



AEBIOM NEWSLETTER

December 2006

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12/2006 EU Commission is preparing the renewables roadmap within energy package

12/2006 EU institutions disagree on sectorial targets for renewable energy

14/12/2006 EU Parliament adopts Langen and Morgan reports

11/2006 EU Parliament adopts FP7 budget which will start in 2007

14/12/2006 Council approves the extension of the Energy Crops Scheme to new member states, with the final decision still yet to be taken

11/09/2006 EUROSTAT 2004 energy statistics are available for all the EU-25



Editorial

Dear Readers,

In the last weeks of this year the European Commission is busy preparing the energy package that will be published in January 2007.

AEBIOM made several proposals in this discussion on topics such as the necessary heat directive, sectoral targets on heat, electricity and biofuels for 2020, as well as principles for the future development of biomass in Europe. This newsletter brings you detailed information on these topics.

It is the last one for 2006, and on behalf of the team at AEBIOM I wish you

a Merry Christmas and a Happy New Year.

Heinz Kopetz -President

AEBIOM NEWS

▶ Renewable Energy House will expand

EREC has decided to rent the house next door to the existing REH. The rent period would be for 20 years and would start from the beginning of 2008.

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▶ New AEBIOM members

Last October two new member associations joined AEBIOM :

Italian Agroforestry Energy Association (AIEL). This non profit association based in the Veneto region was founded in 2001 and has now 250 members. AIEL's main activity is to support medium and small plants (providing advice on technical and financial matters) as well as local wood suppliers (farmers and forest owners) who provide the material to plants.

The Croatian Forestry Society was also accepted as an AEBIOM member.

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EU ENERGY POLICY FOR RENEWABLES

▶ Renewables roadmap and Strategic Energy Review

The Commission is currently working on its Energy Package which will be presented on 10th January 2007. The package will cover all energy areas, two of which are directly related to renewables - the Renewable Energy Roadmap for 2020 and the Strategic Review of Energy Policy.

1. Renewable Energy Roadmap

DG Transport and Energy is preparing the roadmap, in which it intends to set the following targets for 2020 for three main elements of renewable energy: 20% for heat, 35% for electricity and 14% for biofuels. The three areas combined would cover 20% of primary energy consumption by 2020.

Heating and Cooling

A number of reports from MEPs (Turmes, Rothes, Langen) gave recommendations to the European Commission to prepare a directive on heating and cooling from renewable energy sources. This urge was taken into account and the Commission is preparing an initiative which is due to appear by the end of this year.

Discussions about sectorial targets are taking place as part of the preparation of this document. The question whether to set separate targets for heating, electricity and biofuels from RES is being raised.

European Renewable Energy Council together with AEBIOM and other renewable energy associations support the idea to set separate targets for every element of renewables (heat, electricity and biofuels). On one hand, clear national targets would encourage member states and their markets to take appropriate actions to reach them, on the other hand, the failure to set separate targets would result in failure to adopt the directive on Heating and Cooling, awaited so long by biomass industries. The Heating and Cooling directive requires a target to be set, otherwise the directive would lose its purpose and most likely will not

even be proposed by the Commission. This would definitely be a loss for the biomass sector. The experience with biofuels and electricity directives shows that such a directive can boost the bioenergy sector as it gives an impulse to investors, and many projects get submitted on the grounds of these directives.

AEBIOM, however, adds that electricity made from biomass should be always related to heating, as electricity production alone is an inefficient way to use biomass. It is also very important that the member states set targets for different sectors of renewable energies at a national level: solar, wind, hydro, biomass, photovoltaic, geothermal etc, as to set these targets at a European level would cause too many complications.

This initiative will be integrated into the Renewable Energy Roadmap.

Biofuels

Consultation by the Commission on the biofuels directive was concluded on 10th July. The feedback, together with an impact assessment study, will help in the preparation of a progress report that should be presented by the end of the year. AEBIOM had an opportunity to have a look at a draft report. Several key concerns are addressed including the progress of the member states, the need for effective policies objective, market obligation versus voluntary measures, certification schemes to favor 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 8th 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" (read about it under Publications section). 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.

