EUROPEAN PANEL FEDERATION
WOOD-BASED PANELS

European Commission
DG ENER

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EPF Feedback on the consultation on the Draft Implementing Regulation on establishing operational guidance on the evidence for demonstrating compliance with the sustainability criteria for forest biomass laid down in Article 29 of Directive (EU) 2018/2001

The European Panel Federation (EPF) welcomes the consultation on the Draft Implementing Regulation on establishing operational guidance on the evidence for demonstrating compliance with the sustainability criteria for forest biomass laid down in Article 29 of Directive (EU) 2018/2001. Article 29 is of the utmost importance as it requires from Member States to take due account of the principles of the circular economy and of the waste hierarchy established in Directive 2008/98/EC and to avoid unnecessary distortions of raw materials markets when developing support schemes for renewable energy.

The wood-based panels industry believes that the promotion of the use of renewables and the transition towards a decarbonised European energy sector are key to achieving the objectives of the Green Deal and ought to play a fundamental role in the post COVID-19 recovery. In this respect, EPF calls on the European Commission to consider the following points when establishing its proposal on the operational guidance on the evidence for demonstrating compliance with the sustainability criteria for forest biomass:

- The revision of the RED II and the Implementing Regulation should be in line with the principles of the circular economy, the waste hierarchy established in Directive 2008/98/EC and the carbon neutrality target;
- Key outcomes from RED II should not be lost, especially Recital 21 and the obligation on Member States to ensure that their support schemes do not create market distortions on raw material markets (including wood);
- The Implementing Regulation should guarantee the proper application of the cascade use of wood principle to ensure the long-life cycle carbon storage and that the recycling of waste is always the priority option;
- The Implementing Regulation should help establish well-functioning markets for wooden secondary raw materials before eventual end of life energy recovery to avoid further pressure on natural resources and distortive effects on markets for by-products, wastes or residues;
- The Implementing Regulation and the related revision of the Directive should focus on the full compliance with the sustainability criteria laid down in Article 29(2) to (7), the energy efficiency criteria and the greenhouse gas emissions criteria.

Therefore, EPF calls on the Commission to enhance the sustainability criteria by guaranteeing that given the priority of raw material use in line with the waste hierarchy, Member States must identify potential raw material market distortions and, if present, Member States must lower the 20 MW threshold for solid biomass.

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Moreover, EPF believes that Member States should, when identifying potential raw material market distortions, require applicants for biomass energy support to present a detailed supply plan for their woody biomass describing the type, quantities and origin of the material and an evaluation of any potential conflicts with existing users. In this plan, applicants should already provide as much information as possible showing that their supply plan will not cause any market distortion for the existing wood processing industry. During the evaluation of the application and the possible granting of support, the authority shall inform all potentially relevant stakeholders within the expected supply area of the bioenergy plant to provide comments. Given the uncertainties on the supply range, authorities shall always as a minimum inform National/European associations of wood by-products and wastes. Only biomass supply which clearly shows that no market distortion will be caused by granting of support, will be eligible for granting of support.

Support granting authorities shall take due account of any proof of existing materials and the expected socio-economic impact of granting the support to the biomass energy plant. During the entire supporting time and at the time of any application for renewal, support granting authorities shall require the supported operator to document the real origin and quality of the woody biomass at least once per year to verify that it matches with the supply plan used when granting the support. In case of any discrepancies, a consultation shall be launched when new materials from new origins are being used, and in the case of proof of market distortion to material users, the granting of support shall be re-evaluated and preferably stopped.

The wood-based panels industry believes that forest biomass eligible under the sustainability criteria laid down in Article 29 should be limited to the biomass types that have payback periods compatible with the Paris Agreement targets. Therefore, EPF calls on the Commission to consider the following concerning the definitions under Art.2:

- On the definition of 'primary biomass from forests' (Art. 2a), EPF believes it should be rephrased in order to refer only to residues from harvesting, with a limit well below 7cm diameter, that have no other possible material use and exclude whole trees;
- On the definition of 'secondary biomass from forests' (Art. 2b), residues should be restricted to on-site use for bioenergy only to respect the hierarchy of residues according to carbon life cycle analysis and reduce transport related emissions;
- Include a definition on 'residual forest biomass' meaning the biodegradable fraction of logging residues resulting from the management and harvesting of forests (stumps, roots, leaves, branches, treetops or logs below 7 cm diameter) excluding the woody material resulting from phytosanitary cuts, the woody material resulting from forest fires and the woody material resulting from protection measures against forest fires.

To avoid violation of the operational guidance to demonstrate compliance with the sustainability criteria, the proposed measures must reinforce, under Art.7, the control and inspection of the residual forest biomass supply by:

- Organising and maintaining data inventories that allow the sources of supply and consumption of the plants to be identified;

- Requiring and presenting an action plan for 5 years aiming at the long-term sustainability of the supply of the plants;
- Reporting annually on the supply of the plants and identifying, in particular, the quantity, nature and origin of the biomass consumed at the plant in the previous year;
- Auditing and monitoring procedures for forest biomass consumption by the competent public entities to be validated by the Commission.

Finally, it is essential that forest inventories provide up-to-date forecasts on future wood biomass availability given the increasing threats from pests, diseases and calamities. In order to ensure consistency between the different European policies impacting EU forests (Biodiversity Strategy, Renovation Wave Strategy, Bioeconomy Strategy, Renewable Energy Directive, LULUCF, etc), it is of the utmost importance to ensure that there is enough biomass for the whole European circular bioeconomy ecosystem especially if we want to turn the built environment into a carbon sink by using nature-based materials and reach climate neutrality by 2050.

EPF represents the manufacturers of wood-based panels being particleboard, dry process fibreboard (MDF), oriented strand board (OSB), hardboard, softboard and plywood. EPF has members in 32 European countries. The EU wood panel industry has a turnover of about 22 billion euro every year, creates over 100,000 jobs directly and counts more than 5,000 enterprises in Europe. The production of wood-based panels in the EU-28 (+EFTA) in 2019 was an estimated 59.2 million m³. www.europanels.org

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