

Biomass Workshop Series 2020/21: REDII
Implementation and Beyond

Workshop 1: Ongoing developments in EU Member States and the role of RED II

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Objectives, background and structure of the workshop

Background

This was the first workshop of a series held in quarter 4 of 2020 and quarter 1 of 2021, supported by the European Technology and Innovation Platform Bioenergy (ETIP Bioenergy), the International Energy Agency's Bioenergy Technology Collaboration Programme (IEA Bioenergy) and The Sustainable Biomass Program (SBP).

Other workshops in the series covered the implementation of trade in biomass in Europe; carbon, forests and climate impacts of woody biomass; biodiversity protection; and social impacts.

RED II is also known as the 'recast' of the Renewable Energy Directive. It lays out EU renewable policy and ambitions and entered into force in December 2018. This Directive introduces more stringent sustainability requirements and emission saving criteria for biomass used for heat and power. For forestry biomass there are specific requirements "that harvesting is carried out in a sustainable manner in forests where regeneration is ensured, that special attention is given to areas designated for protection of biodiversity, landscapes and specific natural elements, that biodiversity resources are preserved and that carbon stocks are tracked, woody raw material should emanate only from forests that are harvested in accordance with the principles of sustainable forest management that are developed under international forest processes such as Forest Europe and that are implemented through national law or the best management practices at sourcing area level. Operators should take the appropriate steps to minimise the risk of using unsustainable forest biomass for the production of bioenergy." Article 29 lays out the specific requirements. Member States are also allowed to establish additional sustainability and greenhouse gas emissions saving criteria¹. The likelihood of establishing these additional criteria and if it does, how the divergence may be managed are important considerations as part of the aim to facilitate efficient adoption of these requirements.

Several Member States have already developed their own systems for determining the sustainability of biomass (Belgium, Denmark, Netherlands, UK,) and with supply chains already feeding these markets we can learn from the application of existing policy. Other countries currently have no dedicated systems in place for bioenergy and will need to implement the RED II requirements from scratch, even as REDII is being opened for review. Under RED II, verification of the sustainability claims takes place either through: a) national rules/schemes (involving Member States' authorities); or b) voluntary schemes (national/international) recognised by the European Commission.

Objectives of workshop

The objective of the workshop was to provide an opportunity to discuss the implementation of RED II, drawing from the views of a wide variety of stakeholders. Key questions were:

- Variation in implementation of sustainability safeguards between Member States; how wide is the gap and what can be done to minimise it?
- What makes good regulation for biomass; what lessons have been learnt?

¹ Further information is set out in: https://ec.europa.eu/energy/topics/renewable-energy/renewable-energy-directive/overview_en and https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2018.328.01.0082.01.ENG&toc=OJ:L:2018:328:TOC

Structure of the workshop

The workshop was held 'virtually' over the Internet. 20-minute presentations were shared in advance of the workshop. 287 participants registered and 163 attendees took part in the workshop on the day. A breakdown of their affiliations is shown in Annex 1.

Short (~ 8 minute) summaries of the presentations were presented on the day, followed by a question and discussion session. Participants could ask questions directly to the presenters online during the workshop and afterwards in 'Howspace'. In addition to the discussion sessions there were breakout sessions to allow discussion of key issues.

Presenters

Michèle Koper, Navigant

Navigant is providing support to the European Commission on the implementation of the sustainability requirements for biomass and biofuels in RED II. This presentation summarised forest biomass criteria in RED II, the compliance process and timescales. Navigant's report to the European Commissions will be published in early 2021. Voluntary schemes will be assessed against compliance and qualifying schemes will be recognised in spring/mid 2021.

[LINK TO PRESENTATION](#)

Lotta Heikkonen, CEPF

Lotta acts as Forest Policy Officer at the Confederation of European Forest Owners. She described the status of European forests and the policies to which they are subject. RED II has gained a broad acceptance among their members but they are concerned that there is a need for a stable policy environment to ensure that current policy works, to implement RED II and evaluate its impacts before it is revised.

[LINK TO PRESENTATION](#)

Alex Mason, WWF

Alex is European policy officer for the World Wide Fund for Nature, and described WWF's view of EU policy in RED II. WWF considers that bioenergy has a role to play, but only if it delivers significant, near term reductions in emissions. WWF regards the forest biomass criteria in RED II to be largely meaningless: they will not stop the growth of forest biomass types that increase emissions compared to fossil fuels. Its view is that member States must implement stricter criteria at national level e.g. by restricting incentives to fast decaying wastes and residues that have no other uses.

