



European Biomass Association



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## AEBIOM NEWSLETTER

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## Editorial



Use of biomass as an energy source has been growing faster than ever over the last two years, as EU member states and Europe's regions discover its inherent advantages and come round to its future potential. European legislation has of course played its part, with directives on RES-electricity and biofuels responsible for triggering a strong upward development.

AEBIOM is keeping pace with the situation by intensifying work in here Brussels, and as a first step Ms Edita Vagonyte has joined our team as our new European Affairs Manager.

The contents of this first electronic newsletter show that in the approaching autumn months many policy issues that are significant for our sector will be on the EU's agenda. The most important one seems to me the preparation of a directive on heating and cooling. It is our task at present to supply the Commission with sufficient information concerning biomass heating. The support

of our members in this is very welcome, as a close cooperation between our members and our office in Brussels will help to improve the framework conditions for the further development of biomass as an important European energy carrier.

Heinz Kopetz - chairman

## Aebiom news

### Renewable Energy House

Since February 2006 AEBIOM has been carrying out its activities from Renewable Energy House, in the company of 10 other renewable energy associations.

The concept of Renewable Energy House was born when Prince Laurent of Belgium proposed to EREC (coordinator of common renewable house activities) and its members the creation of a living renewable energy and energy efficiency showcase here in the heart of Brussels. The idea was to integrate a series of renewable energy and energy efficiency measures whilst preserving the 120-year-old building's structure.

For the first time in Brussels, a building of this age was refurbished so as to minimise energy consumption and to explore different methods for integrating renewable energy technologies, making it a 100% renewable energy building.

It is estimated that the implemented energy efficiency measures will reduce the annual energy consumption for heating, ventilation and air-conditioning by 50% compared to the similar building. 100% of the building's heating and cooling demands are provided by renewable energy sources such as biomass, wood pellets, geothermal heating and cooling, solar thermal heating and absorption cooling. The building features the latest PV technologies for the production of electricity and was equipped with a series of energy efficiency technologies (insulation of façade and roof, low emission, sunprotecting glazing, highly efficient lighting systems, and a ventilation system with heat recovery).

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### New European Affairs Manager

The European Biomass Association (AEBIOM) has a new European Affairs manager. Edita Vagonyte (vagonyte@aebiom.org) has been appointed to be in charge of the European Affairs and Communication divisions wi1 the Brussels office. She started work at Renewable Energy House on 14 June. Edita, who is 26 and from Lithuania, will reinforce our activities towards the EU institutions. Prior to joining AEBIOM, Edita gained experience as a trainee wi1 the European Commission.

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### AEBIOM newcomers

Last February 2 new member associations joined AEBIOM :

- Association of Lithuanian biofuel producers and suppliers - LBGTA, represented by Mr Remigijus Lapinskas. LBGTA was formed in the year 2003 and at present has 15 members, drawn from fuel, boilers, willow and biodiesel production companies, as well as 1 research centre. In 2006, bioheat covered about 12% of the heat distributed through the district heating .
- Serbian Biomass Renewable Energy Association - SERBIO, represented by Nikola Medic. SERBIO has members active in the field of biodiesel and pulp and paper production.

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## [AEBIOM - an associate member of Sustainable Energy Development campaign](#)

AEBIOM is joining the Sustainable Energy Development campaign, a program run by the European Commission in close partnership with renewable energy actors. Read more about the campaign in the Projects section of this newsletter.

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## [EU energy policy for renewables](#)

### [European Commission - what to expect on the legislative front?](#)

European institutions continue to work unceasingly on legislation as well as it's implementation related to bioenergy, with much relevant activity these last months on the part of the Commission, the European Parliament, and Council. EU legislation on renewable energy is impacting more and more on member states' (MS) policies, even if progress still depends very much on each one's political will. Here is a summary of current hot issues:

Following up the **Biomass Action Plan** adopted in December 2005, the Commission (in particular its Directorate General for Transport and Energy- DG TREN) is working on the implementation of the 31 precise measures outlined in the BAP to develop bioenergy. The encouragement given to the MS to establish national biomass action plans is of special importance for AEBIOM.