Electricity

In 2007 the Commission will produce the report and review on the need for harmonisation of support mechanisms for renewable electricity. AEBIOM had an opportunity to read the draft of this document. The report says that Europe will most likely come close to its target defined in the directive on electricity – the share of 21% by 2010. With current policies in place Europe is expected to have the renewable electricity share of 19% by 2010. Eight member states are performing well in this sector (Denmark, Germany, Hungary, Finland, Ireland, Luxembourg, Spain, and The Netherlands); however other eleven might fail to meet their national commitments. The report also speaks about biomass, more precisely about solid biomass and biogas. The annual growth rate of solid biomass accelerated significantly in 2004 and 2005. The rate was 20% in 2002, 13% in 2003 and reached 25% in 2004. The largest contributors to the total biomass RES-E generation are Finland and Sweden followed by Germany, Spain, the UK, Denmark, Austria and the Netherlands. The co-firing option allowed certain countries like Hungary, the UK, to significantly increase the share of RES-E in total electricity consumption. However, the report also says, that the infrastructure barriers do not let RES-E from solid biomass to grow further. As regards to biogas for electricity production, the annual growth rates have been high for the last decade and amount to 24% in 2002, 13% in 2003, 22% in 2004, and 15% in 2005. The leading countries in RES-E production from biogas are the UK and Germany. However, about half of the European waste is simply landfilled. But the reinforcement of European environmental regulations concerning limitations and taxation of landfill is encouraging decision makers to find solutions to treat organic waste as soon as it is collected.

In the conclusion, the report proposes 8 main areas of action that has to be developed immediately including 'waking up the biomass sector through the actions in the Biomass Action Plan and giving a special attention to the growth of biomass use in CHP.', 'lifting administrative barriers' and 'optimising the support schemes for renewable energy'.

2. Strategic Energy Review

The Strategic Energy Review, a measure proposed by the Commission in the Green Paper, should offer a framework for national decisions on the energy mix, by analyzing advantages and drawbacks of different sources of energy. The review should be compiled annually and form the basis of an emerging European Energy Policy.

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► Energy Efficiency Action Plan

If Europe, together with its individual Member States, took action on energy efficiency, it could avoid wasting 20% of its energy consumption due to inefficiency- a figure which amounts to a saving of 100 billion euros annually by 2020.

The Energy Efficiency Action Plan was presented by the European Commission on 19 October 2006. The plan, based on consultations on the Green Paper on Energy Efficiency "Doing more with less", states that the largest cost-effective savings potential lies in the residential (households) and commercial buildings sector (tertiary sector) as these sectors account for a large share of consumption – around 27% and 30% of energy use. In combination with performance ratings and labeling schemes, minimum performance standards represent a powerful tool for removing inefficient products from the market, informing consumers of the most efficient products and transforming the market to make it more energy efficient. Minimum performance requirements for new and renovated buildings will be developed. Very low energy consumption buildings (or passive houses) will also be promoted.

It is important to AEBIOM that the plan emphasises the reduction of losses in the generation, transmission and distribution of electricity as well as the need to improve energy efficiency in transport. AEBIOM welcomes these measures as biomass is a limited resource and should be used in the most efficient way possible.

The plan proposes soft measures on how to save energy. Further action is needed, however, as soft measures are not enough here. Good intentions require the necessary tools together with will from the member states to take action, and to save the 20% of energy consumption that would otherwise be wasted. EU member states are due to submit national energy efficiency action plans to the Commission by 30th June 2007 which are crucial for the implementation of the action plan.

[Read the Energy Efficiency Action Plan](#)

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► **Energy Crops Scheme**

The European Commission proposed (on 22nd September) to expand subsidies for biofuel crops to the ten member states that joined the EU in 2004. The scheme rewards farmers with a 45 euros premium for each hectare of land used for biofuels production. The Agriculture and Fisheries Council has already approved the proposal on 19th December. The new scheme will be applicable not only to the 8 member states which do not benefit from this aid at present but also 2 new member states - Bulgaria and Romania. The scheme is due to start in 2007. Member states will also be allowed to grant national aid of up to 50 percent of the costs of establishing multiannual crops on areas on which an application for energy crop aid has been made. In the interests of simplifying the management of the CAP (Common Agricultural Policy), the Commission has also proposed to allow eight Member States which joined the EU in 2004 to continue operating the Single Area Payment Scheme (SAPS) for a further two years until 2010. Current rules of the scheme exclude the application of energy crops aid in member states applying the SAPS.

