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Reaction of the European Power Plant Suppliers to the ENVI Committee REDII Draft Opinion

EPPSA supports the EU’s energy targets for 2030 and beyond, as well as its ambition to become a global leader in renewable energy, including dispatchable renewable energy sources (RES) such as biomass or advanced bioenergy using renewable electricity as input. EPPSA also acknowledges the importance of renewable energy sources’ contributions to the environment through the reduction of greenhouse gas emissions and promotes energy production with high efficiency technology in the Renewable Energy Directive (COM(2016) 767 final/2).

EPPSA urges EU policy-makers to take the following recommendations into consideration when reviewing the Directive:

- **All energy from sustainable biomass must be treated equally**, independently of how the energy is harnessed.
- **Promote a technology neutral approach** rather than only selecting high efficiency cogeneration technology in achieving high efficiency. Allow European suppliers to continue developing low-carbon and cost-efficient technologies that ensure security of supply and support delivery to variable renewable energy providers.
- **Prevent overlaps by opting for already well-defined efficiency limit criteria.** For example, the LCP BREF Conclusions already include energy efficiency values for different technologies used in large combustion plants.
- **20 MW fuel capacity is a realistic size** for applying the bioenergy sustainability and GHG emissions saving criteria and should not be lowered.

With these key points in mind, EPPSA puts forward the following specific recommendations to be taken into account when reviewing the Directive:

Article 4: Financial support for electricity from RES

EC Proposal	EP Committees Amendments
	<ul style="list-style-type: none"> • ENVI AM 30: New paragraph, Art. 4.4(a) Member States shall ensure that no financial support is provided for the extraction of energy from incineration of municipal waste by 2021.
<p>EPPSA: RED II is not the appropriate place to define whether financial support for the incineration of MSW should be allowed or not.</p> <p><i>Justification:</i> There are more specific pieces of legislation where this could be addressed, if deemed necessary, such as within the Waste Framework Directive.</p>	

Article 7: Calculating the share of energy from RES

EC Proposal	EP Committees Amendments
<p>Art. 7.5: The Commission can adopt delegated acts...to amend the list of feedstocks in parts A and B of Annex IX... to add feedstocks, but not to remove them. Each delegated act shall be based on an</p>	<ul style="list-style-type: none"> • ENVI AM 31: The Commission can adopt delegated acts...to amend the list of feedstocks in parts A and B of Annex IX...to add or remove feedstocks and to add or revise the corresponding indirect emission

analysis of the latest scientific and technical progress, taking due account of the principles of the waste hierarchy established in Directive 2008/98/EC, in compliance with the Union sustainability criteria...	values in part Ba of Annex VIII. Each delegated act shall ... take due account of the principles of the waste hierarchy established in Directive 2008/98/EC, <u>the biomass cascading use principle and</u> the Union sustainability criteria...
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EPPSA: All energy from sustainable biomass must be treated equally. The biomass cascading principle should not be a part of this directive.

Justification:

Sustainable biomass reduces GHG emissions. By adding a second requirement (such as the cascading principle) the sustainability principle in the legislation is rendered inefficient, since waste based biomass does not need to meet the sustainability criteria.

Biomass is needed for power generation and material use. In an ideal world, the material use would be done first and then the power would be extracted, but in reality there are different drawbacks to this approach. Therefore, both options should be used in parallel. High efficient biomass combustion is hampered by a prior obligation of material use since when entering the waste stream biomass can be contaminated and therefore not be suitable anymore for combustion in high efficient electricity plants. By utilising sustainably harvested biomass in large scale power plants where heat cannot be used, higher electrical efficiencies can be achieved.

As such, dispatchable biomass will be increasingly required to stabilise the electricity system, while the cascading use principle hampers the achievement of a higher share of sustainable biomass in the electricity system.

Article 26: Sustainability and GHG emissions saving criteria for bioenergy

EC Proposal	EP Committees Amendments
<p>Art. 26.1(3): Biomass fuels must fulfil the sustainability and greenhouse gas emissions saving criteria only if used in installations producing electricity, heating and cooling or fuels with a fuel capacity equal to or exceeding <u>20 MW</u> in case of solid biomass fuels and with an electrical capacity equal to or exceeding 0.5 MW in case of gaseous biomass fuels</p>	<ul style="list-style-type: none"> • ENVI AM 54: Biomass fuels must fulfil the sustainability and greenhouse gas emissions saving criteria only if used in installations producing electricity, heating and cooling or fuels with a fuel capacity equal to or exceeding <u>1 MW</u>...