The Commission has adopted an **EU Forest Action Plan 2007-2011** on 15 June which is at present under public consultation<sup>1</sup>. The 18 different key actions proposed in the plan include promoting the use of forest biomass for energy, particularly by developing the pellet and wood chip markets. Information will be provided to forest owners regarding the potential for using low value timber, small-sized wood and forest residues. MS will have to assess the potential for wood and wood residues. It should be noted that a new unit (F6) has been created with DG Agriculture for bioenergy related issues.

Consultation by the Commission on the **biofuels directive** wound up on 10th July. The feedback, together with an impact assessment study, will help in the preparation of a progress report that should be presented before the end of the year. Several key concerns should be addressed like the objective (8% biofuels asked by the Council), market obligation versus voluntary measures, certification schemes to favour better performing biofuels, and a revision of the transportation fuels quality directive to better take biofuels into account.

A new **European Biofuels Technology Platform** was launched on 8 June in Brussels, initiated by DG Research to accelerate the deployment of biofuels. This activity is supported by the Biofuels Research Advisory Council (BIOFRAC) that has produced a report "Biofuels in the EU - Vision for 2030 and beyond"<sup>2</sup>. An objective of 25% transportation biofuels by 2030 is proposed as well as an analysis of the actual potential, a Strategic Research Agenda and a technology roadmap.

The Commission is presently working on a possible **initiative to promote heating and cooling** from renewable energy sources. An Impact Assessment study is currently underway and a public consultation<sup>3</sup> is ongoing to gather opinions and innovative ideas regarding the implementation and the impacts of different types of policies and measures that could be considered.

All renewables will be integrated in a **Renewable Energy Road Map** for 2020, expected by the end of 2006. The document could contain an objective for renewables (20% by 2020) as well as an assessment of several scenarios. Finally, all energy issues will be treated in a **Strategic EU Energy Review** that aims at developing a challenging but necessary future European energy policy.

The bioenergy community can be very satisfied about this reinforced legislative process. AEBIOM supports the

international conference "European Legislation to Promote Bioenergy" on 6-7 November, that offers companies and other stakeholders an exceptional opportunity to feel the (bio)heat in Brussels!

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## Parliamentary meeting on BAP

The European Parliament's Industry, Research and Energy Committee (ITRE) was discussing energy issues, in particular BAP and the Green Paper on Energy on 13 June.

A German MEP, Mr. Langen prepared a report on BAP. He mainly concentrated his attention on biofuels and to a lesser extent on biomass for heating.

Speaking to the committee he welcomed the Commission's work on BAP and stressed that the market in this area has to be expanded at regional, national and European levels.

It is important, according to Mr Langen, to use biomass in all areas as it can help to reach greater energy autonomy - it will not solve all the problems but it can help.

"We need cooperation in the biofuels sector, a voluntary agreement to get rid of technical and other barriers" said Mr Langen. He noted that biofuels are a sensitive product and should be exempted from custom duties. Other notable points he and other MEPs made were that:

- He mentioned that it is worth promoting second generation biofuels as the energy balance sheets of first generation biofuels are unconvincing whereas the results of second generation biofuels are more visible.
- There was criticism of legislation setting the limit of 5% for ethanol, on the basis that in some parts of the USA it is already being used at a rate of 15%.
- Incentives are needed to increase the use of biofuels. Moreover, latest research on ethanol showed that there are better effects in terms of CO<sub>2</sub> than expected.
- Langen underlined that we should give more attention to biogas. EU consumers would like to buy cars that use biogas but filling stations are scarce (a 100 km drive to find a gas station would not be a saving).
- Following the example of Austria, we have to develop the incentives for households to use pellets.
- As for burning of cereals - it is a controversial area but should be taken into account. This issue received a comment that we have to make sure first that we have the food in our pan and not only for biofuels.
- Biomass use should be facilitated as regards member states. MS should produce national BAP to increase the overall target. For the moment, it is only Germany and Sweden that meet the target of 5.5 %.

