

BIOMASS UK POLICY PRIORITIES

Supplementary Note to REA submission to BEIS Call for Evidence

Provided by Biomass UK. Biomass UK is part of the REA – the Association for Renewable Energy & Clean Technology – representing the REA’s biomass power sector members.

Key priorities for the UK biomass industry are:

1. Continuity of the UK’s world-leading and highly effective Sustainability Criteria to support investment in the sector.
2. Recognition by government of the significant potential for expansion of sustainable biomass supply around the world.
3. Continued support for biomass power, especially in BECCS, but also supporting different forms of biomass power and BECCS.
4. Continued support for imports, whilst also supporting larger volumes of domestic feedstock production, which will benefit farmers and land managers.
5. Avoidance of interventionist policies such as a ‘best use hierarchy’ designed to dictate or influence allocation of feedstocks to particular sectors.

The UK should maintain its current world-leading Sustainability Criteria and avoid undermining investor confidence through major changes.

- **Robust and stringent:** The UK has some of the most robust and effective biomass sustainability criteria in the world, which operate at several levels and throughout the supply chain. This has added a layer of regulation and scrutiny, supporting high silviculture standards in catchment areas, even where bioenergy is a small part of the forestry sector. It goes beyond comparable frameworks, such as the EU’s REDII.
- **Effective:** The UK’s Sustainability Criteria have been effective, ensuring that forest stocks are not depleted. In the Southeastern USA, which supplied 63% of the wood pellets imported to the UK in 2019,¹ the relevant supplier forests have increased tree cover by 3% and forest inventories by 112% since 1953 (when USFS records began), indicating a larger carbon sink. This trend has continued in the past decade, during which around 3-4% of standing forest inventories were harvested for multiple industries, mainly timber. Of this harvested volume, around 4% typically goes towards pellet exports, meaning that around 0.1% of forest inventories are used for pellet production, compared to around 0.7-1% annual net growth (overall growth is around 4-5%).² Therefore the forests are increasing inventories year-on-year whilst also supplying multiple industries.

¹ <https://www.gov.uk/government/statistics/dukes-foreign-trade-statistics>

² https://www.forest2market.com/hubfs/2016_Website/Documents/20151119_Forest2Market_USSouthWood_SupplyTrends.pdf

- **Adaptable:** The UK's governance framework for biomass sustainability has evolved, responding to new evidence over time. Whilst the scientific fundamentals of sustainable biomass remain well-established, the regulatory system has shown its ability to move with scientific evidence.
- **Demonstrably good for the climate:** As the REA's Bioenergy Strategy (2019) showed, the UK's use of bioenergy, underpinned by the Sustainability Criteria, has shown demonstrable GHG savings of around 20MtCO₂e per year, or around 4% of annual emissions.
- **Stable and consistent:** Such consistency has been core to the success of the UK's supply chain relationships and should be maintained if we are to deliver BECCS and other emerging technologies that use biomass feedstocks. The UK's international supply chain is committed to its world-leading Sustainability Criteria, which are seen as the gold standard for other countries to follow.

The UK should be cautious about assuming overly conservative estimates of biomass availability which are neither apparent in the industry today or supported by different feedstock availability models.

- **In the UK:** Forestry commission statistics indicate significant potential for increased domestic resource, which is also supported by the National Farmers' Union and studies by the Energy Technologies Institute (ETI – now part of the Energy Systems Catapult). It estimates that England alone currently has 60-100m tonnes of 'overdue' timber that could be sustainably and beneficially harvested for uses such as construction and joinery, with residues used for bioenergy. The ETI's BVCM model estimated that 1.4MHa of land (around 7.5% of UK agricultural land) could sustainably be converted to bioenergy supply through energy crops, SRC and afforestation, making a large contribution towards emissions reductions.
- **Globally:** Based on detailed private assessments, we believe there is significant scope to scale up bioenergy supply within strict sustainability brackets. We encourage the UK Government to work with industry and academia to establish a working group to examine global availability. It is important that this does not rely on overly conservative estimates, which have been common in recent years. Instead, it should examine realistic models that reflect normal industry practice and the application of the UK's Sustainability Criteria.

The UK should build on the well-developed assets, supply chains and expertise already developed through the UK's investments to date in a world-leading bioenergy sector. This means there must be a plan to support bioenergy assets beyond the 2027 end of subsidies.

- **Cost-effectiveness:** The Government must protect bill-payers and tax-payers by avoiding trying to build BECCS from a 'standing start' in the late 2020s – it must build on the current bioenergy base.

- **A plan for BECCS:** We support the use of a power CfD, combined with a payment/incentive mechanism for negative carbon emissions, to enable largescale BECCS. However, we also encourage the UK Government to provide clear routes to market for smaller plant seeking to operate BECCS, especially retrofits. This would extend the life of the current fleet, much of which was supported by bill payers through subsidy mechanisms.
- **A plan for non-BECCS plant:** There should be a sensible trajectory for non-BECCS bioenergy plant, which can still offer significant efficiencies and GHG savings.

The UK should continue its support for sustainable biomass imports, which have been the foundation for the bioenergy sector's development and ability to scale, whilst also encouraging the development of domestic bioenergy feedstocks.

- **Market's role in allocating resource:** The market, operating under the IPCC's carbon accounting regime and a high carbon price together with continued Sustainability Criteria, should be permitted to allocate resources efficiently. This means drawing on international resources as well as boosting domestic feedstocks. The role of imported biomass needs to be recognised to meet the UK's future net zero energy demands. Domestic resource can be scaled up significantly, but cannot replace imports.
- **Interventionist hierarchy:** The UK should not adopt an 'interventionist hierarchy of best use' that attempts to tilt the wood fibre market in one direction or another on the supply side. This approach would likely create market inefficiencies and unintended consequences, such as creating unnecessary pressure on wood fibre supply in the UK. Instead, the Government should focus on demand-side best-use, such as supporting new technologies, converting existing plant, rewarding scale and efficiencies. Some supply-side incentives, such as environmental land management (ELMS – see below) can also form part of a positive, market-friendly framework.
- **Consistency is important:** Attempting to prevent imports of biomass would also undermine investor confidence in the sector, given that the UK has spent years developing a highly advanced international supply chain.
- **ELMS:** DEFRA should pursue its tree strategy in a way that recognises the value of bioenergy to farmers and landowners, as well as to the UK's GHG savings. This should include a role for bioenergy within ELMS, ensuring that energy crops are recognised and rewards for their multiple benefits, such as water management. The England Tree Strategy also includes elements, such as liberalised felling licences, that could be aligned with short rotation coppice, short rotation forestry and/or agroforestry. In addition, greater incentivisation and better management of forestry throughout the UK will likely lead to largescale feedstock availability. DEFRA and BEIS should explore these opportunities closely, as they may help to improve the productivity of UK farms. BEIS should also work with the devolved administrations, and the Scottish forestry sector in particular, to identify opportunities to connect Westminster energy policy with devolved competencies such as forestry.