[LINK TO PRESENTATION](#)

Bodil Harder, ENS

Bodil represents the Danish Energy Agency (END) and provided a view from Denmark. The presentation described the evolution of policy relevant to biomass in Denmark and the current situation. The Danish Ministry for Climate and Energy has issued a statement that applauds the advances made in the use of biomass and how it has helped to phase out coal, but recognises that biomass is not problem free. The amount of sustainable biomass is limited. Denmark will set stricter requirements than RED II. It will not source biomass from countries with declining carbon stocks, unless the biomass originates from forest-certified forests or from residues; sustainability requirements will cover a much larger part of the biomass used than in the current Danish industry agreement and RED II.

[LINK TO PRESENTATION](#)

Simon Armstrong, SBP

Simon is Chief Technical Officer at the Sustainable Biomass Program and described how SBP certification works and the issues in RED II that need to be considered. These include:

- Definitions should be consistent and based on widely used and understood concepts
- Use of resources should be focused and efficient without creating excessive administrative burden or repetition across the supply chain
- Requirements for issues such as forest carbon should be grounded in best understanding of the topic
- The use of a regional and risk-based approach reflects good practice in certification process and provides an efficient, robust and appropriate approach for key factors such as forest carbon

[LINK TO PRESENTATION](#)

Conclusions of the workshop

Discussion at the workshop was dominated by the following themes:

- implementation of RED II
- whether the sustainability requirements in RED II were likely to be effective in ensuring carbon emissions from bioenergy decrease (or if they were appropriate)
- the power of pellet producers to influence forest management, and
- the challenging issue of proving that carbon stocks are maintained or increased and that the production capacity of the forest is maintained

There was concern over the lack of a clear implementation plan for RED II less than a year before implementation. Although the thinking and policy behind Danish implementation decisions were presented, suppliers were not certain how other nations would implement RED II and concerned at the potential proliferation of requirements. There was also discussion around whether the requirements in RED II should be adopted for other forest products, with a wide interest in the idea and clear arguments for rejecting it.

There was some questioning of whether the sustainability conditions in RED II would achieve the core aim of the policy and if there are better ways to achieve sustainability. A number of points were raised, including the long-term nature of forestry and its wide variation of a geographical and spatial basis. One suggestion to address these issues was to concentrate on the potential outcome of selecting specific feedstocks, rejecting the use of those feedstocks where the outcome was poor (in terms of carbon, biodiversity or soil and water impacts). A key concern was the ability of pellet producers to influence forest management, especially when higher value products are clearly the main market for forest owners. The risk-based approach to LULUCF was also discussed. Issues included: who decides what 'sufficient' regulation in Level B countries is; what happens if forward looking models provide different outcomes? Whether or not guidance provided by Navigant in the REDII Bio project is adequate.

Proving that carbon stocks are maintained or increased and that the production capacity of the forest is maintained is clearly a difficult task, including definitions, objectives and how these can be demonstrated. The discussion covered the principles of sustainability, the influence of the economic marketplace, carbon stocks and evidence that can be used to demonstrate carbon stocks.

In conclusion there were some issues on which there was consensus, such as the implementation process for RED II and challenges in demonstrating compliance. However, there remains a wide divergence in views about the adequacy of the requirements for biomass from forests in RED II. These reflected the background of the stakeholder, their experience of forestry and how participants saw the functions of forests. There was a call for a stable policy environment to allow producers addressing the challenges of implementation.

General views were:

- sustainability requirements should be grounded in best understanding of the topic
- an NGO-biomass consensus on feedstocks would be useful
- whilst the requirements in RED II should apply to all forest products, there is a reluctance for bioenergy policy to influence forest policy.

Summary of the discussions which led to the conclusions

The following sections provide a summary of the main points made in the presentations and discussion at the workshop.

The summary first examines responses to the RED II proposals for biomass including issues where there was consensus and issues where there were a range of views. It then summarises general points regarding biomass sustainability made in the workshop.

RED II discussion: Issues where there was agreement

Implementation of RED II

- **There is concern about the implementation of RED II by EU Member States.** With less than 12 months to go some Member States have not announced how they will implement RED II. Biomass producers have to contract feedstock supply in advance. Currently there is a lack of clarity on which certification schemes will be compliant; and no guidance on the detailed factors that could influence feedstock compliance in the future. There is a great deal of variation between Member States.
- **Participants thought that most biomass importing countries are likely to set requirements that go beyond RED II.**
- Most participants agreed that **sustainability issues remain despite the proposals in RED II**, although, there was disagreement on how these issues should be addressed (e.g. the role of voluntary standards; how small scale users demonstrate sustainability; etc.).
- There are likely to be **challenges in demonstrating compliance** with the following in RED II:
 - Sourcing area compliance with LULUCF requirements (Article 29)
 - Demonstrating long term production capacity of the forest (Article 29)
 - Regeneration: this is not a specific legal/regulated requirement in some types of forests in some countries (e.g. private forest) or it may not be enforced (both in Level A and B countries).
 - RED II requires knowledge of inventory, its shortfalls and uncertainties.
 - Michèle Koper's presentation (Navigant) indicated that guidance on meeting RED II requirements is intended to be available in Spring 2021.²