Mr Langen's report will be discussed and amendments proposed during the next ITRE committee meeting to be held next month.

[Read the report of Mr Langen on BAP](#) [Top](#)

## Green Paper - placing energy at the heart of EU activities

The Green Paper on Energy published by the European Commission in March 2006 was recently under discussion and consultation in both the European Parliament and the European Commission.

The Green Paper contains 20 concrete suggestions for possible new action. Six priority areas were identified, which were as follows: creation of an **internal energy market**; **solidarity** between member states in case of potential supply disruption; sustainable, efficient and **diverse energy mix** to ensure the security of supply whilst respecting the right of Member States to make their own energy choices; measures on efficiency and energy savings in order to reduce CO<sub>2</sub> emissions; a strategic **energy technology plan** in order to ensure that European industries are world leaders in this new generation of technologies and processes; a common external energy policy so that the EU can speak in one voice when it faces the challenges of growing demand, high and volatile energy prices, increasing import dependency and climate change.

The European Parliament (ITRE committee) has discussed this matter during its previous two meetings. The most recent meeting saw a hearing on the Green Paper, whilst a meeting on 13 July featured the presentation of a report by MEP Mrs Eluned Morgan, in which she expresses disappointment at the lack of proposed measures to encourage energy efficiency in the transport sector, requests clarification on the success or failure of the current system of voluntary agreements with the motor industry, and encourages the

development and use of hybrid cars which are not currently being manufactured by EU companies.

During the hearing it was agreed that increasing investment is necessary to change existing infrastructure in Europe, but that this requires the completion of a fully integrated market and a true market for power and gas with a stable regulatory framework to support and promote new investment. Also, it was underlined that consumers should not be forgotten as they have to act and make policies work. The EU role would be to give them the necessary tools. Consumer protection should be considered seriously otherwise it would fail as it did in the UK where gas prices are more than 30% higher than in France or Germany. Greenpeace stressed that environmental issues were not given sufficient amount of attention as every action on energy has an effect on environment. Renewables and energy efficiency need to be the two centrepieces of new and strengthened policies to be adopted soon. Also it was regretted that transport wasn't given enough attention as two thirds of oil consumption in the EU is caused by transport.

The Commission concluded the debate saying that it would carry out a new strategic energy review to finally map Europe on the world energy map as well as a market review.

Also, the Commission held a hearing on the Green Paper on 22 September, while a consultation on it closed on 24 September.

[Read the report by an MEP E. Morgan on the Green paper Top](#)

## AEBIOM position on EU Energy Policy

### AEBIOM position paper on Biomass Action Plan (BAP)

AEBIOM has issued a position paper on Biomass Action Plan (BAP).

AEBIOM supports the overall content of BAP, but 1ks that the goal to increase the share of renewable energy sources in the EU to 12% and the share of biofuels in the market to 5.75% by 2010 is very ambitious. In the past the annual bioenergy growth rate was about 3 Mtoe, while in the future, according to the Biomass Action Plan (BAP), the growth rate should be from 10 to 11 Mtoe per year. Obviously this goal can only be reached with new economic and political instruments.

AEBIOM highlights that efficiency should not be forgotten when taking decisions related to biomass use. That is, the EU has to make sure not to use technology with a low efficiency rate - the lowest can be as low as 25% whereas the highest about 90%. AEBIOM 1ks that electricity production from biomass should always be combined with the production of heat as it helps to increase the efficiency by at least 30%. Also, rather than focusing on primary energy, BAP should set the targets on final energy instead and in this way ensure efficient biomass use. It is very important not to waste bioenergy as its resources are becoming scarce.

Concerning National Action Plans, AEBIOM suggests that the European Commission should avoid setting targets for biomass use for each member state as the potential differs from country to country.

The additional production of 80 Mtoe of biomass, as indicated in the BAP, requires the increased use of by-products from agriculture and forestry, the increased use of organic waste and also the cultivation of energy crops. It means that wood from the European forests is not sufficient and there is a need to promote new dedicated crops such as miscanthus, willows, poplars etc which looks like a difficult task as these are very new to the farmers and do not guarantee income to them for the first couple of years after planting.

