

Cabinet of Commissioner Kadri SIMSON - Minutes of VideoConference

VIDEOCONFERENCE CONCLUSIONS

Title	Meeting with Metsä Group on the revision of the Renewable Energy Directive
Date	11-11-2022
Participants	Ext : ██████████ (EU corporate affairs), ██████████ (Director, International) COM: Barbara Glowacka, ██████████
	Ares initial request : NA
	Disclosure authorization : <input checked="" type="checkbox"/> YES - <input type="checkbox"/> NO - <input type="checkbox"/> Partial (pls highlight unauthorized parts)
Issues raised & follow-up	<p>The meeting was held at the request of Metsä Group, a major Finnish forest company owned by some 100 000 private forest owners and a major producer (16%) and user of renewable energy in Finland.</p> <p>Metsä Group stressed its strong support for the principle of cascading use of woody biomass embodied in the COM proposal to review the RED II. Its business strategy is based on maximising the use of wood as a finite resource and it is active throughout the whole supply chain: from services to forest owners to manage forests, to logging and the use of logs for construction, to pulpwood and its side-streams (chemicals) and bioproducts (food packaging, healthcare and beauty).</p> <p>Metsä Group stressed its support for the Council General Approach which removes the proposed delegated act on cascading and defines the cascading principle in Article 3, with exceptions for wood that is not suitable for industrial use.</p> <p>Metsä Group also stressed that they understand and support the intention of the European Parliament when it comes to restricting the use of primary woody biomass for energy purposes, but have concerns about the method, which could have unintended consequences.</p> <p>If the definition of primary woody biomass is too wide (i.e. it comprises branches and tops and wood from pre-commercial thinnings), energy companies will use quality wood to fill the gap created, which is the opposite of what is being sought. COM asked if that scenario is the appropriate counterfactual given that there would also be provisions restricting the energy use of quality roundwood (cf. proposed ban on aid for the use of veneer and sawn logs for energy), but Metsä Group stressed that the risk would remain that energy companies would be looking for all firewood available given that their infrastructure is geared to using it.</p> <p>In view of the possibility that the EP proposed definition of primary woody biomass is the starting and/or key point the negotiations, Metsä Group presented drafting suggestions to the effect that wood from pre-commercial thinnings, branches and tree tops as renewable energy would be excluded from that definition. They consider that they have no other profitable uses than for energy. COM asked if that is so in view of developing innovative uses, including their own (e.g. textile fibres and bio-composites). Metsä Group indicated that there could be uses, but at a scale that is hardly relevant.</p> <p>One particular concern of Metsä Group concerns pulpwood; they consider that it should be recognised as quality roundwood that should not be used for energy and that state aid for its use as energy should be banned, as for veneer logs and sawlogs. This is because pulpwood is currently being burned in Finland and yet it has higher value material uses. This highlights, in their viewpoint, the need for rules on cascading.</p> <p>COM indicated that the EP amendment is not only motivated by the material vs energy use of woody biomass aspect, but also environmental considerations and asked Metsä Group to comment on the fact that some stakeholders in Finland link the carbon sink debit announced for 2022 to the fact that stemwood growth has decreased due to too intensive thinnings. Metsä Group indicated that branches and tree tops do not contribute to biodiversity and that it is smart to collect them. They stated that early</p>

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	<p>thinnings have a positive role for the carbon sink. COM noted that this is the subject matter of debate among scientist and stakeholders.</p> <p>COM asked Metsä Group whether it has the same position on the EP proposed cap on the primary woody biomass counting towards the renewable energy target, on the one hand, and the ban on aid to energy derived from primary woody biomass, on the other hand. Metsä Group indicated that the concern is with the cap, not with state aid which is very limited in Finland. Their above-mentioned proposed drafting suggestions reflect this position.</p>
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