Recommendations of the European Power Plant Suppliers for a new Renewable Energy Directive after 2020 (RED II)

10 February 2016

EPPSA welcomes the opportunity to submit the European Power Plant Suppliers' views on the European Commission consultation on the Renewable Energy Directive after 2020 (RED II).

The EU has set the political targets to reduce EU CO_2 emissions by 40% compared to 1990 and to have 27% of final energy consumption in the EU as a whole coming from renewable energy sources by 2030. One of the successful legislative instruments to achieve these targets has been the Renewable Energy Directive (RED).

However, to date the RED has omitted the possibility to deploy a stable renewable energy source that is not intermittent and capable of being part of the much-needed base load to stabilise the energy system: biomass. In the same way, the public consultation questionnaire seems to focus much on intermittent renewables, such as wind and solar power, and does not highlight biomass enough, which is a reliable 24/7 source for both power and heat generation.

Sustainably-harvested biomass is CO_2-neutral, which means that any primary fuel replaced by such biomass is reducing the CO_2 emission/kWh produced by a power plant. Overall, this improves the efficiency and flexibility of power generation, the security of energy supply, and reduces the dependence on fossil fuel imports, while maintaining affordable energy supply.

In the context of the post-2020 RED consultation, EPPSA calls on the European Commission to:

- **Support the use of sustainably harvested carbon-neutral biomass on an equal footing with other renewable energy sources**, such as wind and solar energy, for its potential to contribute to a clean, stable and resilient energy system in Europe. Biomass combustion has its merits in small, medium and large scale plants as well as both in biomass-only and co-combustion plants. Since the ultimate goal is the reduction of CO_2 emissions, supporting the use of biomass for power generation should be the goal. In addition, on a technical level, existing thermal power plants, which already present relatively lower operational costs, need little to no modification to use biomass. Producing electricity from biomass in existing installations is therefore cost-effective.
- **Ensure the sustainability of biomass supply chains through appropriate incentives and criteria**. This will help, for example, small-medium size installations to be supplied with local sustainably-harvested biomass and avoid transportation costs and biomass degradation, supporting overall an increased integration of biomass as a renewable energy source at local level.
- **Harmonise rules for the energy systems across Europe**. Harmonised rules in the EU will increase economies of scale and improve the cost-effectiveness of investments, which will

allow the European industry to develop and optimise cost-competitive technologies. This will also ensure a level playing field for a fair and undistorted competition for all technologies across Europe and help set a clear and stable framework for investments in low-carbon technologies.

- **Ensure fair and proper support facilitating the use of biomass for thermal power generation.** Evidence shows that some EU Member States only grant financial support and preferred grid feed-in to biomass combustion in smaller and/or biomass-only plants, whereas larger biomass co-combustion is not supported, let alone incentivised through the RED. Nor has the EU justified the discrepancy for the support of use of biomass compared to other renewable energy sources. The current situation in the EU with many fragmented, and short-term support schemes is not an incentive for investments (often medium to long-term based). Support schemes should be gradually harmonised across Europe and support all renewables in the same way to not distort the market and not favour one technology over another. This includes that, once a technology has matured, support schemes should be gradually reduced. Another consideration for the development of future incentive schemes should be the value of generation capacity of biomass (limited back-up capacity need) in comparison with weather-dependent, intermittent renewables (wind & solar, which need almost full back-up capacity).
- **Set balancing responsibilities for all energy generators** as soon as the technology has become mature. No exceptions should be given in order to make sure the grid can operate in a way that is as stable as possible.

EPPSA looks forward to continue collaborating with the European Commission, the other European institutions and the involved stakeholders to address existing and future challenges in the European energy system. This will ensure that the added value of European thermal power technologies – and their key enabling role in the transition to a low-carbon and competitive Europe – is appropriately recognised in a fair and balanced legislative framework.

EPPSA's contribution to the consultation on the post-2020 RED can be downloaded on our website.

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Disclaimer:
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EPPSA actively promotes awareness of the importance of flexible and efficient, state-of-the-art thermal power generation and its crucial contribution to ensuring a clean, secure, and affordable energy supply.

EPPSA believes increased investment in Research, Development and Demonstration is a key factor in driving EU competitiveness as well as ensuring an affordable low emission power supply.

Virtually all thermal power plants in the EU are built by members of EPPSA or equipped with their components, and provide around 50% of Europe's electricity. EPPSA members provide the most advanced thermal power technologies in the world.

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