[Read the full document Send your comments Top](#)

### AEBIOM position paper on the review of the Biofuels Directive

Until 10th June, the Commission was consulting various stakeholders over the biofuels directive with a view to making a progress report on the state of biofuels in the EU.

The European Union biofuels directive was adopted in May 2003. In order to prepare a proposal to amend it, the Commission needs to make a progress report before the end of 2006.

AEBIOM submitted its comments on the biofuels directive where it has set out four main points which should be

considered when amending it:

Firstly, the development of biomass should not decrease the security of **food supply** to the European population. Secondly, priority should be given to those transformation chains where the **efficiency is the highest**. Thirdly, AEBIOM underlined the **efficiency of final energy/hectar** as the land has to be used as efficiently as possible. The last point made was that priority should be given to the **biomass** that comes from the **European Union** without excluding biomass from abroad.

AEBIOM proposed to use these concepts when setting national biomass action plans but leave the member states freedom to decide the partition between heat and electricity as the production possibilities differ from one country to another.

Besides this, AEBIOM urged the Commission to take into account the interdependency that exists between heat, electricity and transportation fuels. The interdependency of these sectors, when considered, could largely increase the efficiency of biomass use, which is at present limited (especially for wood).

In order to achieve the national targets, AEBIOM asks that member states should use biofuels obligations that would be established by national legislation. Member states could also use tax reductions/exemptions together with the biofuels obligations.

AEBIOM strongly opposed the idea of certification for energy crops. European Farmers already have to comply with one environmental system. An additional certificate would disturb the market and would be an obstacle for biofuels, weakening the situation of the European farmer in the world market.

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## Consultation on the Green Paper

The consultation by the European Commission on the Green Paper was open until 24 September. AEBIOM has prepared its answer to this which will be available online ([www.aebiom.org](http://www.aebiom.org)) from 2<sup>nd</sup> October.

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## Consultation on Heating and Cooling Directive - open until 6 October 2006

The European Commission is going to prepare a directive on heating and cooling. The public consultation is open until 6 October 2006 to gather various opinions on renewable energies used to produce heating and cooling: solar thermal, biomass and geothermal and heat pumps as well as on all types of policies and measures in order to evaluate their potential.

AEBIOM invites its members to give a response to the European Commission on this directive as it is of a major importance to most AEBIOM members.

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## Publications and national news

### Summary of the responses on review of EU Biofuels Directive

The document contains a summary of the responses to the public consultation in the context of the review of the EU biofuels directive, which was held April-June 2006. The summary of 141 responses aims to give a balanced and exhaustive impression of the broad variety of responses, and to include the most relevant remarks made.

[Read the full publication](#) [Top](#)

### Study concerning impacts on the agricultural market of the production of biofuels

This study was carried out under the 2005/2006 Programme of Work of the Committee for Agriculture.

The main objective of this study was to analyze the economic figures of biofuels production as well as possible impacts on commodity markets of a growing demand for agricultural products to be used for biofuels.

It analyses various policies and economical figures related to biofuels markets by bringing together all available information on production technologies, costs and policy measures in major biofuel producing countries.

[Read the full publication](#) [Top](#)

### EEA report: How much bioenergy can Europe produce without harming the environment?

Increasing the use of renewable energies offers significant opportunities for Europe to reduce greenhouse gas emissions and secure its energy supply. However, the substantial rise in the use of biomass from agriculture, forestry and waste for producing energy might put additional pressure on farmland and forest biodiversity as well as on soil and water resources. It may also counteract other current and potential future environmental policies and objectives, such as waste minimisation or environmentally-oriented farming.

The purpose of this report is to assess how much biomass could technically be available for energy production without increasing pressures on the environment.

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### A study on solid and liquid biofuels markets in Finland

This study considered the current situation of the solid and liquid biofuels markets in Finland, as well as international trade, and identified the challenges arising from the emerging international markets.