As a result, the maximum area which can benefit from the aid will be expanded to 2 million hectares from 1.5 million at present.

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► **National Biomass Action Plans (Commission)**

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. Information on the Commission's activities in this area can be found by following this link to its website:

http://ec.europa.eu/energy/res/biomass_action_plan/national_bap_en.htm

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► **European Parliament versus Council and Commission on renewables roadmap?**

The Parliament, on 23rd November, clearly stated that the EU should take action to reach a renewables share of 25% by 2020 (instead of 20% as laid out in the Commission's Green Paper on energy). In order to achieve 25%, the European Parliament called for binding sectorial targets for renewables.

The same day Member States at the European Council expressed their will to commit to renewables but refused to support binding national targets (with the exception of the Germans and the Danes), which is rather contradictory.

The Commission, as we see from the previous article, is still hesitating but is more likely to go along with the European Council than Parliament.

[Read the EREC press release](#)

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► **European Parliament adopts Langen and Morgan reports**

EU Parliament adopted both Langen and Morgan reports on 14th December.

The Morgan report on the Green Paper on Energy, adopted by a broad majority, affirms the Parliament's position on binding targets for greenhouse gas reduction and energy efficiency. In addition, the Parliament rejected an amendment which stated that nuclear energy is a reliable energy source.

The Langen report was adopted with quite a few amendments including several new elements like the one that invites the Commission to investigate the possible inclusion, with regard to the life-cycle aspect of peat as a longterm renewable for biomass and bioenergy production (peat for the moment is not considered as renewable energy by the Commission).

The consolidated version of both reports will be available in all languages in the beginning of next year.

[Read the full document](#)

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AEBIOM POSITION ON EU ENERGY POLICY

▶ AEBIOM position paper on RES -Heating and Cooling directive

AEBIOM has answered to the public consultation of the Commission on the Heating and Cooling directive for renewables. The public consultation was 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 explained that the main barriers to the use of biomass for bioheat are a high price of investment to dismantle existing heating systems based on conventional fuels, lack of information to professionals and to ordinary people, as well as the market pressure and marketing activities of the existing heat suppliers (oil and gas companies).

In order to tackle these challenges, AEBIOM proposes to pay more attention to renewable heat, which is often neglected in favour of electricity and biofuels. National Biomass Action Plans are the key instruments to increase the use of biomass for heat. The EU should definitely play a role here and define clear binding national targets obliging the MS to establish NBAPs which should take into account the efficiency of biomass use.

Besides that, AEBIOM proposes concrete measures to promote RES-H at EU (in case of investment grants for rural development), national and regional levels:

- High taxes on heating oil, gas and electricity like is already done in Sweden, Denmark and Italy.
- High and stable investment subsidies for all kinds of heat users: private houses, companies, public buildings etc. (Austria, Germany). It is very important, that these subsidies are comprehensive and stable in a long term otherwise the stop and go problem is inevitable.
- Tax incentives (income tax reduction). For example, France adopted a very successful 4 years programme for tax reduction.

AEBIOM also gave an opinion on various biomass to bioheat related issues such as statistical data, employment impact, standard development to facilitate the implementation of energy efficient equipment and Heating and Cooling from RES as well raising public awareness.

[Read the AEBIOM position paper on RES-H](#)

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▶ AEBIOM position paper 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 paper which can be summarised in 4 main points.

AEBIOM thinks that the Green Paper on energy is a mainly supply oriented document and pays little attention to the improvement of efficiency in transforming primary energy to final one. Also, little attention was paid to develop the services that would save primary energy resources. These services are important to avoid a waste of precious resource, for example, it is a pity to convert biomass into electricity, knowing that this electricity will be used for heat.

AEBIOM reminds that the supply and demand theory applies to the energy sector as well – lower prices increase demand. The market liberalisation will result in lower prices which contradicts the target for higher efficiency and energy saving. In order to avoid this contradiction, the tax system has to be changed in such a way that taxes on energy are increased and taxes on labour decreased. By doing so, the liberalisation of the energy market would finally lead to a decrease in the cost of labour and create new jobs.

