass increase should go hand in hand with further policies and regulations to ensure an overall reduction in energy consumption and an increase in energy efficiency. On top of it, the Parliament calls to strengthen the current framework for sustainable forest management and ensure that the removals of logging residues do not have negative impacts for forest biodiversity and soil fertility.

[▲ Top](#)

[▶ Read the resolution](#)

▶ EC proposal to reform the CAP

The European Commission, on 12 October, presented a set of proposals designed to reform the CAP and make the agricultural sector more competitive whilst ensuring the sustainable agriculture ("Greening the CAP"). The proposed CAP reform is planned to come into force in 2014. Amongst other measures, the farmers have to dedicate 7% of farmland for "ecological focus area" (field margins, hedges, trees, fallow land, landscape features, afforested area). The bioenergy can be supported under the CAP priority - rural development: facilitating the supply and use of renewable sources of energy, of byproducts, wastes, residues and other nonfood raw material for purposes of the bio-economy.

AEBIOM wonders whether there has been an impact assessment made regarding the 7% farmland to be dedicated for ecological use. It would be crucial to analyse how this proposal affects food security, food prices and indirect land use change (ILUC) – the side effects that biofuels sector is blamed for. There should be a fair evaluation of the options for agriculture. The rural development priority is not new for bioenergy; however, this opportunity has never been properly exploited. Therefore, additional measures/requirements should be taken to ensure the EU member states exploit this opportunity.

[▲ Top](#)

[▶ Read the proposal](#)

AEBIOM POSITION ON EU POLICY

▶ AEBIOM initial views on EP resolution to restrict certain uses of biomass

AEBIOM is worried about this message from the European Parliament (see the article above) and thinks that restricting biomass sector is not the right way forward. Using fossil fuels instead of biomass would certainly not bring climate and social benefits.

The solution, according to AEBIOM, would be to put in place a solid sustainability scheme with mandatory criteria to show that bioenergy can bring tangible benefits (social, climate, economic) not only for Europe but also worldwide.

[▲ Top](#)

[▶ Read the resolution](#)

PUBLICATIONS

▶ **Ernst and Young report on Indirect Land Use Change**

The study “Biofuels and Indirect Land Use Change” published on 5 October by Ernst and Young examines the four EC proposed options on how to deal with Indirect Land Use Change. An interesting proposal has emerged in this study: ILUC can be mitigated by incentives that encourage existing and additional practices that prevent or reduce the risks of ILUC. Nevertheless, as one of the speakers during the launch of the report organized on 5 October explained – the scientific work is not sufficient at the moment, therefore, it is too early for EU policy makers to use it as a basis for the policy proposals on ILUC.

[▲ Top](#)

[▶ Read the report](#)

PROJECTS

▶ **Greenpellets – a successful workshop on agrifuels**

The workshop “Development of agricultural fuels – challenges and opportunities“, organised by AILE within GreenPellets project (supported by Life+ programme), showed the final results of this project. The event took place on 23 September and gathered 140 participants. The speakers focussed their attention on available agricultural fuels and the impacts of its use on food production and environment. In the afternoon session, the impact of burning agrifuels was analysed. As a result, the recommendations on the use of agricultural fuels in the boilers and their emissions levels were formulated. The GreenPellets project results are available on AILE website (click on read more). Some deliverables are available only in French but their English version will be published online soon.

[▲ Top](#)

[▶ Read more](#)

EVENTS

▶ **Biomass Technical Seminar of the RHC-Platform on 18 October in Spain**

The RHC-Platform, Renewable Heating & Cooling - European Technology Platform (www.rhc-platform.org) will show the latest technological innovations on thermal biomass in Europe.

[▲ Top](#)

[▶ Read more](#)

▶ **AEBIOM General Assembly Meeting on 14 November in Brussels**

The next AEBIOM Steering Committee and General Assembly will take place in Brussels on 14 November 2011. The AEBIOM General Assembly meeting is open only to the AEBIOM members.

[▲ Top](#)

[▶ Read more](#)

► **Expobioenergia 2011 in Valladolid on 18-20 October in Spain**

Expobioenergía 2011 will focus on bioenergy for heating, cooling and electricity purposes as well as business matchmaking opportunities alongside with the possibility to visit the largest Bioenergy exhibition in Spain.

▲ [Top](#)

► [Read more](#)

► **Envirotech and Clean Energy Investor Summit on 9-10 November in UK**

The Summit addresses the growth and financing challenges faced by emerging environmental and clean technology companies and the strategic issues occupying the leading energy companies.

▲ [Top](#)

► [Read more](#)

► **RENEXPO South-East Europe on 9-11 November in Romania**

RENEXPO[®] SOUTH-EAST EUROPE will focus on wind and solar energies, hydropower, biogas, heat pump & geothermal energy, energy efficient construction & renovation, energy services, cogeneration and many others.

▲ [Top](#)

► [Read more](#)

► **InfraNews' Infrastructure Investors Forum: Renewables on 16 November in UK**

This event will bring together senior executives of RES sector to address the existing and emerging investment opportunities and will focus on the role of equity capital and how institutions can use their capital in best way.

▲ [Top](#)

► [Read more](#)

► **Biofuels International Expo & Conference on 16-17 November in Belgium**

This conference offers biofuels companies an opportunity to network with customers. The two day conference focuses on biofuels trade, sustainability, feedstocks for biofuels, financing and technological developments.

▲ [Top](#)

► [Read more](#)

► **International Biofuels Conference "Fuels of the Future 2012" on 23-24 January**

"Fuels of the Future" organized by BBE&UFOP in Germany offers a platform for the international biofuels stakeholders and focuses on certification, strategies, electric mobility, ethanol, vegetable oil, biodiesel etc.

▲ [Top](#)

► [Read more](#)

► **World Sustainable Energy Days 2012 on 29 February - 2 March 2012 in Austria**

The World Sustainable Energy Days offers a unique combination of events on sustainable energy production and use covering energy efficiency and renewable energy sources for buildings and industry.

▲ [Top](#)

► [Read more](#)

► **Bioenergy in South-East European Forum on 28-30 March 2012 in Bulgaria**

The forum will have a special session dedicated to **bioenergy**. The topics will cover financing of EE & RES projects, energy efficiency, RES electricity, recycling/resource recovery, waste-to-energy, landfilling, etc.

▲ [Top](#)

► [Read more](#)