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### Germany imposes biofuels' quotas

This month the German government decided that starting from next year every litre of diesel or petrol in Germany will have to contain a minimum percentage of biofuels. With new legislation the quota for diesel will reach 4.4% by 2007 and for petrol 2% or 3% by 2010. The global quota (diesel and petrol) will attain 5.7% in 2009 and 6% in 2010. Sanctions will be applied to avoid cheating by petrol industries.

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## EU projects

### IEE Call for Proposals until 31 October 2006

**Intelligent Energy - Europe** is an EU programme for the promotion of energy efficiency and renewable energy sources. The aim of this project is to help to produce and use energy in more intelligent ways as well as to increase the use of renewables. The programme co-finances international projects, one-off events, and the start-up of local or regional energy agencies.

Money is available to support activities in a variety of areas, such as buildings, industry, transport, urban areas, local communities, consumer products, power and heat generation, and co-operation with developing countries.

Organisations from EU Member States, Romania, Bulgaria, Croatia, Iceland, Norway and Liechtenstein can apply for financial support. The deadline for applying is 31 October 2006.

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### Sustainable Energy Development Campaign - public awareness campaign

The Sustainable Energy Europe 2005-2008 campaign is a [European Commission](#) initiative in the framework of

the [Intelligent Energy - Europe \(2003-2006\)](#) programme, which aims to raise public awareness and promote sustainable energy production and use among individuals and various types of organisations across Europe. Campaign associates are major and well-established umbrella and network organisations involving sustainable energy actors that are able to offer a range of multiplier actions through their various and effective communication channels.

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## RESTMAC

AEBIOM is one of 11 partners for the RESTMAC project which is coordinated by EREC (European Renewable Energy Council).

This project, developed by a consortium of European renewable energy industry research associations, and key information multipliers aims at developing and implementing a concise, well targeted and thematic approach to ensure the dissemination and uptake of selected RES technologies in the market.

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## Events

**AEBIOM events - European Biomass Days, Study Tour to St. Petersburg, EBBF and BBE conferences.**

### European Biomass Days - from 24 September to 1 October 2006 - Brussels

European Biomass Days are organised with an aim to inform the public about the opportunities for using renewable energy today, as well as possibilities for the future. More than 1100 events concerning biomass use for energy purposes will be held from **24 September to 1 October** in Brussels.

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### Study Tour to St Petersburg - 25-27 October 2006

In the framework of EUBIONET II project, AEBIOM and its member Russian Biofuels Association is organizing a two-day bioenergy study tour to the Saint Petersburg area. (25-27 October).

This study tour is a follow up to the seminar "Developing Bioenergy Markets - Focus on Forest Sector and Russia", in Lappeenranta, Finland, 24-25 October. The main objective is to discuss the challenges and possibilities of growing bioenergy markets, drawing particular attention to the forest industry sector and Russia.

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### EBBF conference Brussels - 6-7 November 2006

This high profile conference, organised in the representation of Baden-Württemberg, will provide opportunities to identify key EU trends for bioenergy. There are excellent opportunities to engage in direct communication with outstanding speakers from the Parliament, the Commission and relevant international organisations. The conference will be especially useful for those engaged in business.

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### BBE Conference Augsburg - 28-29 September 2006

Every year, more than 250 representatives concerned with the wood energy industry, including from the world of politics, the media, and associations, meet for Germany's leading conference on wood energy. During the two-day conference, expert speakers will present the latest and future trends, changes in legal regulations, lobbying, etc.

Furthermore, there is the workshop "heating with wood", directed at changing target groups, which offers application-oriented solutions in planning and installation of wood heating systems.

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## Useful links

- [European Biomass Days](#)
- [Consultation on Heating and Cooling directive \(deadline 6 October\)](#)
- [Stakeholders' answers on the Review of biofuels directive](#)
- [Call for proposal of IEE programme on 31 October](#)

## References

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3. <http://ec.europa.eu/yourvoice/ipm/forms/dispatch?form=resheatingcooling>