It is true that a common EU energy market will increase competition; however, this argument is less valid for the heat from RES as RES are a decentralised energy source and the decentralised way of production should be prioritised. It is especially true for heat as it comes from geothermal heat, solar heat and biomass. However, the development of a regional supply and demand should be included in the European Energy Strategy.

AEBIOM thinks that due to a high efficiency of biomass for heat production, the production of heat should

be prioritised as it can substitute a larger amount of conventional fuels compared to the biofuels or electricity coming from biomass.

[Read the AEBIOM position paper on Green paper on Energy](#)

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PUBLICATIONS

▶ **WWF study: Sustainability standards for bioenergy**

Sustainability standards for bioenergy are a key issue from an environmental and nature-protection point of view. That is why the World Wide Fund for Nature (WWF) Germany together with the Institute for Applied Ecology conducted a study on bioenergy standards. The study, released in November 2006, provides an overview of key ecological and social impacts of bioenergy and develops a core set of standards which could ensure the sustainability of future bioenergy supplies.

[Read the full publication](#)

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▶ **Report of the Biofuels Research Advisory Council: Biofuels in the EU – a vision for 2030 and beyond**

The European Union is strongly dependent on fossil fuels for its transport needs. In order to reduce this dependence and to meet sustainability goals, a clean, secure and affordable supply of transportation fuels is necessary. Here, biofuels can provide a very significant contribution in the short to medium term. High level experts, called the Biofuels Research Advisory Council (BIOFRAC), developed a foresight report – a vision for biofuels up to 2030 and beyond, which should address all the issues that are relevant to ensure a breakthrough of biofuels and increase their deployment in the EU.

The report is based on the members' past experience, current practice and future expectations. The vision lays out the challenges ahead and suggests how to tackle them. Within this ambit, the vision report lays the foundations for a Strategic Research Agenda. It also recommends the creation of a European Technology Platform for Biofuels that will elaborate and implement this research agenda.

[Read the full publication](#)

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▶ **EUROSTAT Energy statistics for 2004**

EUROSTAT has published the energy statistics for the years from 1999 up to 2004 included. Data is available for every country of the EU including all energy sectors and energy economy figures.

[Read the full publication](#)

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▶ **The International Energy Agency: World Energy Outlook 2007**

The International Energy Agency (IEA) brought out a new publication "World Energy Outlook 2007" where two visions of our energy future are explored: 'under-invested, vulnerable and dirty' and 'clean, clever and competitive'.

Special topics in WEO 06 include:

How to change the unsustainable energy trends with alternative policies; Impact of Higher Energy Prices; Tracking Energy Investment; Prospects for Nuclear Power; Energy for Cooking in Developing Countries; Outlook for Biofuels; Focus on Brazil; Key Graphics for WEO 06

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EU PROJECTS

▶ **European Parliament adopts FP7 budget – (Parliament)**

Support for research and development into technologies for the production of heat, electricity and fuels from forest resources will be available through the 7th Framework Research Programme, which has a budget of 54.5 billion euros to support R&D activities over the 2007-2013 period.

[Read EUREC press release](#)

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▶ **BioHousing project – Sustainable, comfortable and competitive biomass based heating of private houses (EIE/05/067/SI2.420197)**

The aim of the BioHousing-project is to promote and produce systems which enable bioenergy use in private houses. It also aims to raise awareness that biomass based heating systems are a realistic and favourable alternative to heat private houses.

Normally people would like to heat their houses by renewable energy resources. However, it needs investment as private house models do not incorporate the RES-based heating option. BioHousing aims to remove the barriers by making a standard model, designing commercial technical systems and producing tools and information material for sustainable biomass heating. The promotion actions are aimed at the target groups that work in close operation with private house builders. Project partners are from Finland, France, Italy, Spain and Austria. More information can be found on the website www.biohousing.eu.com

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▶ **Boosting Bioenergy - strategy for bioenergy available**

The Boosting Bioenergy project ends in December 2006. The aim of this project was to boost bioenergy by establishing a strategy which was proposed by and discussed with various decision makers and market players. AEBIOM together with 8 of its members have almost finished this project, which was supported by the Intelligent Energy for Europe Programme for 2 years.

