

European Commission  
DG ENER Unit C1

Brussels, 16 November 2021

### **EPF feedback on the review of the EU renewable energy rules**

The European Panel Federation (EPF) warmly welcomes the possibility to provide feedback on the review of the EU renewable energy rules as part of the 'Fit for 55' package. The wood-based panels industry believes that the promotion of the use of renewables and the transition towards a decarbonised European energy sector are key to achieving the objectives of the carbon neutrality by 2050 and ought to play a fundamental role in the post COVID-19 recovery.

EPF is delighted that the Commission acknowledges that biomass needs to comply with the sustainability and greenhouse gas emission saving criteria for the use of biomass, established by Directive (EU) 2018/2001 in line with the cascading principle.

To meet the objectives of climate neutrality, strengthening the sustainability criteria for forest biomass is of the utmost importance to reduce early energy recovery, restore sustainable carbon cycles and increase carbon removals in long lived circular and climate positive harvested wood products. For the EU's forestry resource to best meet our climate, economic, environmental and biodiversity targets, it is essential to allow the carbon cycle to be extended via harvested wood products, such as wood-based panels, for as long as possible, and to only be burnt at the end of life. Moreover, it is important that in this process, and as stated in RED II, subsidies for bioenergy should not create any market distortions for raw materials such as biomass and avoid that high quality wood is diverted to energy market, with associated negative impacts on resource efficiency, biodiversity and carbon sinks.

Moreover, EPF is glad to note that 1 year after entry into force, the Commission will publish a Delegated Act on how to apply the cascading principle for biomass and how to minimise the use of quality roundwood for energy production. It is essential to define the further implications of the cascading principle as it is necessary to recognise the national specificities which guide Member States in the design of their support schemes. EPF therefore also welcome the proposed obligation to phase out, with some exceptions, support for electricity production from biomass as from 2026. Furthermore, EPF looks forward for the 2026 report on the impact of the Member States' support schemes for biomass, including on biodiversity and possible market distortions, and will assess the possibility for further limitations regarding support schemes to forest biomass.

In the light of the above, EPF calls on the European Commission to consider the following when negotiating with the co-legislators:

- Ensure that the revision of the Renewable Energy Directive and the operational guidance for member states and operators on how to demonstrate compliance with the new sustainability criteria for forest biomass is fully in line with the principles of the circular economy, the waste hierarchy established in Directive 2008/98/EC and the carbon neutrality target.



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- Guarantee the proper application of the cascade use of wood principle to ensure the long-life cycle carbon storage and that the recycling of waste is always the priority option.
- Ensure that all forest biomass used for bioenergy with carbon capture, storage and utilisation is sourced in full compliance with the strengthened sustainability criteria and in line with the cascading principle and the waste hierarchy to ensure the long-life cycle carbon storage and that the recycling of waste is always the priority option.
- Establish well-functioning markets for wooden secondary raw materials before eventual end of life energy recovery to avoid further pressure on natural resources and distortive effects on markets for by-products, wastes or residues.
- Ensure that forest biomass eligible under the sustainability criteria laid down in Article 29 should be limited to the biomass types that have payback periods compatible with the Paris Agreement targets.

To ensure the avoidance of such market distortions EPF proposed back in 2020 to establish a consultation system at national, regional or local level to verify whether projects by applicants for biomass energy support comply with the sustainability requirements of the Renewable Energy Directive. Such process could be implemented within the framework of the operational guidance for member states and operators on how to demonstrate compliance with the new sustainability criteria for forest biomass that is currently under preparation. You can find copy of EPF's proposal here below (Ref: 2020-103).

To conclude, the wood-based panels industry is committed to doing its share in the transition towards a carbon neutral and circular economy as it has done already in the past. Wood-based panels are sustainably sourced and circular climate positive products that are used extensively in construction and renovation (for structural integrity and energy efficiency), furniture and packaging. In this respect, our products hold a great potential in increasing carbon removals and sustainable carbon life cycles. Therefore, EPF believes that a coherent and viable approach is necessary when reviewing the rules of the Renewable Energy Directive together with the Forest Strategy, the revision of the LULUCF and the EU ETS. Finally, it is essential that future wood biomass availability is guaranteed especially given the increasing threats from pests, diseases and fire. In order to ensure consistency between the different European policies impacting EU forests, it is of the utmost importance to ensure that there is enough biomass for the whole European circular bioeconomy ecosystem especially if we want to turn the built environment into a carbon sink by using nature-based materials and reach climate neutrality by 2050.

*EPF represents the manufacturers of wood-based panels being particleboard, dry process fibreboard (MDF), oriented strand board (OSB), hardboard, softboard and plywood. EPF has members in 32 European countries. The EU wood panel industry has a turnover of about 22 billion euro every year, creates over 100,000 jobs directly and counts more than 5,000 enterprises in Europe. The production of wood-based panels in the EU-28 (+EFTA) in 2019 was an estimated 59.2 million m<sup>3</sup>. [www.europanel.org](http://www.europanel.org)*

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**EUROPEAN PANEL FEDERATION**  
WOOD - BASED PANELS

European Commission  
DG COMP Units B2, B3 & H2

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**Proposal for a consultation system at national, regional or local level to verify whether projects by applicants for biomass energy support comply with the sustainability requirements of REDII and to evaluate any potential distortions of raw material markets**

The European Panel Federation (EPF) believes that Member States should require applicants for biomass energy support to present a detailed supply plan for their woody biomass describing the type, quantities and origin of the material and an evaluation of any potential conflicts with existing users. The supply plan should not only cover the start-up phase but should be for at least 2 to 5 years or could be described for the entire time of receiving support. In this plan, applicants should already provide as much information as possible showing that their supply plan will not cause any market distortion for the existing wood processing industry.

During the evaluation of the application and the possible granting of support, the national/regional/local authority shall inform all potentially relevant stakeholders within the expected supply area of the bioenergy plant to provide comments and in case they object to support being given, deliver proof that they are already using the envisaged feedstocks by the applicant. Given the uncertainties on the supply range, authorities shall always as a minimum inform National/European associations of wood by-products and wastes such as the wood panel industry, the pulp industry, the wooden packaging sector and any other relevant associations. Only biomass supply which clearly shows that no market distortion will be caused by granting of support, will be eligible for granting of support.

Support granting authorities shall take due account of any proof of existing materials and the expected socio-economic impact of granting the support to the biomass energy plant.

During the entire supporting time and at the time of any application for renewal, support granting authorities shall require the supported operator to document the real origin and quality of the woody biomass at least once per year to verify that it matches with the supply plan used when granting the support. In case of any discrepancies, a consultation shall be launched when new materials from new origins are being used, and in the case of proof of market distortion to material users, the granting of support shall be re-evaluated and preferably stopped.

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