

## Feedback from:

Bioenergia ry - the Bioenergy Association of Finland

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**Submitted by**

The Bioenergy Association of Finland

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Business association

**Organisation**

Bioenergia ry - the Bioenergy Association of Finland

**Organisation size**

Micro (1 to 9 employees)

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**Country of origin**

Finland

**Initiative**

[Climate change mitigation and adaptation taxonomy \(/info/law/better-regulation/have-your-say/initiatives/12302-Climate-change-mitigation-and-adaptation-taxonomy\)](/info/law/better-regulation/have-your-say/initiatives/12302-Climate-change-mitigation-and-adaptation-taxonomy)

Bioenergia ry – the Bioenergy Association of Finland welcomes the objective of the taxonomy to accelerate economic activities considered environmentally friendly and supporting the growth of low carbon sectors. At the same time, it is of utmost importance that the taxonomy reflects the existing business framework of companies.

In the presented roadmap, reference to Art. 14 of the Taxonomy Regulation, including the requirement to assess the alignment of the technical screening criteria with the existing EU legislation, is important.

We call for coherence with the existing legislative framework according to article 14. Metrics and screening criteria will be in a decisive role in determining how applicable the taxonomy will be. Unfit or impractical criteria will move investment away from those sustainable activities that cannot bear the administrative costs of compliance.

This legal initiative will rely on the work of the TEG. we welcome this opportunity to react to the recently published TEG report. The final report acknowledges the essential role of bioenergy to ensure the decarbonisation of EU economy, yet the metrics are still inconsistent with REDII and could seriously hamper the sector's competitiveness.

We welcome the inclusion of bioenergy equipment suppliers in the list of Manufacture of Low Carbon Technologies. It should be pointed that the EU has a strong position e.g. on the field of bioenergy related technology with more than 80 % of bioboilers in last 10 years sold globally are from EU-based companies and over 70 % of the technology supplier companies of this sector are based in the EU. We welcome the conversion efficiency requirement set for bioenergy technology. However, it is important to specify that on REDII art 29(11) conversion efficiency is applicable only on electricity. In a delegated act the inclusion of bioenergy technology for the production of CHP, heat/cooling and transportation should be clearly stated, too.

It is clear that the recast of REDII-directive, published in the end of 2018, constitutes a solid basis to guarantee sustainability of the sector. National implementation of REDII is ongoing and national laws should be in force in July 2021. Any inconsistency of metrics and thresholds selected in the TEG report with the existing legislation is therefore a concern as it creates double standards and barriers for business, and would in the end hinder economic activities to mitigate climate change.

The TEG report introduces an all-encompassing incremental 80% GHG emission reduction threshold. The threshold is not in line with the one imposed by REDII. TEG's proposal is that for the production of biomass, biogas and biofuels only feedstocks listed in Annex IX part A are eligible. This fundamentally contradicts REDII where sustainable bioenergy has clear requirements; broad spectrum sustainability criteria and GHG-

emission thresholds.

The screening criteria proposed for the forestry sector are not aligned with the existing legislation nor reflect realities of the forestry-based industry sector. For example, to follow feedstocks to forest stand is virtually impossible, let alone practical or economic. That is why REDII created the risk-based assessment approach operating at the macro-level.

We want to emphasise that long-term predictability and consistency of regulation are very important for the capital-intensive energy industry. It would simply be counterproductive to risk the financing of projects that offer a significant contribution to climate change mitigation due to legislative inconsistency or an insufficient sustainability assessment.

We recommend that the risk-based approach is fully adopted as a mitigation response and its alignment with REDII directive and the LULUCF regulation are ensured through a delegated act.

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