



To the attention of:

Executive Vice-President Frans Timmermans, Commissioner Janusz Wojciechowski, Commissioner Virginijus Sinkevičius, Commissioner Kadri Simson, Commissioner Adina Vălean, Commissioner Thierry Breton, Commissioner Valdis Dombrovskis, Commissioner McGuinness

Heads of Cabinets of , Commissioner Janusz Wojciechowski, Commissioner Virginijus Sinkevičius, Commissioner Kadri Simson, Commissioner Adina Vălean, Commissioner Thierry Breton, Commissioner Valdis Dombrovskis, Commissioner McGuinness

Director-Generals of Directorate-Generals for Agriculture and Rural Development, Climate Action, Environment, Energy, Internal Market, Industry, Entrepreneurship and SMEs, Financial Stability, Financial Services and Capital Markets Union

Brussels, 22 October 2020

Subject: EU bioenergy sector concerns over the Taxonomy Delegated Act

Dear Commissioner,

We are contacting you on behalf of Bioenergy Europe, the association representing the EU bioenergy sector. With 160 members in 31 countries, our association brings together biomass suppliers, technology providers, heating and power generators, research centres and national associations.

EU is leader in providing bioenergy solutions: our sector generated a turnover of more than 60 billion EUR and provided more than 700 thousand jobs in the EU only in 2018.

As the Interservice consultation on the Taxonomy draft delegated act is ongoing we would like to voice our concern over 3 crucial points that, if not framed correctly may severely impact future investments in our sector, causing financial penalties, higher credit rates, or even administrative constraints leading to possible relocation. This at a time were the EU needs simple guideline to relaunch its economy in a sustainable way.

The existing legislative frameworks laid by the REDII and that will be implemented starting July 2021 constitutes a solid basis to guarantee sustainability of the sector. The inconsistency of metrics and thresholds of technical annex of the TEG report with the existing legislation should be rectified in the Delegated Act. In particular:

1) GHG emission saving threshold

The TEG report introduces an all-encompassing incremental 80% greenhouse gas emission reduction threshold. While the threshold is not in line with the one imposed by REDII, the conversion to grCO₂e/KWh is also problematic. It is indeed suggested that the 80% threshold would correspond to 100 grCO₂e/KWh "for ease of calculation". The report moves away from the conversion grid of REDII Fossil Fuel comparator and disregards specificities of the electricity, cogeneration and heating sectors. As for the biomass cogeneration sector, the technical annex refers to a power-to-heat ratio to draw an equivalence between the declining emissions intensity threshold set on the production of electricity and that which applies to production of heating/cooling. Yet this equivalence is missing from the technical annex and it is hence unclear how this important threshold will be calculated.

- **We therefore call on the European Commission to adopt the existing GHG emissions savings methodology in the Renewable Energy Directive recast and the same threshold applicable starting next year.**

2) Sustainability of the Biomass Feedstock

Sustainability of the biomass cannot be determined through a positive list. Annex IX A of REDII was designed with the precise aim of indicating feedstock for advanced biofuels and this prescription does not correspond to their sustainability. Rather, management practices, preservation carbon pools, of soil quality and biodiversity determine their sustainability. The Renewable Energy Directive provides the sector with a list of inclusive and efficient requirements.

- **Sustainability of Biomass Feedstock should be determined by compliance of the REDII criteria, as implemented in their member states.**

3) Whole tree concept

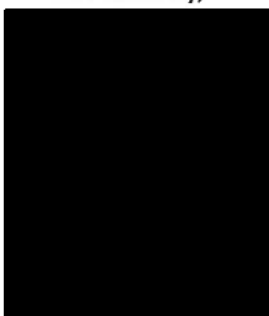
Starting with the Biodiversity Strategy for EU 2030, Commission's communications and public consultations have often stigmatised the practice of using whole trees for bioenergy, instead calling for a "transformative approach" aimed at minimising their use. We argue that such an arbitrary, physical criterion is not helping to ensure the sustainability of the biomass feedstock but rather risks generating adverse effects on both forest economics and environment. The designation "whole trees" is non-technical and largely used emotively. Whole trees do not correspond with sawlogs and timber used for added value purposes; the idea that to guarantee its sustainability bioenergy should not use these categories of feedstock is based on a misconception of forestry and wood markets. A sawlog (log suitable for sawing into lumber and processed in a sawmill) is not chosen solely based on its size and diameter but rather, its quality is determined by the absence of faults. In this sense, a whole tree can be of large diameter and good quality, or too small a diameter, or low-grade tree of poor quality. One should also note that at the time of logging it is not always possible to predict the quality of trees in question.

Markets are reliable and efficient mechanisms for allocating fit for purpose wood ensuring that high-quality logs are reserved for those items which demand the most longevity - such as timber and furniture. Conversely, biomass which is of the lowest quality is directed towards bioenergy. This system is well-established and attempting to over regulate this could very easily hamper its efficient nature. Finally, the European Union is a internal market where a free flow of goods and services should be promoted. Suppliers and users should be free to choose their trading partners. A forest owner or a sawmill owner should have the right to sell his wood or residues to whomever he wishes, and at the best price.

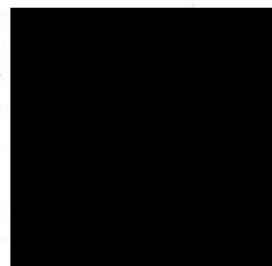
- **A further sustainability requirement with the potential to disrupt supply chains and based on a political compromise, such as the banning of use of "healthy whole trees" should be avoided.**

Please do take our request into consideration and do not hesitate to come back to us should you require more information.

Yours sincerely,



Bioenergy Europe



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