

## **Bioenergia ry - The Bioenergy Association of Finland's contribution to the public consultation on the Industrial Decarbonisation Accelerator Act**

Bioenergia ry – the Bioenergy Association of Finland represents the interests of Finland's bioenergy and biochar sectors. We welcome the European Commission's initiative to strengthen Europe's industrial competitiveness while accelerating industrial decarbonisation. The objectives of increasing the share of manufacturing in the EU economy, strengthening the resilience of European industrial value chains and streamlining permitting procedures are timely and very well justified.

At the same time, the Industrial Decarbonisation Accelerator Act should preserve a technology-neutral approach that enables all sustainable and cost-effective solutions to contribute to Europe's competitiveness and climate objectives. The framework should reflect the diversity of Europe's energy and industrial needs, including renewable heat, sustainable biomass-based solutions and dispatchable low-carbon energy.

### **Sustainable carbon should distinguish between biogenic and fossil carbon**

Bioenergia ry would like to highlight the importance of appropriately recognising sustainable carbon sources within the legislative framework. Biogenic carbon and biogenic carbon dioxide should be explicitly recognised as sustainable carbon sources. The proposed definition of sustainable carbon should clearly distinguish between biogenic and fossil carbon. Captured fossil carbon should not automatically be considered sustainable or treated on an equal footing with biogenic carbon and biogenic CO<sub>2</sub>. Unlike fossil carbon, biogenic carbon is part of the natural carbon cycle and should therefore be recognised as a sustainable carbon source that supports industrial decarbonisation, carbon circularity and the development of a circular carbon economy. Fossil carbon should not be labelled with terminology that places it on a par with biogenic carbon.

### **Recognising the role of bioenergy in Industrial Acceleration Areas**

The Industrial Decarbonisation Accelerator Act should explicitly recognise the strategic role of sustainable bioenergy in Industrial Acceleration Areas, particularly in providing renewable and dispatchable industrial heat. While electrification is a key pathway for industrial decarbonisation, many industrial processes require high-temperature heat, operational flexibility and security of supply that cannot always be met by direct electrification alone. In this context, sustainable bioenergy offers a readily available and scalable solution for reducing emissions in energy-intensive industries.

Bioenergy can also support the production of renewable carbon and biogenic CO<sub>2</sub> for circular industrial applications and carbon management solutions.

### **Low-carbon steel requirements should not hinder clean energy investments**

Bioenergia ry supports the decarbonisation of the European steel industry and recognises the important role of demand-side measures in creating markets for low-carbon steel. However, the proposed requirements under the IAA should be designed in a way that does not unintentionally delay investments in renewable energy and other strategic clean industrial projects.

The proposed minimum requirements for low-carbon steel in public procurement, and their extension to privately developed projects receiving public support, could create significant practical challenges for project developers and equipment manufacturers. Bioenergy plants and other renewable energy projects rely on a wide range of specialised steel grades and products. At present, low-carbon steel remains more expensive than conventional steel, while its availability across different grades and product categories is limited.

Project developers and procuring authorities may face difficulties in preparing competitive tenders if the price and availability of compliant low-carbon steel cannot be reliably predicted. Limited market availability could lead to longer delivery times, higher project costs and delays in the deployment of renewable energy projects. If suitable low-carbon steel products are not available, the proposed requirements could unintentionally slow down investments that contribute directly to the EU's climate and energy objectives.

Bioenergia ry therefore opposes the proposed low-carbon steel requirements. Low-carbon steel production should be made more flexible and aligned with actual market availability. The Commission should carry out a comprehensive impact assessment of their effects on industrial competitiveness, investment costs and the deployment of clean energy projects before introducing mandatory procurement thresholds.

The decarbonisation of the steel sector can be effectively promoted through complementary measures that increase the supply and competitiveness of low-carbon steel, including support for industrial investments, innovation and the scaling up of production capacities. Demand-side measures should be introduced only when sufficient market availability exists and should not create bottlenecks for strategic industrial investments.

### **Biocoke should be recognised as a pathway to green steel**

The IAA should explicitly enable biomass-based reducing agents, including biocoke, to contribute to the decarbonisation of steel production. Biocoke has the potential to reduce emissions from steelmaking and support the production of low-carbon and green steel. The relevant accounting methodologies and sustainability frameworks should appropriately recognise the contribution of sustainable biomass-based reducing agents. In addition, the legislative framework should facilitate the scale-up of sustainable biocoke production and availability to enable its commercial deployment across Europe.

### **Streamlined permitting supports industrial competitiveness**



Bioenergia ry supports the Commission's efforts to streamline and digitalise permitting procedures for industrial projects. Faster, simpler and more predictable permitting processes can accelerate investments in clean industrial technologies, strengthen European competitiveness, and improve the investment environment for industrial decarbonisation projects.