EPPSA: The proposed EC fuel capacity of 20MW is a realistic size and should not be lowered.

Justification:

Setting a fuel capacity of 1MW would result in excessive administrative burden for small and medium sized operators. This is particularly relevant considering that the vast majority of biomass is combusted in plants above 20MW. Following the European Biomass Association (AEBIOM), installations between 1 and 20 MW represent more than 80% of the total number of installations above 1 MW capacity in Europe, but only about 25% of the wood volume consumed.

Article 26: Sustainability and GHG emissions saving criteria for bioenergy

EC Proposal	EP Committees Amendments
<p>Art. 26.8(1): Electricity from biomass fuels produced in installations with a fuel capacity equal to or exceeding 20 MW shall only be taken into account towards target counting or to receive financial support if it is produced applying high efficient cogeneration technology.</p>	<ul style="list-style-type: none"> • ENVI AM 66: Electricity from biomass fuels produced in installations with a fuel capacity equal to or exceeding 1 MW shall only be taken into account towards target counting or to receive financial support if it is produced applying high efficient cogeneration technology <u>achieving a conversion efficiency of at least 85 % and if it is produced without the use of fossil fuels</u>
<p>EPPSA: The proposed EC fuel capacity of 20MW is a realistic size and should not be lowered (see EPPSA reasoning for Article 26.1(3)).</p> <p>Additionally, instead of limiting Article 26.8(1) to high efficient cogeneration achieving a conversion efficiency of at least 85 %, utilise already well-defined efficiency limit criteria.</p> <p><i>Justification:</i> High efficient technology is developed as a result of technological progress. High efficient cogeneration is one of those means. However, there are other high efficient technologies, (e.g. combining material production such a paper or pulp with energy generation) also available in the market or currently being developed. Those technologies take into account fuel properties and local conditions as well as cross-sectorial synergies, which are ignored in the general requirement for high efficient cogeneration.</p> <p>Furthermore, high efficient cogeneration is only highly efficient when the heat is needed. This creates a bias within the EU, with some member states having a higher heat demand (Nordic and Continental climate) than others with no or less heat demand (Mediterranean climate), where cooling needs are in no way equivalent to the Nordic heating needs¹. If such cogeneration criteria is introduced, then a climate correction factor, as used in the Waste Framework Directive for Waste Incineration, must also be defined to establish a level playing field.</p> <p>The proposed amendment does not facilitate the achievement of a level playing field for different efficient technologies. Therefore, well established high efficiency criteria may be used instead, such as the LCP BREF Conclusions, which already include energy efficiency values for different technologies used in large combustion plants.</p> <p>1. Cooling demand, calculated in projects such as euroheatcool: https://ec.europa.eu/energy/intelligent/projects/en/projects/ecoheatcool</p>	

Recital 68

EC Proposal	EP Committees Amendments
<p>In order to exploit the full potential of biomass to contribute to the decarbonisation of the economy through its uses for materials and energy, the Union and the Member States should promote greater sustainable mobilisation of existing timber and agricultural resources and the development of new forestry and agriculture production systems.</p>	<ul style="list-style-type: none"> • ENVI AM 15: In order to exploit the full potential of biomass to contribute to the decarbonisation of the economy through its uses for materials and energy, the Union and the Member States should only promote energy uses from sustainable mobilisation of waste and residue resources from timber and agriculture.

EPPSA: One of the primary aims of REDII is to mobilise sustainable biomass, yet this amendment simultaneously aims to limit its use. This inconsistency with an overarching objective of the Directive is arbitrary and does not take into consideration other sources of sustainable biomass.

The European Power Plant Suppliers Association (EPPSA) is the voice, at European level, of companies supplying power plants, their components and related services. EPPSA members, located throughout Europe, represent a leading sector of technology with more than 100 000 highly-skilled employees.

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.

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.



Disclaimer:

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