

NGO feedback re SE Presidency's non-paper on bioenergy sustainability - RED III

General comment

This is not a serious negotiation proposal. Sweden is refusing almost everything of substance the EP has proposed, and they're even demanding to undermine the Com's proposal itself while it was already insufficient. Surprisingly, nothing is suggested regarding the cap on the amount of energy that Member States can declare towards their national renewable energy targets, although this was probably the most salient aspect of the EP proposal.

Sweden's proposal seems designed to ensure that business as usual continues, in particular by bringing most EP proposals under the current sustainability criteria which we already know have failed to protect forests.

We comment under each specific provision (original text in italics).

The Presidency would firmly maintain the general approach on:

- Article 3(3) on the cascading principle establishing that woody biomass should be used according to its highest economic and environmental added value, as well as derogations from this principle.

It is a positive development that Sweden proposes to keep the cascading principle, but the derogations proposed by the Council are rendering the principle's implementation largely ineffective.

- Article 29 on the harvesting criteria (line 290 and 292) and keeping the forest biomass elements on "no-go areas" under the risk-based approach (line 284b and 286b).

No go areas for forest biomass must be maintained outside Article 29.6, as Parliament and Commission both supported – this is really key for the fate of the primary and old growth forests, esp. in Northern Sweden and Finland but also Romania, Estonia... and imports from Russia, the USA, Canada where old forests are sometimes logged for pellets.

The so-called "risk-based approach" refers to the current criteria for the sustainable harvesting of forest biomass, and as complying with these criteria relies on legality, not outcomes, they have already been shown to fail protecting the climate or forests, particularly old-growth and carbon-rich forests that are often particularly targeted for biomass harvesting.

The "Sustainable Biomass Program" (SBP) is a voluntary certification scheme that has been widely adopted by the wood-pellet industry. Certification under this scheme will be accepted as evidence that biomass complies with the RED's sustainability criteria. However, the SPB does not contain any provisions that prohibit logging of old, carbon-rich forests, or any provisions that limit clearcutting and complete destruction of forests. The failure of this program to protect carbon-rich forests and the overall forest carbon sink was well-documented in a report back in 2017, even prior to the adoption of the RED II. The deficiencies were summarized in a table. All these deficiencies are important, but the failure to evaluate forest carbon losses is the most glaring example of why these criteria are not fit for purpose.

TABLE 1: HIGHLIGHTS OF THE SBP'S WEB OF LOOPHOLES FOR CARBON ACCOUNTING				
	REQUIRED YES/NO?	EXEMPTIONS	SCALE OF EXEMPTIONS	DO OTHER PROVISIONS FILL THE GAP?
All Source Forests/Feedstock are Evaluated?	No	Broadly defined forest "residues" —which includes certain categories of whole trees—are exempt from most accounting.	Potentially large or entire portions of feedstock.	Mostly no. BioGrace ²⁰ does not account for emissions from carbon stock changes.
Data is Specific to Source Forests and Actual Management?	No	Generic regional data likely used to estimate carbon footprints as part of BP risk assessments.	All of supply area/ feedstock.	No. BioGrace does not account for emissions from carbon stock changes.
Source Forests and Their Carbon Footprint Undergoes Third-Party Evaluation?	Cursory	Footprint of forests and feedstocks assessed by the BPs themselves, likely as part of broader risk assessments.	All of supply area/ feedstock.	No. Third-party SBP auditors to confirm BP's own carbon assessment methods. No SBP guidance for this aspect of audits.
All Forest Carbon Pools are Covered?	No	Forest carbon losses are ignored, except for fuel and energy use associated with management.	All of supply area/ feedstock.	No. BioGrace does not account for emissions from carbon stock changes.

Table 1. Summary of deficiencies of the SBP "risk-based" approach.

Nonetheless, despite these deficiencies, the concept of the "risk-based" approach was included in the RED II and now RED III as if it was meaningful.

Here are two recent examples of SBP risk-based certification that is allowing wholesale forest destruction to continue.

Estonia and Latvia: In Estonia and Latvia, all the big wood-pellet plants owned by Graanul Invest have been certified under the SBP program (full list of certified plants is at <https://sbp-cert.org/certifications/certificate-holders/>). The "supply base" of pellet production plants such as the one at Imavere, Jarva County, is listed as "Estonia, Latvia, Finland, Sweden, Russia, Lithuania, Norway, Poland (See <https://portal.sbp-cert.org/FileHandler.ashx?id=E7E1015F-26B8-4AAB-B6D8-2EBB61737865> page 5)" For Estonia, the supply base is the "whole country"; for Latvia, the supply base is "Northern Latvia." Yet both Estonia and Latvia have lost their forest carbon sinks, as shown by UNFCCC land sector reporting (Figure 1), and in Estonia, logging is occurring even in the oldest forests without limitation. This is nearly an inevitable consequence of the failure of the SBP risk-based approach to consider loss of forest carbon.

