

# European Market Developments: *Examining European Policy*

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Association for Renewable Energy and Clean Technology

**Bioenergy**  
EUROPE

#bepartofbioenergy



# About Bioenergy Europe



**Common voice** of European bioenergy since 1990



Unites **40+** national associations and around 150 companies



**Hosting the European Pellet Council (EPC)**



**Quality & Sustainability Certifications**

**Bioenergy**  
EUROPE

## Our Services to members:



**EU Policy Monitoring & Influence**



**Market Data**



**Visibility**



**Networking**



**Free & Discounted Events**

\*as of October 2023



## Academia



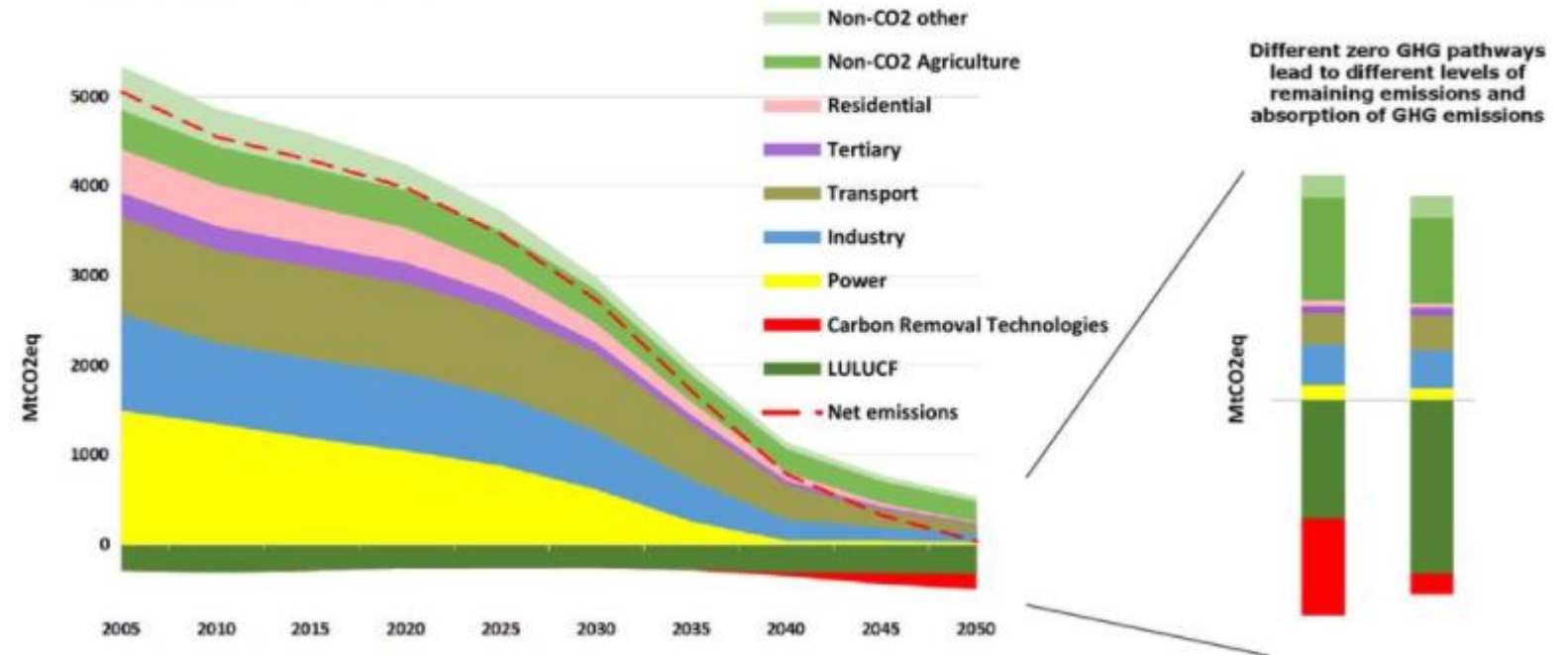




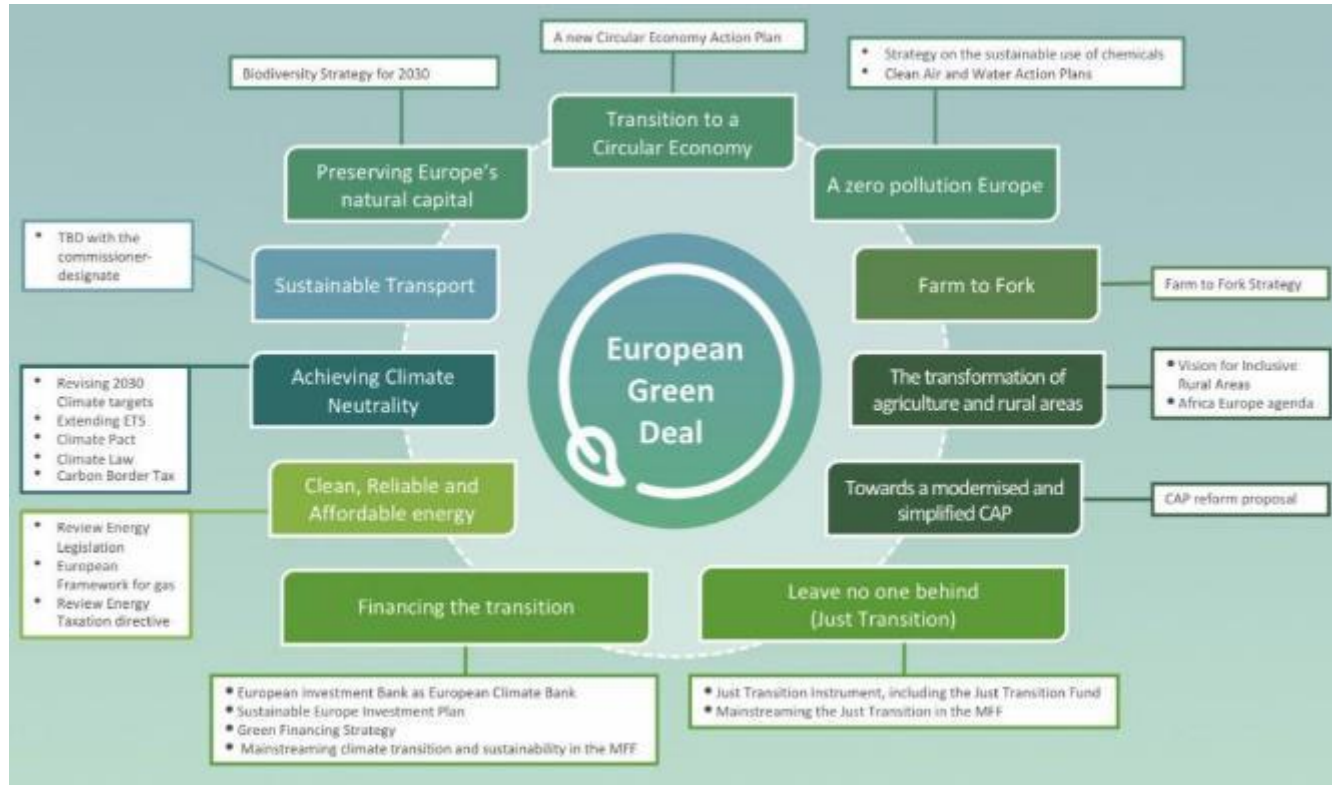
A goal of a healthier planet  
and net zero emissions