As a main task, the partners had to elaborate a strategy for bioenergy with detailed objectives for 2010 in seven selected countries. This 200 page document sets out clear targets and the steering instruments to reach them. The strategy is available to the public on simple request.

[Request the strategy](#)

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▶ **RESTMAC– first deliverable on 5 biomass related topics is available online**

AEBIOM, along with EUBIA, have completed the outlining document for a series of brochures, each 16 pages long. This 20 pages document concentrates on five following topics:

1. Pellets for small-scale domestic heating systems,
2. New dedicated energy crops for solid biofuels,
3. Procurement of forest residues,
4. Cogeneration at small-scale,
5. Bioethanol production and use.

The document is available on the AEBIOM website under Projects - RESTMAC section.

AEBIOM is one of 11 partners for the RESTMAC project which is coordinated by EREC (European Renewable Energy Council). The project, developed by a consortium of European renewable energy industry research associations 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.

[Read the document](#)

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EVENTS

▶ **AEBIOM and EREC events - EUBIONET workshop, EREC renewable energy policy conference, VICTAM International 2007**

EUBIONET II - 2 Workshop Trading, legislation and biomass use – first announcement -19 February 2007, Rotterdam, the Netherlands

The aim of this workshop is to look for improvement of bioenergy policies in Europe by discussing arising issues and by learning from experiences in other countries.

Workshop topics will be the following:

1. Trade of solid biomass and trends in the market
2. Sustainability certification for bioenergy and chain management
3. New developments in bioenergy policies
4. The potential for energy from (biogenic) waste

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2007 European Renewable Energy Policy Conference - 29-31 January 2007, Flagey Convention Centre - Brussels, Belgium

EREC – the European Renewable Energy Council - co-organises the 2007 European Renewable Energy Policy Conference together with the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety in the frame of the German Presidency of the EU.

The conference aims at:

- Presenting and evaluating the most important renewable energy policy developments and bringing

- forward new initiatives
- Facilitating networking between senior decision makers and leading industry players

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VICTAM International 2007

AEBIOM will organise a conference within VICTAM International 2007 event which is going to take place on 10th May 2007 in Utrecht, the Netherlands. Every year during 3 days VICTAM International hosts over 200 of the world's leading companies exhibiting the latest technology and ingredients of the industries dealing with animal feed. The technology that is used to make animal feed is also used to make pellets.

AEBIOM conference will be focused on pellets. More precisely, the speakers will talk about the alternative material to produce solid biomass, such as energetic plants (for example, miscanthus), wood waste and others. Also, the production and consumption of pellets will be analysed focusing on the present pellet market situation, future trends and economical conditions.

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► Past events

EBBF conference: European legislation to promote bioenergy – 6-7 November 2006

European Biomass Association – AEBIOM - together with Carbon Fix organised a high profile conference on EU legislation in Brussels on 6-7 November. The conference, first organised in 2003, has become an annual event gathering EU decision makers and various stakeholders involved in the bioenergy sector. This year 130 participants came from 22 different countries.

Presentations were made on various aspects of renewables. Speakers from the Commission talked about current policy issues for renewables including the mandatory targets to be presented in the renewables roadmap, the target for biofuels and infringement procedures for not complying with it, a proposal to upgrade the Energy Crop Scheme and start applying it in 8 new member states, sustainability criteria/certification and policy harmonisation. Specific attention was paid to the heating and cooling directive which might contain EU national targets, EU wide definitions and become a basis for reliable statistics. The emissions trading scheme within environmental policy was also discussed: future ETS should give more certainty to investors, should be more functional and harmonised. At the second day of the conference, speakers from the bioenergy industry presented concrete examples of small and large scale developments in the field of pellet distribution, individual pellet boilers, second generation biofuels, electricity from pellets and harbor logistics.

All the presentations are available on the AEBIOM website www.aebiom.org under the EBBF conference section.

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Study Tour to St Petersburg – 25-27 October 2006 – minutes available

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

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

[Read the minutes](#)

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Past event - BBE Conference Augsburg – 28-29 September 2006- minutes available

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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