

USIPA Positions on Renewable Energy Directive Revision

USIPA strongly supports clear and consistent policies that ensure the sustainability of biomass and protection of biodiversity and forest ecosystems. We want to emphasize that regulations around forest biomass are of *critical importance* to our sector. Forestry markets are highly complex and locally-specific. Policies that are not globally applicable, that unnecessarily intervene in well-functioning markets, or that create undue administrative burden will serve only to create investor uncertainty and complicate compliance without any added sustainability or environmental benefit. USIPA offers the following recommendations to the proposed revision of the Renewable Energy Directive.

Recommended Amendments to Mr Pieper’s Draft ITRE Report

Article	Pieper new AMs	Recommendation	Justification
AM 15 Recital 36	(36) Directive (EU) 2018/2001 strengthened the bioenergy sustainability and greenhouse gas savings framework by setting criteria for all end-use sectors. It set out specific rules for biofuels, bioliquids and biomass fuels produced from forest biomass, requiring the sustainability of harvesting operations and the accounting of land-use change emissions. To achieve an enhanced protection of especially biodiverse and carbon-rich habitats, such as primary forests, grasslands and peat lands, exclusions and limitations to source forest biomass from those areas should be introduced, <i>when harvesting biomass specifically for energy purposes from</i>	Directive (EU) 2018/2001 strengthened the bioenergy sustainability and greenhouse gas savings framework by setting criteria for all end-use sectors. It set out specific rules for biofuels, bioliquids and biomass fuels produced from forest biomass, requiring the sustainability of harvesting operations and the accounting of land-use change emissions. To achieve an enhanced protection of especially biodiverse and carbon-rich habitats, such as primary forests, highly biodiverse forests, grasslands and peat lands, exclusions and limitations to source forest biomass from those areas should be introduced, <i>when harvesting biomass from countries or areas that do not meet the harvesting criteria at national or subnational</i>	The language <i>‘when harvested specifically for energy purposes’</i> can lead to unintended consequence. Often there is only one buyer in a region where there are thinning operations. If that buyer is a bioenergy producer, this clause could prevent the harvested wood being used for bioenergy. Thinning is a central component of sustainable forest management, it has a number of positive benefits for forest health and productivity. As thinning produces low-value fibre, bioenergy markets are crucial in supporting the financing of such operations. Many countries do not ensure compliance at national level – but rather at a subnational level or at forest sourcing area level. This is in line with the sustainability criteria laid out in paragraph 6. This is important for safeguarding the risk-based approach and ensuring maximum mobilization of sustainable biomass. Mr Torvalds proposed similar text in his draft report.

	<i>countries that do not meet their national harvesting criteria.</i>	<i>level or that do not have management systems in place at the forest sourcing area, in line with the approach for biofuels, bioliquids and biomass fuels produced from agricultural biomass and the forest biomass sustainability criteria as laid out in Article 29, paragraph 6</i>	
AM 24 (associated recital 4) Article 3 – paragraph 3 <i>plans for timber and forest management</i>	3. Member States shall take measures to ensure that energy from biomass is produced in a way that minimises undue distortive effects on the biomass raw material market and harmful impacts on biodiversity. To that end , they shall take into account the waste hierarchy as set out in Article 4 of Directive 2008/98/EC and the cascading principle referred to in the third subparagraph. <i>They shall submit to the Commission plans for timber and forest management. The Commission then assesses and validates the plans.</i>	3. Member States shall take measures to ensure that energy from biomass is produced in a way that minimises undue distortive effects on the biomass raw material market and harmful impacts on biodiversity. To that end , they shall take into account the waste hierarchy as set out in Article 4 of Directive 2008/98/EC and the cascading principle referred to in the third subparagraph. <i>They shall submit to the Commission plans for timber and forest management. The Commission then assesses and validates the plans.</i>	Oversight over bioenergy use, availability, promotion, impact and origin, among other things, is already well addressed within Integrated National Energy and Climate Plans (Art 20 Regulation 2018/1999), which are also assessed by the Commission. Timber and forest management plans will be an unwieldy tool for oversight on bioenergy use. Timber plans in particular will be driven by the need to provide high-value fibre to markets such as construction, not the low-value bioenergy market. This could make compliance unnecessarily complicated.
AM 26 Article 3 – paragraph 3 – paragraph 3 – subparagraph 3	<i>No later than one year after [the entry into force of this amending Directive], the Commission shall adopt a delegated act in accordance with Article 35 on how to apply the cascading principle for biomass, in</i>	<i>Deleted</i>	We support Mr Pieper’s (and Mr Torvalds’ AM20) deletion. We fully support the principle of cascading, but no legislation should be introduced on cascading use since it can inhibit innovations and optimal use of wood, and in the worst case interfere with sustainable forest management: <ul style="list-style-type: none"> Existing forestry markets already ensure that the biomass sector only uses lower-quality wood

