

An official EU website

How do you know?

https://ec.europa.eu/info/index_en[Law \(http://ec.europa.eu/info/law_en\)](http://ec.europa.eu/info/law_en)

Feedback from: Bioenergia ry - the Bioenergy Association of Finland

Feedback reference

F1307568

Submitted on

13 December 2020

Submitted by

The Bioenergy Association of Finland

User type

Business association

Organisation

Bioenergia ry - the Bioenergy Association of Finland

Organisation size

Micro (1 to 9 employees)

Transparency register number174042620514-51 (<http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=174042620514-51&locale=en>)**Country of origin**

Finland

Initiative[Sustainable finance – EU classification system for green investments \(/info/law/better-regulation/have-your-say/initiatives/12302-Sustainable-finance-EU-classification-system-for-green-investments\)](/info/law/better-regulation/have-your-say/initiatives/12302-Sustainable-finance-EU-classification-system-for-green-investments)

Commission Draft Delegated Regulation supplementing Regulation (EU) 2020/852 and Annexes plays a significant role in detailing how the financial sector in Europe directs sustainable investments. The taxonomy will serve as a guideline for voluntary financial activities, but is also planned to be used as a broader framework for instance for deciding on recovery packages, state aid and other public funding. It may also widely affect shareholder decisions. Therefore, it is of utmost importance to streamline the taxonomy to be coherent with other union legislation.

The Bioenergy Association of Finland welcomes the improved alignment of the Annexes with the provisions of the Renewable Energy Directive 2018/2001, but still calls for a set of modifications to the criteria (Annex I and II) covering the bioenergy sector and its value chain:

1. Sustainable bioenergy meets the criteria set by article 10. 1 (a); (c) and (h) of Regulation (EU) 2020/852 and must therefore be referred to, as an activity contributing substantially to climate change mitigation.
2. Electricity generation from bioenergy (4.8 - Annex I): further streamlining with Sustainability Criteria of REDII needed (see Annex).
3. Manufacturing of biofuels (4.13 Annex I): general exclusion of feed and feed crops is non-aligning and counterproductive.
4. Cogeneration of heat/cool and power from bioenergy (4.20 - Annex I): further streamlining with Sustainability Criteria of REDII needed (see Annex).
5. Production of heat/cool from bioenergy (4.24 – Annex I): further streamlining with Sustainability Criteria of REDII needed (see Annex).
6. Installation, maintenance and repair of renewable energy technologies (7.6 - Annex I): integrate bioenergy installations in the individual measures listed.
7. Research, development and innovation (9.1 – Annex I): RD&I in the Bioenergy sector is essential to deliver on climate neutrality
8. Afforestation (1.4 Annex II): remove reference to bioenergy

Feedback from: Bioenergia ry - the Bioenergy Association of Finland

(397 KB - PDF - 1 page)

Available soon ()

[Report an issue with this feedback \(/info/law/better-regulation/have-your-say/initiatives/12302-Sustainable-finance-EU-classification-system-for-green-investments/F1307568/report\)](/info/law/better-regulation/have-your-say/initiatives/12302-Sustainable-finance-EU-classification-system-for-green-investments/F1307568/report)

All feedback

The views and opinions expressed here are entirely those of the author(s) and do not reflect the official opinion of the European Commission. The Commission cannot guarantee the accuracy of the information contained in them. Neither the Commission, nor any person acting on the Commission's behalf, may be held responsible for the content or the information posted here. Views and opinions that violate the Commission's feedback rules will be removed from the site.

Reply to Public Consultation on EU Taxonomy Draft Delegated regulation

Summary

Commission Draft Delegated Regulation supplementing Regulation (EU) 2020/852 and Annexes plays a significant role in detailing how the financial sector in Europe directs sustainable investments. The taxonomy will serve as a guideline for voluntary financial activities, but is also planned to be used as a broader framework for instance for deciding on recovery packages, state aid and other public funding. It may also widely affect shareholder decisions. Therefore, it is of utmost importance to streamline the taxonomy to be coherent with other union legislation.

The Bioenergy Association of Finland welcomes the improved alignment of the Annexes with the provisions of the Renewable Energy Directive 2018/2001, but still calls for a set of modifications to the criteria (Annex I and II) covering the bioenergy sector and its value chain:

- 1. Sustainable bioenergy meets the criteria set by article 10. 1 (a); (c) and (h) of Regulation (EU) 2020/852 and must be therefore referred to, as activity contributing substantially to climate change mitigation.**
- 2. Electricity generation from bioenergy (4.8 - Annex I): further streamlining with Sustainability Criteria of REDII needed.**
- 3. Manufacturing of biofuels (4.13 Annex I): general exclusion of feed and feed crops is non-aligning and counterproductive.**
- 4. Cogeneration of heat/cool and power from bioenergy (4.20 - Annex I): further streamlining with Sustainability Criteria of REDII needed.**
- 5. Production of heat/cool from bioenergy (4.24 - Annex I): further streamlining with Sustainability Criteria of REDII needed.**
- 6. Installation, maintenance and repair of renewable energy technologies (7.6 - Annex I): integrate in the individual measures listed bioenergy installation.**
- 7. Research, development and innovation (9.1 - Annex I): RD&I in the Bioenergy sector is essential to deliver on climate neutrality**
- 8. Afforestation (1.4 Annex II): remove reference to bioenergy**

In detail

1. Sustainable bioenergy meets the criteria set by article 10. 1 (a); (c) and (h) of Regulation (EU) 2020/852 and must be therefore referred to, as activity contributing substantially to climate change mitigation.

Sustainable bioenergy, if compliant with requirements set by Directive (EU) 2018/2001, is a renewable energy source not different from others and is therefore matching the description of article 10 (1) (a) of Regulation (EU) 2020/852 :“*generating, transmitting, storing, distributing or using renewable energy in line with Directive (EU) 2018/2001, including through using innovative technology with a potential for significant future savings or through necessary reinforcement or extension of the grid;*”.

Sustainable transport biofuels are the largest contributors to “*clean or climate neutral mobility*” (art. 10.1 (b)). As indicated in the European Commission Communication, by 2030, renewables in the transport sector need to increase to around 24% through, among others, “*further development and deployment advanced biofuels*”¹. While companies are investing in research and development to deploy advanced biofuels solutions, these are hardly fitting the description of *transitional activity* (art.10.2) and are featured in the European Commission and International decarbonisation scenarios towards 2050.

Sustainable bioenergy perfectly matches the requirement of art. 10(1) (h) “*producing clean and efficient fuels from renewable or carbon-neutral sources*”.

Conversely, a transitional activity as described in art. 10(2) is one for which “*there is no technologically or economically feasible low-carbon alternative*”. This definition not only parts from the definition of bioenergy as renewable solution (inherently a “low-carbon alternative”) but would also lead to the wrong conclusion that bioenergy is a temporary solution, not a necessary tool for the decarbonization of the EU economy.

Recent European Commission strategies underline that sustainable bioenergy is “*a win-win solution for energy generation*”² and count on an increased mobilization of waste and residues for bioenergy generation to achieve a smart sector integration.³ The achievement of the 2050 carbon neutrality goal will also depend on bioenergy generation. Sustainable bioenergy will still be the largest renewable in 2030 in the EU, standing at the forecasts included in the Integrated National Energy and Climate Plans. In its recent literature review “*Towards net-zero emissions in the EU energy system by 2050*”⁴, the JRC underlines a growth of bioenergy from 15 to 60% compared to current use to achieve

¹ [COM\(2020\) 562 final](#); p.8

² [COM\(2020\) 380 final](#), EU Biodiversity Strategy 2030, p.10

³ [COM\(2020\) 299 final](#), p.6

⁴ [Tsiropoulos et al. \(2020\)](#) Towards net-zero emissions in the EU energy system by 205, p.24

a 50% GHG emission saving. The main growth according to these scenarios will occur in the industrial sector, that is to date highly impacted by private investments.

In the recently published 2030 Climate Target Plans impact assessment, bioenergy remains the largest renewables across scenarios and growth is projected towards 2050.

2. Electricity generation from bioenergy (4.8 - Annex 1): further streamlining with Sustainability Criteria of REDII needed.

As explained, the description of the activity should be change into “Substantial contribution to climate change mitigation”. We welcome the further alignment of the requirements towards those of Directive 2018/2001 EU.

And it is necessary to ensure full consistency with existing legislation and metrics. In particular, multifuel solution, if operated mainly with sustainable biomass offer to operators the require flexibility. Bioenergy Association of Finland recommends that in case multifuel boilers are not using fossil fuels as a main fuel, the share of the fuel designed for biomass would determine the share of the cost considered sustainable.

Proposed modification:

Description of the activity

Construction and operation of electricity generation installations that produce electricity from biomass, biogas and biofuels.

Where the activity is an integral element of the activity ‘Installation, maintenance and repair of renewable energy technologies’ as referred to in Section 7.6 of this Annex, the technical screening criteria specified in Section 7.6 apply.

The activity is classified under NACE code D35.11 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

~~The activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria specified in this Section.~~

Technical screening criteria

2. The greenhouse gas emission savings from the use of biomass in cogeneration installations are at least ~~80%~~ **70% and 80% for plants starting operations from 1 January 2026** in relation to the GHG emission saving methodology and fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.

4. Points 1 and 2 do not apply to electricity generation installations with a total rated thermal input below 2 MW and using gaseous biomass fuels and **below 20 MW using solid biomass.**

7. (NEW) Electricity-only-installations are eligible only if they do not use fossil fuels as a main fuel. Only the share of the fuel designed for biomass should determine the share of the cost/revenue considered sustainable.

3. Manufacturing of biofuels (4.13)

As explained, the description of the activity should be change into “Substantial contribution to climate change mitigation”, while the third paragraph qualifying this activity as transitional deleted. We welcome the further alignment of the requirements towards those of Directive 2018/2001 EU. However, it is necessary to ensure full consistency with existing legislation and metrics.

Food and feed crop based biofuels should not be excluded per se as there is already a 7% cap for them in

RED II, and as there is also the Delegated Act on high-ILUC feedstock that phases out high ILUC risk

crops such as palm oil.

Additionally, this exclusion would seem to leave out some categories of “novel vegetable” oils such as oil from cover crops, winter crops, cultivation in degraded land etc. that have no or low ILUC effects, high GHG reduction potentials as well as other agricultural benefits.

Proposed modification:

4.13. Manufacture of biogas and biofuels for use in transport

Description of the activity

Manufacture of biogas or biofuels for use in transport.

The activity is classified under NACE code D35.21 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

~~The activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.~~

...

Technical screening criteria

Substantial contribution to climate change mitigation

1. Agricultural biomass used in the activity for the manufacture of biogas or biofuels for use in transport complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity for the manufacture of biogas or biofuels for use in transport complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive.

Food-and feed crops ~~can be~~ ~~are not~~ used in the activity for the manufacture of biofuels for use in transport **following the requirements of (EU) 2018/2001 and C(2019) 2055 final.**

4. Cogeneration of heat/cool and power from bioenergy (4.20 - Annex 1): further streamlining with Sustainability Criteria of REDII needed.

As explained, the description of the activity should be change into “Substantial contribution to climate change mitigation”, while the third paragraph qualifying this activity as transitional deleted. We welcome the further alignment of the requirements towards those of Directive 2018/2001 EU. However, it is necessary to ensure full consistency with existing legislation and metrics.

Today, certain boiler types can flexibly combust different types of fuels from 0-100%, or the fuel ranges can be predesigned for the boiler. Multifuel option supports the use of biomass as a fuel, as it helps to mitigate risks related to the availability and price of biomass. Further, there is a growing need in the market to maximise the use of investments and infrastructure to generate heat/steam in one boiler from different side streams and non-recyclable waste, that cannot be used for other purposes in but combustion. From the perspectives of resource efficiency, sustainability and economy, this should be supported. Therefore, bioenergy produced in multifuel boilers in line with Directive (EU) 2018/2001 should be included as an option for bioenergy production.

Proposed modification:

Description of the activity

Construction and operation of installations used for cogeneration of heat/cool and power from biomass.

Where the activity is an integral element of the activity ‘Installation, maintenance and repair of renewable energy technologies’ as referred to in Section 7.6 of this Annex, the technical screening criteria specified in Section 7.6 apply.

The activity is classified under NACE codes D35.11 and D35.30 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

~~The activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.~~

Technical screening criteria

Substantial contribution to climate change mitigation

2. The greenhouse gas emission savings from the use of biomass in cogeneration installations are at least ~~30%~~ **70% and 80% for plants starting operations from 1 January 2026** in relation to the GHG emission saving methodology and fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.

4. Points 1 and 2 do not apply to electricity generation installations with a total rated thermal input below 2 MW and using gaseous biomass fuels and **below 20 MW using solid biomass.**

5. (NEW) Installations shall be taken into account only if they do not use fossil fuels as a main fuel. Only the share of the fuel designed for biomass should determine the share of the cost/revenue considered sustainable.

5. Production of heat/cool from bioenergy (4.24 - Annex I): further streamlining with Sustainability Criteria of REDII needed.

As explained, the description of the activity should be change into “Substantial contribution to climate change mitigation”, while the third paragraph qualifying this activity as transitional deleted. We welcome the further alignment of the requirements towards those of Directive 2018/2001 EU. However, it is necessary to ensure full consistency with existing legislation and metrics.

Today, certain boiler types can flexibly combust different types of fuels from 0-100%, or the fuel ranges can be pre-designed for the boiler. Multifuel option supports the use of biomass as a fuel, as it helps to mitigate risks related to the availability and price of biomass. Further, there is a growing need in the market to maximise the use of investments and infrastructure to generate heat/steam in one boiler from different side streams and non-recyclable waste, that cannot be used for other purposes in but combustion. From the perspectives of resource efficiency, sustainability and economy, this should be supported. Therefore, bioenergy produced in multifuel boilers in line with Directive (EU) 2018/2001 should be included as an option for bioenergy production.