## Vision for a Clean Planet by 2050

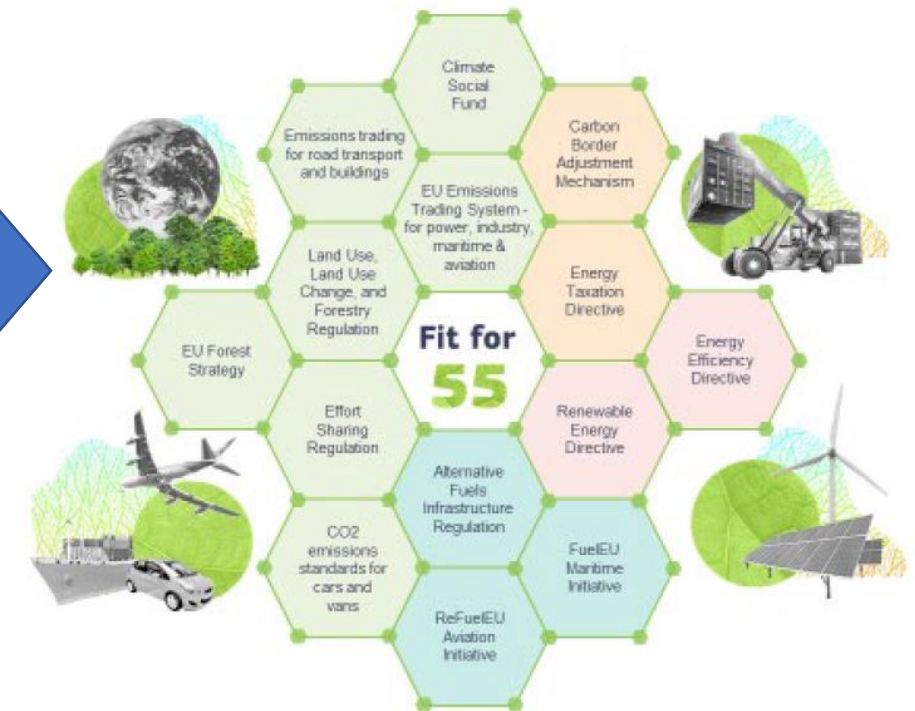
*Several pathways for a climate neutral Europe, challenging but feasible from technological, economic, environmental and social perspectives*



## GREEN DEAL: Reaching climate neutrality by 2050



Fit for 55 package: Adapt policies to reach -55% GHG by 2030 compared to 1990.



# Fit For 55 : Raising ambition



**EU Emission Trading Scheme – EU ETS** → CO<sub>2</sub> allowances reduction (62% in 2030 of 2005 levels), inclusion of transport & buildings *Published in Official Journal June 2023*

**Effort Sharing Regulation – ESR** → 40% reduction of 2005 levels *Published in Official Journal May 2023*



**Land use, forestry and agriculture - LULUCF** → Increased C sinks *Published in Official Journal April 2023*



**Renewable Energy Directive – RED III** → 42.5% RES, strengthened sustainability *Publication in Official Journal expected October or November 2023*

**Energy Efficiency Directive – EED** → 11.7% reduction in final energy consumption in 2030 *Trilogue deal March 2023*



**CO<sub>2</sub> emissions for cars/vans** → -55% by 2030, -100% by 2035 *Published in Official Journal April 2023*

**ReFuelEU Aviation Initiative** → SAF blending mandates 2% in 2025, 70% 2050 *Publication in Official Journal expected October or November 2023*

**FuelEU Maritime Initiative** → Limit GHG content of fuels *Published in Official Journal September 2023*



**Energy Taxation Directive – ETD** → Align taxation to targets *Ongoing*

**Carbon Border Adjustment Mechanism – CBAM** → C price on imports for some sectors *Published in Official Journal May 2023*

# Renewable Energy Directive

# RED EVOLUTION THROUGHOUT THE YEARS

- 1997: Energy for the future: RES indicative target of 12% by 2010.
- 2001: Directive on electricity from renewables: national indicative targets.
- 2003: Directive on biofuels: national targets.
- 2009: RED: EU target of 20% target by 2020 and national binding targets.
- 2018: RED II: 32% renewables by 2030, indicative targets.
- 2021: RED III proposal in Fit for 55 package: 40% renewables by 2030
- 2023: REDIII to be finalized, 42.5% renewables target by 2030



# Why are RED Sustainability criteria so important?



1. To be accounted for **RES-target** and **sectorial sub-targets**
2. To be eligible for **public financial support**
3. To be **zero-rated** in the **EU ETS system**



**Harvesting**  
requirements



**LULUCF**  
requirements



**GHG emissions savings**  
requirements

## EXEMPTIONS (in REDII)

- ▶ **Biomass fuels produced from waste and residues:** only GHG criteria and soil quality requirements for agricultural biomass apply
- ▶ **Small installations** below 20 MW for solid biomass fuels and 2 MW for gaseous biomass fuels of thermal capacity are exempted (but MS may set lower threshold)
- ▶ **Energy efficiency criteria** apply only to large-scale bioelectricity installations (above 50 MW)