	<p><i>particular on how to minimise the use of quality roundwood for energy production, with a focus on support schemes and with due regard to national specificities.</i></p>		<p>fiber, that does not meet the specification for quality roundwood used in solid wood products. High quality wood fibre (used in, for example, furniture and construction) is often ten times more expensive than fibre used for bioenergy.</p> <ul style="list-style-type: none"> • Forests vary dramatically from location to location and the market is highly complex, making a ‘one-size-fits-all’ approach inappropriate and impossible to implement <p>The 2021 JRC report on biomass stated on previous failed attempts to implement cascading into legislation, “that the risk would have been to complicate compliance without necessarily fostering further sustainability or biodiversity conservation” (p91). In short, it would mean less available sustainable biomass with no impact on – and possibly damage to - the desired positive outcomes.</p>
<p>AM 68</p> <p>Article 29, para 6, first sub para, point a, iv</p> <p>and</p> <p>Article 29, para 6, first sub para, point b, iv</p> <p>Avoiding negative impacts</p>	<p>that harvesting is carried out considering maintenance of soil quality and biodiversity with the aim of minimizing negative impacts; <i>in a way that avoids harvesting of stumps and roots, degradation of primary forests or their conversion into plantation forests, and harvesting on vulnerable soils; minimizes large clear-cuts and ensures locally appropriate thresholds for deadwood extraction and requirements to use logging systems that</i></p>	<p>that harvesting is carried out considering maintenance of soil quality and biodiversity with the aim of minimizing negative impacts;</p>	<p>We support Mr Pieper’s amendment. Too detailed legislation increases the risk that it will be quickly outdated and does not sufficiently take into account the regional circumstances and legislative frameworks/structures.</p> <p>If there is a strong feeling that these issues require increased focus, an exemplary list is more suitable, as proposed by Mr Torvalds’ (AM32). to take into account national conditions and specific characteristics related to forest management, but not unnecessarily limiting options that achieve the same result.</p>

	<p><i>minimise impacts on soil quality, including soil compaction, and on biodiversity features and habitats;</i></p>		
--	---	--	--

Recommended Amendments to Commission Proposal

Article	COM proposal	Recommended amendment	Justification
<p>Article 1c</p> <p>Definition of ‘roundwood’</p>	<p>(1c) ‘<i>quality roundwood</i>’ means roundwood felled or otherwise harvested and removed, whose characteristics, such as species, dimensions, rectitude, and node density, make it suitable for <i>industrial use</i>, as defined and duly justified by Member States according to the relevant forest conditions. This does not include <i>pre-commercial</i> thinning operations or trees <i>extracted from forests</i> affected by fires, pests, diseases or damage due to abiotic factors.</p>	<p>(1c) ‘<i>high-value</i> roundwood’ means roundwood felled or otherwise harvested and removed, whose characteristics, such as species, dimensions, rectitude, and node density, make it suitable for <i>use in solid wood products</i>, as defined and duly justified by Member States according to the relevant forest conditions. This does not include thinning operations or trees extracted <i>that are damaged, misshapen, undersize, or otherwise</i> affected by fires, pests, diseases or damage due to abiotic factors.</p>	<p>Definitions must be globally applicable and reflect existing forestry practices. This definition should be improved to ensure that it is workable and does lead to the unnecessary exclusion of sustainable biomass or entire feedstocks due to administrative burden.</p> <ul style="list-style-type: none"> ▪ ‘high-value’ rather than ‘quality’ is more consistent with forestry practices, and is simpler to implement given that price data is readily-available and verifiable. ▪ ‘Solid wood products’ are higher value than wood used for biomass. The term is widely recognized and implementable whereas ‘industrial use’ is ambiguous. ▪ ‘Pre-commercial’ is problematic term. Its traditional meaning is ‘pre-sawtimber market’, but thinnings by definition are done prior to a sawtimber harvest, so ‘pre-commercial’ is not needed. ▪ Thinnings are often a necessary forest management technique if stands are to produce sawlogs which can be used in long-lived solid wood products. The material produced from these thinnings should be used in biomass and not discarded. ▪ Damaged, misshapen and undersized trees should not be considered ‘quality roundwood’ as they are unusable in products such as furniture and

			<p>construction. Without bioenergy a market for lower-value wood that has no other market it would be discarded or burned onsite.</p>
<p>Article 3, Paragraph 3(b)</p> <p>Power-only subsidy restrictions that lock in fossil fuels for a generation</p>	<p>From 31 December 2026 , and without prejudice to the obligations in the first subparagraph, Member States shall grant no support to the production of electricity from forest biomass in electricity-only-installations, unless such electricity meets at least one of the following conditions:</p> <p>(i) it is produced in a region identified in a territorial just transition plan approved by the European Commission, in accordance with Regulation (EU) 2021/... of the European Parliament and the Council establishing the Just Transition Fund due to its reliance on solid fossil fuels, and meets the relevant requirements set in Article 29(11);</p> <p>(ii) it is produced in a facility applying Biomass CO2 Capture and Storage and meets the requirements set in Article 29(11), second subparagraph.</p>	<p>From 31 December 2030, without prejudice to the obligations in the first subparagraph, Member States shall grant no new support to the production of electricity from forest biomass in electricity-only-installations, unless such electricity meets at least one of the following conditions:</p> <p>i. it is produced in a region identified in a territorial just transition plan approved by the European Commission, in accordance with Regulation (EU) 2021/... of the European Parliament and the Council establishing the Just Transition Fund due to its reliance on solid fossil fuels, and meets the relevant requirements set in Article 29(11);</p> <p>ii. it is produced in a facility that has undertaken an assessment to prove its readiness for application of Biomass CO2 Capture and Storage and meets the requirements set in Article</p>	<p>The Fit for 55 package is designed to deliver 2030 goals, phasing out power-only subsidies before then is illogical. Further the package is expected to set a policy framework that can then deliver for 2050. This proposal gives the impression to investors and practitioners that the EU will pull back on support for bioenergy by 2026, despite the fact that the EU’s own scenarios indicate that sustainable biomass use will ‘significantly’ increase after 2030 (p141 REDIII impact assessment).</p> <p>Sustainable biomass remains one of the only scalable renewable, affordable, and dispatchable power sources. Further, there are unintended consequences of this proposed phase-out as it is currently worded.</p> <p>Whilst proven, BECCS technology is not yet operating at scale across Europe, therefore, if funding is only provided to plants with operational BECCS solutions already in place, it will make it almost impossible for plants that could feasibly use BECCS at a later date than 2027 to remain operational. Bearing in mind it is considerable cheaper to retrofit BECCS to an existing plant than build from new this intervention will merely add costs when it comes to rolling out the negative emissions technologies</p> <p>Security of supply must also be considered. As written, this Article creates the perverse situation where state support can be provided to a gas power plant (i.e. through a capacity remuneration mechanism), but not a biomass conversion or new build. Even if gas was an acceptable route to security of supply there are some</p>

		<p>29(11), second subparagraph.</p> <p>iii. <i>(new) it is produced in a facility which is part of a support scheme that is designed to remove the risk of security of supply, and meets the relevant requirements set in Article 29(11).</i></p>	<p>regions that are coal dependent and do not have the infrastructure to switch to gas such as in Northern Poland or certain facilities Germany. This, in turn, locks in fossil fuels for a generation.</p> <p>Further, these restrictions are not in keeping with the spirit, rationale, or philosophy of the Lisbon Treaty – which under section 176A protects Member States’ rights to determine their own energy mix. As confirmed by the 2020 EJC ruling on Hinkley Point C nuclear power station.</p>
<p>Article 3 – para 3 – subpara 4</p> <p>Further future limitations on support schemes that increase uncertainty</p>	<p>By 2026 the Commission shall present a report on the impact of the Member States’ support schemes for biomass, including on biodiversity and possible market distortions, <i>and will assess the possibility for further limitations regarding support schemes to forest biomass.</i></p>	<p>By 2026 the Commission shall present a report on the impact of the Member States’ support schemes for biomass, including on biodiversity and possible market distortions.</p>	<p>We support Mr Torvalds’ AM 21. Re-evaluations of the regulation increase uncertainty within the energy sector and increase investment risks while slowing down the promotion of renewable energy</p> <p>Further still, by already committing to assess “further limitations” the Article already presupposes the outcome of the review will be negative.</p> <p>Recent analysis shows a need to grow the use of sustainable biomass by up to 60% by 2030, and that, by 2050, its share of final energy consumption could be as high as 20%.</p>
<p>Article 22a.1 subpara 3</p> <p>Biomass restricted in supporting hydrogen economy</p>	<p>... Member States shall ensure that the contribution of renewable fuels <i>of non-biological origin</i> used for final energy and non-energy purposes shall be 50 % of the hydrogen used for final energy and non-energy purposes in industry by 2030. For the calculation of that percentage, the following rules shall apply.</p>	<p>... Member States shall ensure that the contribution of renewable fuels used for final energy and non-energy purposes shall be 50 % of the hydrogen used for final energy and non-energy purposes in industry by 2030. For the calculation of that percentage, the following rules shall apply.</p>	<p>This would allow for both biological and non-biological sources to contribute to the 50% hydrogen use target. Member States are then free to incentivize the lowest cost method or best method for particular circumstances.</p> <p>In the Industrial sector alone 70MT of fossil Hydrogen needs displacing. Biomass is renewable providing it meets the efficiency and sustainability requirements within the RED, it is therefore not appropriate to restrict</p>

			<p>its use. Due to the scale of renewable hydrogen required all options should qualify.</p> <p>Hydrogen produced directly from biomass, either via pyrolysis or gasification, can be one of the most efficient uses of resource due to the production of other useful outputs. Further still, biomass power can be used to create hydrogen through electrolysis at times when it is not needed to balance wind or solar on the grid. The production of Hydrogen from a BECCS plant could even produce ‘negative emissions Hydrogen’. These options should not prematurely be taken off the table.</p>
<p>Article 29 – paragraph 3 – subparagraph 1a and 2a</p> <p>Extension of agricultural no go areas to include biomass should be dealt with under para 6</p>	<p><i>This paragraph, with the exception of point (c), also applies to biofuels, bioliquids and biomass fuels produced from forest biomass.</i></p>	<p><i>Delete, move to Article 29, para 6:</i></p> <p><i>New: 6a (vi)</i></p> <p><i>“that primary forests are protected”</i></p> <p><i>New: 6b (vi):</i></p> <p><i>“that primary forests are protected such that evidence is provided that the harvesting of raw material does not interfere with their nature protection purposes”</i></p>	<p>Blanket bans which do not consider regionally-specific factors are poor policy tools, which will not result in good climate outcomes and will instead lead to unintended consequences.</p> <p>Considerations on all no-go areas should be addressed under the specific sustainability criteria for forest biomass outlined in Article 29 para 6.</p> <p>It is not appropriate to simply transpose the (appropriate) no-go areas for agricultural biomass onto forest biomass as these areas would need to have been totally cleared or drained to make way to plant the agricultural crop. It is therefore more appropriate to link no-go areas under the existing forest biomass sustainability criteria, and therefore preserve the risk-based approach, and to include language in line with the other sustainability requirements, namely; “evidence is provided that the harvesting of raw material does not interfere with their nature protection purposes.”</p>

Recommended Amendments to Mr Torvalds MEP’s Draft Report

Article	Torvalds new AMs	Recommendation	Justification
<p>Torvalds new AM 13 (plus associated definitions AMs 9 and 10)</p> <p>Article 3 – paragraph 3 – subparagraph 2 – point a – point (-i) (new)</p> <p>Ban on subsidies for ‘primary biomass’</p>	<p>Torvalds text:</p> <p><i>(-i) primary biomass for forests</i></p>	<p>Reject</p>	<p>This amendment bans subsidies for so-called ‘Primary biomass’. This would result in the removal of support from some 37-51% of the forest biomass used for bioenergy today.</p> <p>While the JRC referenced prioritising residues and cascade use it did not differentiate between primary and secondary biomass. Further the same passage in the JRC report underlines that regulating feedstock categories in such a manner would risk complicating compliance without foresting further sustainability or biodiversity conservation. There is no empirical evidence that secondary biomass is underused and thus no need to distinguish the level of subsidy each feedstock receives.</p> <p>According to the JRC’s analysis of 16 scenarios examining pathways to climate neutrality by 2050 they found that bioenergy use would need to double by 2050 (especially in industry and transport). This amendment will reduce the ability for member states to incentivise its use and deliver this increase.</p> <p>The definitions for primary biomass proposed (AM 9 and 10) is impractically broad and includes a number of feedstock types (i.e tops and limbs, diseased wood etc.) that would otherwise have no use. If incentives for bioenergy use are removed it would lead to this wood fibre decomposing on the forest floor or being burnt to prepare for regeneration.</p>

<p>Torvalds new AM 34</p> <p>Article 29 – paragraph 7 a (new)</p> <p>and linked AMs 1, 16, 18, 19</p> <p>National caps</p>	<p><i>“7a. Biofuels, bioliquids and biomass fuels produced from forest biomass shall not exceed the cap defined at national level for the use of forest biomass that is consistent with the Member State’s targets on carbon sink growth as defined in the revised Regulation 2018/841. By 1 January 2026, the Commission shall adopt a legislative proposal establishing these maximal values for the use of forest biomass for energy purposes at Member State level.”</i></p>	<p>Reject</p>	<p>A cap is unnecessary and undesirable. It is not possible to ‘over-source’ biomass as it is protected against in the updated LULUCF Regulation and sustainability criteria and LULUCF requirement in the RED.</p> <p>Forests are too dynamic for resource availability to be precisely projected into the distant future. For example, a cap would prevent the use of biomass from salvage logging due to unpredictable disease or other natural occurrences or the use of biomass produced from afforestation which was not planned at the time the cap was set.</p> <p>A similar dynamism exists in the energy transition. We do not precisely know which resources will be needed to reach climate-neutrality, more or less bioenergy could be needed than anticipated by the cap. For example, the amount of negative emissions required from Bioenergy Carbon Capture and Storage will vary depending on how successful the EU and other countries are in meeting their climate obligations.</p> <p>A national cap linked to Member State carbon sink growth does not take into consideration the important role of imports, either from within the EU or from outside the EU. This could in fact hamper the EU’s ambitions to be a global climate leader. For example, if caps were implemented according to each country’s energy needs/carbon sink level those countries developing technologies to produce advanced biofuels for global aviation would be unable to import the feedstock they require. As such the refining and exporting of (i.e.) sustainable aviation fuel would have to take place outside of the EU.</p>
---	---	----------------------	--



March 2022

			Further, no such limit exists for any other energy source – including coal, gas and oil – it runs counter to climate objectives that the use of renewable and sustainable resources would be capped before such a limit is placed on fossil fuels.
--	--	--	--