² The report from Navigant et al. for EC DG ENER is available at https://ec.europa.eu/energy/sites/default/files/rediibio_final_report_version_2.pdf

- The **EU Forest Strategy is also relevant**: Sustainable Forest Management (SFM) is the essence of this and definitions of SFM have been agreed internationally. RED II, on the other hand, is a risk-based approach that has gained broad acceptance amongst forest owners.
- **Implementation of sustainability requirements and how a pellet producer influences SFM, regeneration and carbon stocks and sinks (or whether they can) needs to be considered.**
 - Management systems at the pellet producer cannot guarantee forest carbon stocks and sinks over the long term.
 - The main levers biomass producers have, are either contractual requirements or the ability to reject specific feedstock, combined with post-harvest inspection. These were agreed to have been generally effective to date.
 - Other approaches are useful at a forest or regional level, such as the use of comprehensive data sets and forest inventory data to show regions where forests have been, and continue to be, harvested and re-established over the long-term.

RED II discussion: Issues where there was no consensus

The evidence that RED II is insufficient

There was a **wide range of views on the adequacy of RED II biomass requirements**. Views expressed varied by stakeholder type and ideas on the function of forests. A further differential was how compliance with RED II could be achieved: is a risk-based approach appropriate? Will forest management approaches work or should there be more guidance around the types of feedstocks used? Alex Mason's (WWF) presentation on EU forest and biomass policy suggested that one factor that could be controlled by the biomass producer was the feedstock used and this is where policy should focus (in addition to ensuring bioenergy delivers emissions reduction).

The following provides a flavour of the views expressed by different stakeholders:

- On RED II:
 - The LULUCF requirements in RED II require long term regeneration and maintaining or increasing forest capacity, but these are difficult to demonstrate: pellet producers do not have influence over forest management and therefore are not going to be able to assure anything about forest management practice.
 - The forest biomass criteria in RED II are largely meaningless and will not stop the growth in the types of forest biomass that increase emissions compared to fossil fuels.
- What do we mean by sustainability and what relevance does it have for carbon impacts through the use of biomass?
 - Challenges in understanding the impact of removal of biomass on forest carbon and other sustainability indicators include the long-term nature of forestry, difficulty in obtaining replicable and consistent results, an inability to check the long-term outcomes of regeneration; and (in some cases) insufficient checking on how robust forestry laws are in the supplying countries. These challenges make it difficult to demonstrate the long-term maintenance of forest carbon sinks.
 - Furthermore, forest carbon sinks/stocks can vary considerably over time and across areas, such that clearly demonstrating the maintenance and increase of carbon stocks will be difficult in practice.

- That these challenges can be addressed using forest inventory data, when available, to demonstrate how forestry practices have influenced forest productivity over a decade or more and whether or not forest carbon stocks and sinks have been maintained or increased.

Should RED II be adopted for all forest products?

Participants were asked this question and a large proportion of the respondents agreed with it. However, the following views were also expressed:

- Decent forest policy should exist without bioenergy policy by itself, based on sustainable forestry science. There will be problems if bioenergy policy starts dictating forest policy: we should not be using EU bioenergy policy as a means of forest policy - the risk of abuse is too high.
- Sustainability requirements are important and RED II is a good start.
- Implementation and evaluation of current legislation must be done before any new laws are added.
- There are many initiatives from the EU on deforestation, review of the EU Timber Regulations, ecolabel requirements, Green Public Procurement. We need consistency for forestry rather than isolated initiatives.
- Forests are blind to end use. As time to maturity is long, forest managers cannot plant or manage forests for different sustainability requirements when they may not know the end use or may be supplying multiple markets. Inconsistency in sustainability requirements for products is a barrier to sustainable forestry.
- From a climate perspective end use is crucial: whether something is burnt or used for a long-lived product makes a difference to the climate impact.
- In general, the choice is not between energy opposed to long-lived product but for using or not using certain fractions.
- The RED II criteria are meaningless and will produce almost no change in business as usual, which currently allows clearcutting of forests for fuel.