## REDII Transposition Deadline

1. July 2021

Implementing Acts	Deadline
Operational Guidance on Forest Biomass Criteria, Article 29 (8) REDII (Passed 14. September 2022)	31. January 2021 (19-month delay)
Standards for voluntary schemes, Article 30 (8) REDII (Passed 10. March 2022)	30. June 2021 (8-month delay)
Recognition of Voluntary Schemes, Article 30 (3) (d) REDII (OJ 12. April 2022)	1. July 2021 (9-month delay)

## Adjustment to the MRR

In Article 38 of Implementing Regulation (EU) 2018/2066, the following paragraph 6 is added:

‘6. By way of derogation from paragraph 5, Member States may **consider as fulfilled the sustainability and greenhouse gas emissions saving criteria** referred to in that paragraph for biofuels, bioliquids and biomass fuels used for combustion from **1 January 2022 to 31 December 2022.**’

# Renewable Energy Directive (REDIII) Timeline



← Post



Markus Pieper  
@markuspieperMEP

#RED3 just reached agreement with Swedish Presidency: 42.5% binding renewable target by 2030. Faster approval processes. Biomass remains 100% renewable. Checking the definition of green hydrogen and much more. A good day for Europe's energy transition.

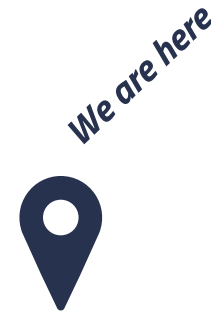
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14 July  
2021 EC  
REDIII  
Proposal

6 October  
2022  
First REDIII  
Trilogue

29 March  
2023  
Last REDIII  
Trilogue

9 October  
2023  
Council  
Adoption



December?  
2023  
Entry into  
Force

June? 2025  
Transposition  
Deadline (18  
months after EiF)

18 May 2022  
EC REPowerEU  
Proposal

6 October  
2022  
Emergency  
Measures  
Adopted  
(Expire June  
2024)

19 December  
2022  
REPowerEU  
added to  
REDIII  
Trilogue

12 September  
2023  
EP Plenary  
Adoption

November?  
2023  
Publication  
in Official  
Journal

1 July 2024  
Transposition  
Deadline for  
Emergency  
Measures

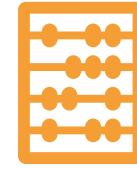


# REDIII: Main Changes



## **Ban on feedstocks**

(No new definitions, such as primary woody biomass, and no bans)



**Lower exemption threshold, covering smaller plants**  
(EP 7.5 MW thermal capacity)



**GHG emissions saving thresholds**  
(All installations will have to reach 80% with a grace-period for existing installations)



## **Cascading use of biomass**

(Regulated in the text, allows for exceptions)



## **No-Go areas:**

(Risk-based approach for A-level countries, strictly applied for B-level countries)



## **Ability to provide support**

(End of subsidies for IGR and stumps and roots, restrictions on new power-only using forest-biomass)



## **Details on SFM practices**

(stricter language, explicit references to clear cuts and deadwood extraction)



# EU Deforestation Regulation (EUDR)



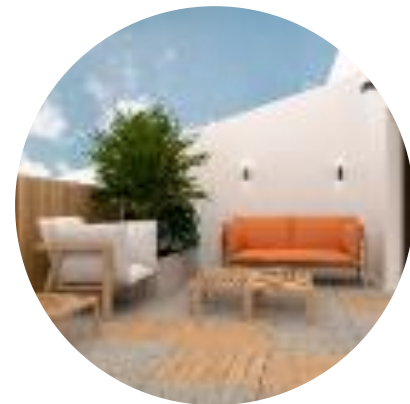
Law entered into force **29 June 2023**

Date for Compliance **24 December 2024 (25 May 2025 for SMEs)**

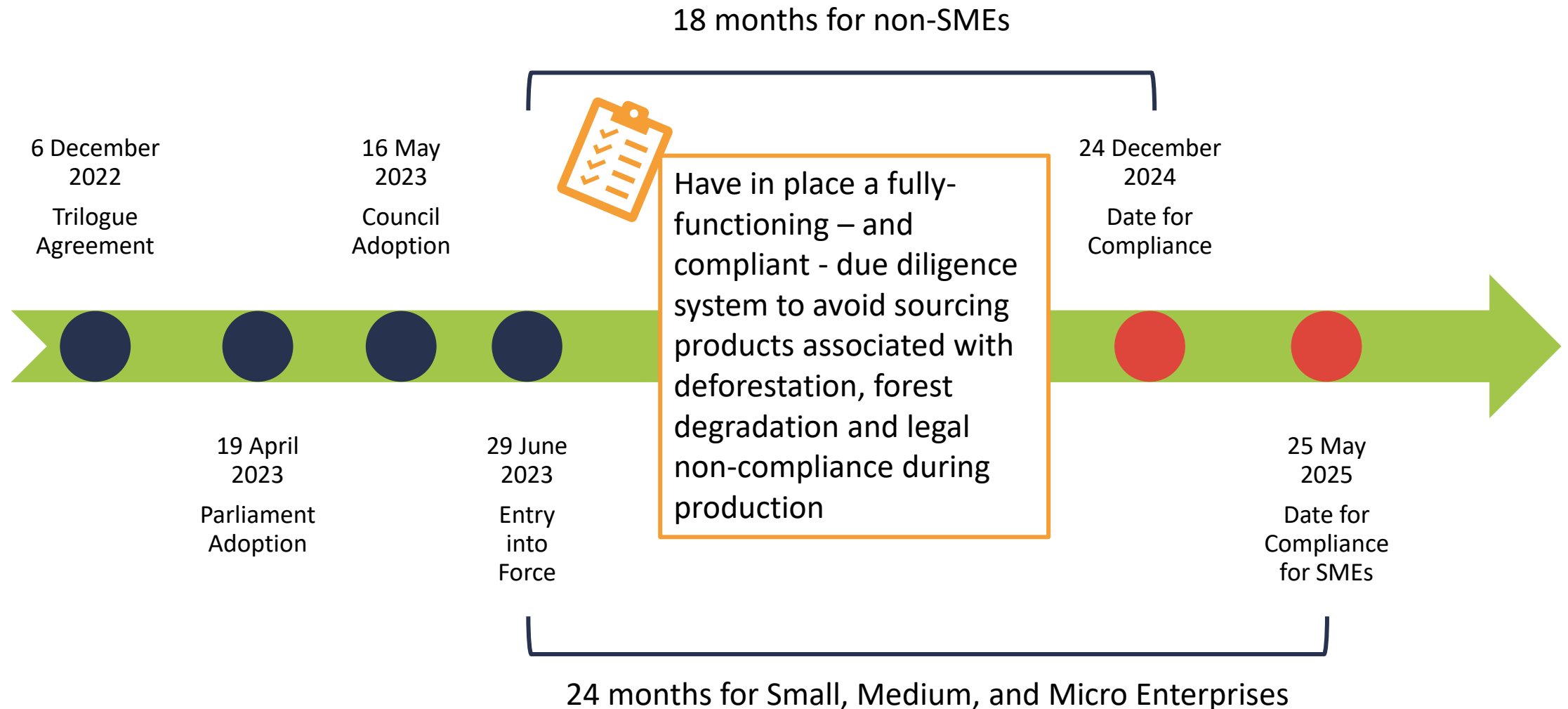
Requires Traceability, Reporting, Due Diligence

Many unanswered questions on implementation, non-compliance, and fines

Will not allow for mass balance systems common in sustainability certification



# Timeline for Implementation



# Differences between RED II and EUDR

<div> <div>Legislation</div> <div>Content</div> </div>	<div>REDII</div> <div>Renewable Energy Directive</div>	<div>EUDR</div> <div>European Deforestation Regulation</div>
Information	Possibility to use a Risk-Based Approach	Geolocation of origin, date and time range of production required
Certification	Certification establishes compliance	Certification not sufficient, only supports risk mitigation
Product Scope	All biomass; simplified criteria for waste & residues	Products – only waste excluded
Mass balance	Mass balance allowed	Mass balance not allowed – 100% of material must be compliant
Forest Management	Sustainable forest management practices required	Forest degradation & deforestation free no requirements for SFM practices
Actor Scope	Only applies to large facilities over 20 MW, 7.5 MW RED III	Applies to everyone on the EU market

# European Bioenergy Future

November 2023 at BluePoint Brussels  
28-29: Main conference 30: Technical sessions

Info and Registration:  
[www.bioenergyeurope.org/events/ebf2023](http://www.bioenergyeurope.org/events/ebf2023)

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2023**



# THANK YOU!



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