

D4.2

Long list of items reported by policy makers

1 Introduction

During the first policy maker workshop of the BioGrace-II project, and in bilateral meetings between project partners and policy makers, elements were identified that are important for member states when discussing harmonisation. This report lists the elements that were identified.

Such elements are closely related to the discussion on implementation of sustainability criteria. At the time the project plan was written in 2011 it was foreseen that the European Commission would come soon with a communication including a decision on whether or not to introduce binding sustainability criteria for electricity, heat and cooling from solid and gaseous biomass. However, the decision on whether or not to have binding criteria was postponed, and was only taken in July 2014 when the European Commission published a Staff Working Document¹.

As a consequence, the interest of policy makers to discuss harmonisation was lower than was hoped and anticipated for during the first two years of BioGrace-II project (April 2012 – summer 2014). Policy makers that participated to the first policy maker workshop, on March 19, 2014, showed a clear interest to exchange information and discuss the desirability of binding criteria. However, the participants were not yet ready to discuss harmonisation, they just learned (in the weeks before or from the presentation by Giulio Volpi at the workshop) that there would not be binding criteria. The following text was included in the minutes of the first policy maker workshop:

Participants indicated that – due to the fact that we only know quite recently that there will not be binding criteria from the European Commission – it is too early for having discussions aimed at making decisions. Most member states are still studying the different options. As a result, there was no strong response to the discussion questions that were presented after the presentations in three of the four sessions held;

Although there were disagreements between member states regarding the implementation of sustainability criteria for solid/gaseous biomass, there was a general constructive attitude towards harmonisation of criteria;

The input as listed in chapter 2 of this document was obtained from policy makers in the period March 2014 to February 2015. This input is used to prepare the second policy maker workshop, to be held March 6, 2015 in Brussels.

¹: SWD(2014)259 final: "State of play on the sustainability of solid and gaseous biomass used for electricity, heating and cooling in the EU"

2 List of items (for harmonisation) reported by policy makers

This list is made from input that was given (a) on the first policy maker workshop (March 19, 2014); (b) meetings between project partners and policy makers; and (c) e-mail exchange between project partners and policy makers. Comments made at a meeting with Danish policy makers and stakeholders on February 16, 2015 in Copenhagen were added to the first draft of this document.

2.1 Policy makers would like the methodologies for biofuels/bioliquids and solid/gaseous biomass to be harmonised

Policy makers expressed that they would like the methodologies for biofuels/bioliquids and solid/gaseous biomass to be harmonised. This was discussed after the presentation by Giulio Volpi at the first policy maker workshop, and this was also mentioned by Dutch, Danish and UK policy makers in bilateral conversations and the February 16 meeting in Copenhagen.

Civil servants from the European Commission have indicated that the Commission aims at ensuring a consistent approach. However, it should be noted that the July 2014 staff working document (see footnote 1) does not contain formal decisions on the GHG methodology (it contains the sentence *"It should be noted that the definition of the GHG methodology is a policy choice which goes beyond the scope of this document"*).

As a result, it will be the update of RED Annex V in which political choices are to be made on some minor methodological elements that would cause the methodologies for biofuels/bioliquids and for solid/gaseous to be harmonised. The previous statement is correct as long as the member states follow the methodology as defined by the European Commission in the RED, COM(2010)11 and SWD(2014)259. As soon as member states decide to move away from the methodology as defined by the European Commission, harmonisation between "biofuels" and "solid biomass" as well as harmonisation between member states will probably be out of reach.

2.2 iLUC and carbon debt are topics that policy makers (plus stakeholders) discuss

iLUC and carbon debt are two topics that keep coming back when discussing solid biomass sustainability criteria and/or solid biomass GHG calculations. For instance, this topic was discussed at the first policy maker workshop (and will probably be discussed at the second policy maker workshop) although the item was not on the agenda (of both workshops). As it is not part of the BioGrace-II GHG calculation tool, we will leave these two topics undiscussed here.

2.3 European or national fossil fuel comparators?

The fossil fuel comparators as given in the July 2014 Staff Working Document were questioned by national policy makers, and some of them (during the first public workshop and also at the meeting in Denmark) questioned whether or not to use own (national) FFC's.

As a result, this seems to be an important question that policy makers from EU member states need to decide upon: will the FFC's from the SWD be used, or will FFC's be defined nationally with the disadvantage of moving away from harmonisation?

2.4 For complying with GHG sustainability criteria, can (disaggregated) default values be used?

This question was raised in conversations with Dutch and Danish policy makers. UK has already decided that specific "tiers" can be used, which is however not the same as the disaggregated default values as listed in the July 2014 JRC report that was published together with the Staff Working Document.

This is a harmonisation issue as, when this choice is not made in the same way in different member states, it might cause market distortion. This is because, for instance, GHG calculations using disaggregated default values for pellets produced outside Europe might cause that the wood pellets can only be shipped to countries that allow using these disaggregated default values. The result of disharmonisation on this topic might therefore well be that pellet producers that sell on the international market might in some cases (if the use of disaggregated default values leads to better results) want to make two different GHG calculations, one with disaggregated default values for either cultivation, processing and/or transport, and one with all actual values.

2.5 Classify materials either as (co-)product or as waste/residue

For making GHG calculations it matters how feedstock material and any material that is co-produced (during production of the biomass to be converted into electricity, heat and/or cooling) is classified. Materials that are classified as waste or residue do not bring any GHG emissions with them, whereas emissions are allocated to materials classified as (co-)products.

It is not the task of the BioGrace consortium to make decisions on whether a material is to be classified as a (co-)product or as a waste/residue. This is the task of national regulators that supervise the implementation of national sustainability criteria. When such decisions are not harmonised then the outcome of GHG calculations will be different in different member states.

2.6 If several GHG calculation tools are around, they should give the same result

This was mentioned by Dutch policy makers. It would be beneficial for the international market if the available tools would give the same outcome. Three tools are currently available and used to comply with sustainability criteria or (Wallonia) to receive a feed-in tariff: (1) the UK Solid and Gaseous Biomass Carbon Calculator; (2) the "Logiciel de calcul des certificats verts" in Wallonia (Belgium) and (3) the BioGrace-II GHG calculation tool.

2.7 Management of the BioGrace-II tool has to be stable

This is formally not a harmonisation issue, however, as it was told to be important by Danish policy makers and stakeholders it is included here. They commented that the management of the BioGrace-II

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tool has to be stable to ensure maintenance/service of the tool in case of EC updates. The background of this comment is that Denmark and The Netherlands are both considering to use the BioGrace-II GHG calculation tool for demonstrating compliance with national sustainability criteria.

3 Conclusion

From contacts with policy makers in the period March 2014 to February 2015 seven elements or “main topics” were identified that are important for member states when discussing harmonisation. These topics will be brought towards the policy maker workshop to be held on March 6, 2015 in Brussels.

BIOGRACE II

Harmonised Greenhouse Gas Calculations
for Electricity and Heat from Biomass

Align biofuel GHG emission calculations in Europe (BioGrace)

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