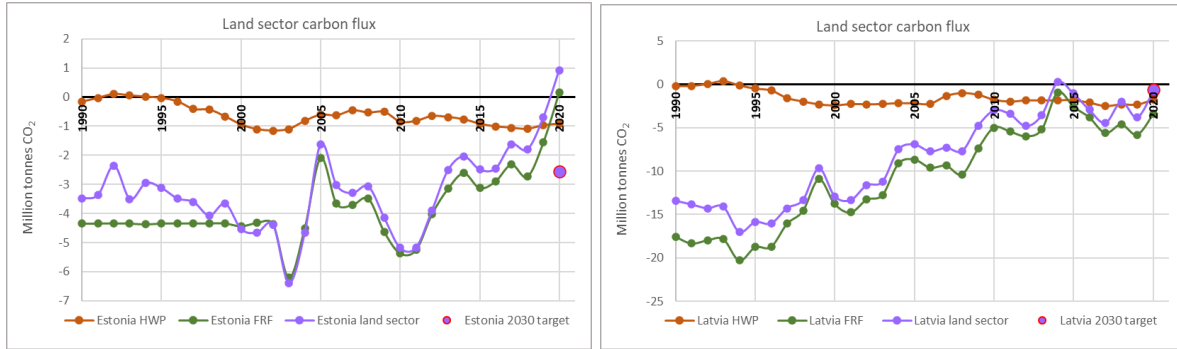


Figure 1. Land sector carbon flux for Estonia and Latvia showing recent loss of forest/land carbon sink. All pellet plants in both countries have been certified under the SBP. Wood harvesting for biomass and pellets has risen sharply in both countries and now constitutes more than half of forest harvesting.

Photos from the Imavere plant (Figure 2, from <https://forestdefenders.eu/biomass-photos/estonia-photo-library/>) show extensive use of stemwood as feedstock, not mill residues or forestry residues.



Figure 2. Harvested logs at Imavere Graanul Invest pellet plant in Jarva County, Estonia, April 28, 2018. Source: Almuth Ernsting, Credit: Biofuelwatch. Location: 58.728219, 25.758477.

British Columbia: The EU imports pellets from Canada. From looking at the SBP's list of certified plants, it is apparent that in BC, Canada, all the pellet production plants owned by Pinnacle/Drax are certified "sustainable" by the SBP program. Yet a recent [investigation](#) by the BBC found that plants such as the Pinnacle/Drax Meadowbank facility are utilizing trees from primary (never logged) forests and shipping some of the logs to sawmills, where they are converted to sawdust that is then shipped back to the pellet production facility. Photos taken at other plants (Figure 3) bear out the use of extremely large stemwood for pellet feedstock - all perfectly legal under the SBP certification scheme.



Figure 3. Cedar logs to be used for pellet feedstock, Pacific Bioenergy. This plant is no longer operating but was previously certified “sustainable” under the SPB program (https://sbp-cert.org/wp-content/uploads/2020/02/Supply-Base-Report-v1.3_First-Surveillance-Audit_Pacific-BioEnergy-FINAL.pdf).

The Presidency could envisage that the following elements may be explored within an overall agreement, and seeks the Delegations’ flexibilities on:

a) In Article 2, consider defining the primary woody biomass as limited to quality roundwood, while applying the same derogations as in the general approach for the cascading principle;

Narrowing the primary woody biomass exclusion to an equivalent of “quality roundwood” with thinning, fire, sanitary cuts loopholes added would mean gutting the EP proposal entirely, this cannot be a decent negotiation basis (“quality roundwood” by definition is not burned as it as superior commercial value as timber, and in addition “quality” is a subjective concept, defined by the user, making implementation largely impossible)

b) Consider introducing an implementing act to specify the Council’s derogations on the cascading principle in Article 3(3), on the condition that the framing of the implementing act is sufficiently narrowed down, and it does not negatively affect the scope of the derogations;

See above.

c) Consider introducing a requirement for MS to report in their NECP measures taken to ensure the application of the cascading principle;

It is essential to keep the concept of a LULUCF targets-based cap on the amount of energy from forest biomass MS can count towards their renewables targets. What Sweden proposes instead here is almost nonsensical in comparison.

- *“d) Consider to not allow for any financial support to primary woody biomass used in for electricity-only installations, i.e. without the exceptions that apply for other forest biomass in those installations (line 98), in combination with a phasing-out provision;”*

On this one, the SE presidency is proposing something potentially even weaker than the Council’s general approach, which, like COM and EP, referred to limiting support to electricity-only plants using forest biomass as a whole, not just primary woody biomass (a definition that contains a number of serious loopholes that currently constitute around half the wood harvested in many member states).

Phasing out financial support to electricity production is important obviously because it is a very inefficient process for which there are better, cleaner and cheaper alternatives like solar and wind. Phasing out support for electricity generated by burning forest biomass, specifically, is important because the loophole-ridden definition of primary woody biomass leaves many categories of forest biomass still eligible to qualify for subsidies. This will serve as an incentive to characterise all wood burned in these facilities as belonging to those categories and will be ineffective in reducing the amount of wood burned.

COM’s proposal remains the least bad option here.

- *“e) Consider lowering the threshold for installations that need to verify sustainability (line 276);”*

We support the COM’s proposal of putting the threshold at 5MW

- *f) Consider the EP’s proposal for a threshold of 85% for GHG-reductions in installations producing electricity, heating and cooling, while maintaining the grandfathering clause according to the EP’s proposal and the General Approach (line 294 and 294a-d);*

The proposed increase, in this context, would only apply to new installations, so the proposed improvement would really be marginal

- *g) Consider the EP’s proposal to provide for an exception for financial support to electricity-only installations using biomass-CCS (line 100), and/or in existing installations where modifications are not possible (line 100a);*

We reject the EP's additional loopholes to ending financial support to electricity only installations

- *h) Consider accommodating EP's proposal regarding the outermost regions (line 294h).*

The EP proposal here would exempt in particular French Guyana, the only part of the Amazon rainforest on EU territory, from complying with any RED sustainability criteria. This is absolutely unacceptable, and other Member States should not accept this.