Views on the risk-based approach to LULUCF

The approach taken to LULUCF in RED II resulted in a wide range of responses from participants. A summary of views is:

- The risk-based approach to LULUCF (relying on Level A (compliance with monitoring requirements) and Level B (where more forest assurance is required) with independent verification), is sufficient.
- Conversely, for some participants, the approach taken in RED II is insufficient to safeguard carbon emissions. For example:
 - Who decides what 'sufficient' regulation is for Level B countries?
 - If forward looking models are used to show RED II compliance what happens if different models provide different outcomes regarding impacts on carbon stocks?
 - Whether the exemption of mill residues from the sustainability and LULUCF criteria will encourage re-purposing of by-products.
- It was pointed out that EU Timber regulations also need to be complied with (and that 90% of EU forests come under this).
- There was disagreement on whether the guidance in the RED II Bio report is adequate or workable.

Other issues that were discussed at the workshop

The influence of the economic marketplace

Some participants believe market demand has a strong influence on the economics of forestry and a strong market enables investment in forestry. Without these market factors forest would be converted to other uses.

However, other participants were concerned that strong markets result in the intensification of forest management to increase wood production and the overall effect of this is a net reduction in carbon stocks and in the age of the forest (particularly where naturally regenerated or old growth forests are replaced by intensively managed plantations).

Development of sustainability requirements

This discussion centred around two presentations:

- Bodil Harder's presentation (ENS) on the evolution of sustainability requirements in Danish bioenergy over the past decade. This began with voluntary requirements in 2014, and, through scientific and public debate, developed into new legal requirements in 2020. As part of this the Danish Government has considered analysis of biomass use and reviewed challenges in RED II. The consequence is that it is proposed that the future of bioenergy will follow two themes:
 - Imports of biomass should be as sustainable as possible (e.g. not importing from countries with declining carbon stocks, unless that biomass originates in forest-certified forests or from residues);
 - Denmark will invest in developing and promoting alternatives to biomass.
- Simon Armstrong's presentation (SBP) on the way in which the Sustainable Biomass Program (SBP) risk-based standards work, on what is good biomass and what makes good regulation. In this he described the guiding principles of relevance, accessibility, and efficiency. His blueprint for better regulation of biomass included:
 - Consistent, applicable and well understood definitions
 - A regional, risk-based approach,
 - GHG calculations at the end of each chain, not at each node
 - Forest carbon – for which a consensus has still not been reached
 - Reliance on an ISO management system approach.

Participant viewpoints were:

- Criteria could be introduced that restrict the use of biomass to fast decaying waste and residues that have no other uses
- Bioenergy should only be used if it delivers significant, near-term reductions in emissions
- Sustainability requirements should be grounded in best understanding of the topic
- The risk-based approach has broad acceptance. The use of a regional and risk-based approach reflects good practice in certification process and provides an efficient, robust and appropriate approach for key factors such as forest carbon
- There needs to be a stable policy environment to ensure that the sustainability requirements we establish now work: RED II should first be implemented and evaluated before it is revised
- We need to be realistic about the influence of a pellet producer over sustainability, which depends on circumstances and local forest law and regulations
- Forest certification helps to ensure a level of sustainability for the pellet producer, as can involvement in forestry operations or influence over forest management, but

solutions will depend on local circumstances. Legal or contractual requirements combined with post-harvest inspection are well proven.

Carbon stocks

In his presentation and the discussion session Simon Armstrong summarised some of the issues with forest carbon as follows:

- There are a wide range of views on forest carbon and sustainable biomass, including how it is defined, the objectives and how it can be demonstrated. Examples include geographic scale and time frame.
- A range of tools are currently proposed by regulators and policy makers, for example modelling in REDII and for many Members States the use of approved or disallowed feedstocks.
- Consistency and clear definition are very important. (for example: "whole tree" is lacking a clear definition and has no clear link to back neither to sustainability nor to carbon savings).

Alex Mason quoted Robert Matthew's comments on feedstocks in the report on "Carbon impacts of biomass consumed in the EU³":

- Favour bioenergy from fast decaying forest residues
- Restrict supplies of forest bioenergy from whole tree stems to small/early thinnings
- Strongly favour the supply of forest bioenergy as by-product of wood harvesting for long-lived material wood products

Views in the discussion included:

- The idea of building an NGO-biomass consensus on feedstocks was welcomed by some participants.
- In old growth forests it doesn't matter what the definition of feedstock is, they cannot be harvested without carbon consequences.
- The objective has to be to ensure that the consequences of the decision to harvest are demonstrably carbon beneficial.

Evidence that can be used to demonstrate carbon stocks

- National forest statistics/inventories (or local data if that exists). In many sourcing areas comprehensive data is available to show past data on forests, particularly how they are harvested and re-established.
- There was no clear agreement that maintenance of forest carbon stocks means that by burning biomass, emissions won't be increased compared to fossil fuels. Criteria on feedstocks are important in influencing this.
- Some participants thought that criteria on feedstocks should include situations where the carbon stock is decreasing and forests are not certified.

Annex 1: Attendance at the workshop

The following figure shows the attendance at the workshop and the background of participants:

