

Position on the Review of Renewable Energy Directive

The Bioenergy Association of Finland represents the interests of its over 240 member organizations ranging from land ownership to forest and energy companies, as well as technology and research in the field.

General views on Implementation of the EU 2030 Climate Target

With a view to investments in the bioenergy sector in 2020s', the year 2030 is close. Therefore, the Bioenergy Association of Finland believes, **it is unnecessary to reopen all the EU energy and climate legislation on the table in order to achieve the new climate target set in December 2020**. The revisions of the legislations were only recently agreed, and implementation is still work in progress. The more legislations are reopened, the more uncertain the operating environment of the industry becomes. An uncertain operating environment has a negative impact on investment, which is indispensable for the achievement of the required transition. We note that the scenarios explored in the impact assessment have not even considered options, where e.g. the Renewable Energy Directive or the Energy Efficiency Directive are left untouched.

We strongly support that the new EU climate target is mainly targeted by reducing emissions from fossil fuels. The EU ETS needs to be the main vehicle in delivering additional emission reductions, supported by the Effort Sharing Regulation (ESR). Carbon sinks are negative emissions and from the climate perspective desirable. The LULUCF sector already compensates emissions from other sectors and the enhanced 2030 ambition does not automatically imply that LULUCF ambition would need to be changed. The new EU target now accounts for removals in full (unlike the current 40 % target). A large carbon sink in the LULUCF sector thereby implies a large contribution to the common EU target. Similarly, an emission in the LULUCF sector implies a withdrawal from the common EU target. As a consequence, **it is of utmost importance that the Member States are allowed to utilise their own carbon sinks in the respective accounting of emissions to achieve their own climate neutrality targets.**

Specific positions on REDII review

We see that the Member States should be given reasonable time to fairly implement recast REDII. Recast REDII is not creating any barriers to achieve higher targets than those foreseen by the time of its adoption in end of 2018.

Tearing apart the package - and worst of all for the industry - adding new rules or requirements on-the-go can become a gamestopper. Companies of the energy system deserve certainty and 10+ years of sight to be able to create needed structural changes and to get rid of fossil fuels.

The Bioenergy Association of Finland does not support renegotiating RED II, but if the negotiations are opened, they should strictly focus on enhancing the overall target (32 % by 2030), the specific target for transport (14 % by 2030), adding low carbon fuels, such as low-carbon hydrogen and synthetic fuels, and incentives for negative emissions.

We believe a separate target for district heating is unnecessary. In transport, a separate target is needed in 2020's, but if the sector is later combined with the EU ETS, separate target is unnecessary. Double-counting should be ended to deliver reductions in greenhouse gas emissions with real renewable energy volumes. We see that RED II + vehicle CO2 regulations with WTW/Crediting system would give the best incentives and ensure fast GHG reductions in transport sector by 2030.

For Negative Emissions EU could set a general binding and technology-neutral target (or targets for several years or a trajectory) for the whole EU, following for example similar to the bottom-up procedure as with Governance regulation. Setting up a separate goal for NET's without natural sinks would be policy-wise most important in order to develop these technologies. This idea could be incorporated into articles 3 or 4 of REDII. We also see that extending GO's for BECCS and PyCCS related negative emissions could be worthwhile investigating as well as EU wide auctions for negative emissions with different technologies organized by the Commission.

Technology neutrality principle is highlighted by the commission on several key legislations. Following that principle and highlighting the need to keep all renewable options along, we disapprove the exception that biomass electricity could not be used in producing hydrogen that count towards 14 % transport target.

Bioenergy sustainability criteria should not be opened now. Assessment of revisiting the criteria should be done earliest in 2025 to leave the operators time to adapt to existing criteria and leave time to see the effects of the current criteria. We specifically resist the approach where certain type of feedstocks would be excluded due to their physical characteristics and we consider this would be unjustified under TFEU.

Regarding biomass GHG-saving criteria we consider that if the requirement were to go beyond 80%, this would hinder the flexible operation of the boilers. This would severely damage the use of bioenergy in balancing weather dependent renewables, and would thus limit its complementary role within the renewables.