Proposed modification:*Description of the activity*

Construction and operation of facilities that produce heat/cool from biomass.

Where the activity is an integral element of the activity ‘Installation, maintenance and repair of renewable energy technologies’ as referred to in Section 7.6 of this Annex, the technical screening criteria specified in Section 7.6 apply.

The activity is classified under NACE code D35.30 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006.

~~The activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.~~

Technical screening criteria

Substantial contribution to climate change mitigation

2. The greenhouse gas emission savings from the use of biomass in cogeneration installations are at least ~~80%~~ **70% and 80% for plants starting operations from 1 January 2026** in relation to the GHG emission saving methodology and fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.

4. Points 1 and 2 do not apply to electricity generation installations with a total rated thermal input below 2 MW and using gaseous biomass fuels and **below 20 MW using solid biomass**.

5. Installations shall be taken into account only if they do not use fossil fuels as a main fuel. Only the share of the fuel designed for biomass should determine the share of the cost/revenue considered sustainable.

6. Installation, maintenance and repair of renewable energy technologies (7.6 - Annex I): integrate in the individual measures listed bioenergy installation

The activity described should clearly include installation, maintenance and repair of bioenergy installations. At present the EU Bioenergy value chain employs over 700.000 people in the EU and the manufacturing of Bioenergy technologies is soundly European. Unlocking private investments in this sector would contribute to the growth of the domestic economy.

Proposed modification:

7.6. Installation, maintenance and repair of renewable energy technologies

Technical screening criteria Substantial contribution to climate change mitigation
The activity consists in one of the following individual measures, if installed on-site as technical building systems:

(h) (NEW) installation, maintenance, repair and upgrade of bioenergy heaters; boilers and plants contributing to the targets for renewable energy in accordance with Directive (EU) 2018/2001 and the ancillary technical equipment;

7. Research, development and innovation (9.1 - Annex I): RD&I in the Bioenergy sector is essential to deliver on climate neutrality

Art. 9.1. of the draft delegated text specifies the criteria for research, development and innovation activities. It seems that the article is very inflexible considering the required R&D&I activities needed to meet the target for climate neutrality by 2050. Apparently the only acceptable areas for R&D&I would be those considered as making a substantial contribution to climate change mitigation in the other parts of the draft delegated act. This means ruling out transitional and enabling activities, even if they are essential for the EU to reach its climate neutrality target in the absence of better solutions. Further, the activities should be at least in TRL 6 to qualify, which means that all R&D&I activities before demonstrations would also be ruled out of the activities.

Private investments in RD&I are necessary for our sector to deliver efficiently, abating emissions and undertaking the necessary transformative approach to deploy for instance advanced biofuels.

The draft taxonomy act includes only a limited number of low carbon technologies even if these are essential for decarbonizing the society. E.g. technologies improving energy efficiency have not been even considered to the text. Further, the list can never be exhaustive.

As it stands, we see that the draft article has the potential to discourage and undermine the value of R&D&I work if this does not automatically fall under the criteria in Art. 9.1. Therefore, we propose, as a minimum, to delete the exclusion of transitional and eligible activities. In more detail the proposed text would be:

Proposed modification:**9.1. Research, development and innovation**

1. The activity researches, develops or provides innovation for technologies, products or other solutions that are dedicated to enable one or more economic activities for which the technical screening criteria have been set out in this Annex, ~~with the exception of activities considered as transitional and enabling activities in accordance with Articles 10(1), point (i), and 10(2) of Regulation EU 2020/852~~ while respecting the relevant criteria for doing no significant harm to other environmental objectives.

8. Afforestation (1.4 Annex II): remove reference to bioenergy

We urge removing references to bioenergy under this section due to their non-pertinence and misguided nature. While the bioenergy industry largely utilises residues and side streams, low-value timber assortments resulting, among others, from thinning and maintenance can also be utilized, while continuing to ensure that the sustainability of the value chain is fully respected.

Proposed modification:**1.4 Afforestation**

Technical screening criteria Substantial contribution to climate change mitigation

~~The use of whole tree stems for bio-energy is avoided, especially where viable, unsubsidised markets exist for their use in carbon retaining materials or products, except where it has been authorised at the national or regional levels in exceptional circumstances, including for phytosanitary reasons or to reduce fire risks, in accordance with applicable law.~~

With regards
Hannes Tuohiniitty, Finnish Bioenergy Association
+ 358 40 1948628
hannes.tuohiniitty@bioenergia.fi