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Unit C1: Renewables and Energy System Integration Policy  
Unit C2: Decarbonisation and Sustainability of Energy Sources

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## **EPF feedback on the renewable energy legal framework after 2030**

The European Panel Federation (EPF), representing the European wood-based panels industry in Europe, welcomes the launch of the Call for Evidence on the renewable energy framework for the decade ahead. We support the EU's objective of strengthening energy security, competitiveness and decarbonisation through a cost-effective and sustainable expansion of renewable energy. At the same time, we consider it essential that the post-2030 framework fully reflects the growing strategic importance and scarcity of sustainable biomass, as acknowledged by the Commission itself. The Call for Evidence rightly notes that, with the development of the EU bioeconomy, biomass could become increasingly scarce for bioenergy uses, and that the future framework should explore options for ensuring a more efficient and targeted use of sustainable biomass for energy.

For EPF, this is a key point. Sustainable woody biomass is a limited and valuable resource that is needed not only for energy, but preferably for long-lived material applications, circular manufacturing and carbon storage in products. The post-2030 renewable energy framework ought therefore to move decisively towards a more efficient allocation of biomass, fully aligned with the cascading use principle, resource efficiency and with the broader objectives of the EU circular bioeconomy.

### **1. Biomass scarcity must be recognised as a structural constraint**

EPF strongly agrees with the Commission's own assessment that biomass availability will become increasingly constrained as demand from the bioeconomy grows. This is not a marginal issue. It is a structural challenge for EU climate, industrial and resource policy.

Building future legal framework must start from the premise that sustainable biomass cannot be treated as an unlimited renewable input. In practice, the same wood resource is increasingly claimed by multiple uses: material products, recycling loops, bio-based chemicals, textiles, heat and power, liquid biofuels and emerging biomass-based energy pathways. Without a clear hierarchy of uses, public policy risks intensifying competition for scarce resources, increasing raw material costs, creating market distortions and undermining both industrial competitiveness and climate effectiveness.

This is particularly relevant for the wood-based panels sector, which relies heavily on wood residues, by-products and recycled wood. These streams are exactly the type of resource that have be used efficiently and kept in the material cycle for as long as possible. A policy framework that continues to incentivise early energy recovery of valuable woody biomass would directly undermine circularity, carbon storage and the availability of raw materials for long-lived wood-based products.

Recent evidence from EPF's Strategic Wood Availability study<sup>1</sup> confirms that biomass scarcity is not a theoretical concern but an emerging structural constraint. The study projects a significant and growing gap between EU wood demand and sustainable domestic supply by 2040, even under conservative scenarios, while highlighting that current policy incentives already divert substantial volumes of wood suitable for material uses towards energy generation. This directly undermines the cascading use principle and increases pressure on forest carbon sinks. These findings reinforce the need for the post-2030 renewable energy framework to prioritise efficient resource allocation, avoid distortive bioenergy incentives, and safeguard material uses of wood as part of a coherent circular bioeconomy strategy.

This scarcity is further exacerbated by climate change impacts on forest and agricultural productivity, including pests, diseases and extreme weather events. Future policy frameworks need to take into account these constraints on biomass availability when designing renewable energy pathways.

## **2. The post-2030 framework must operationalise the cascading use principle**

EPF calls on the Commission to make the cascading use principle a central and operational element of the post-2030 renewable energy framework.

In practical terms, this means recognising that woody biomass must, as a matter of policy priority, first be used for products and applications delivering the highest economic, environmental and climate value over time, notably long-lived material uses, before being used for energy. Energy recovery has to primarily concern waste streams and fractions that cannot be reused, recycled or otherwise valorised materially.

This approach is fully justified on climate and resource-efficiency grounds. Long-lived wood-based products store biogenic carbon, substitute more carbon-intensive materials, and can often be recycled or reused before final energy recovery. By contrast, burning biomass at an early stage releases carbon immediately, in spite of its zero-rating assumption, and may prevent the creation of greater value and longer climate benefits through material applications.

The renewable energy framework must therefore:

- explicitly recognise the need to prioritise material uses of woody biomass over energy uses where this delivers greater overall climate and circularity benefits;
- avoid policy incentives that promote the early combustion of industrial roundwood, quality residues or other material-grade woody biomass;
- ensure that support schemes for bioenergy are targeted only at biomass streams for which material use is not technically, environmentally or economically preferable.

## **3. Subsidies for biomass-based energy must be phased down where they distort resource allocation**

The post-2030 framework must address one of the key sources of distortion in biomass markets: public support schemes that continue to incentivise the use of woody biomass for energy even where this is not the most efficient or strategic use of the resource.

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<sup>1</sup> [EPF-Strategic-Wood-Availability.pdf](#)

EPF considers that subsidies for biomass-based electricity and heat ought to be phased out, or at minimum strictly limited, where they:

- increase competition with material users for the same feedstock;
- support the combustion of feedstock that is suitable for panel production, wood products or other long-lived uses;
- undermine investments in circular manufacturing and material substitution;
- generate poor overall climate efficiency compared with alternative renewable solutions.

This does not mean that bioenergy has no role to play. Bioenergy remains relevant for certain uses, especially where residues or non-recyclable fractions are concerned. However, the framework must become much more selective and targeted. Public support must focus on biomass uses that are genuinely efficient, sustainable and non-distortive, rather than creating blanket demand that inflates prices and reduces raw material availability for the material sector.

EPF also stresses the need to prioritise support for bioenergy pathways based on short-lived organic waste streams, including biogas and biofuels derived from agricultural, food and livestock residues. These pathways can deliver higher overall resource efficiency and contribute to circular economy objectives, including nutrient recycling and reduced dependency on imported fertilisers through the use of digestate. By contrast, support schemes must avoid incentivising the use of solid woody biomass that is suitable for long-lived material applications. Public support has to clearly differentiate between short-lived waste-based biomass and long-lived material resources, in line with the cascading use principle.

In this context, the framework could also promote the use of biomass from low industrial value species, unmanaged forest areas or invasive species for energy purposes, thereby preserving higher-value wood resources for material uses. A more targeted approach would also be fully consistent with the Commission's stated intention to explore "more efficient and targeted use of sustainable biomass for energy".

#### **4. Sustainability criteria must better reflect resource efficiency and material competition**

EPF supports strong sustainability criteria for biomass and bioenergy. However, future sustainability rules should go beyond land-based criteria and greenhouse gas accounting alone. They have to also better reflect resource efficiency, circularity and competition between uses.

In particular, the sustainability framework for bioenergy ought to consider:

- whether the biomass used is also suitable for long-lived material applications;
- whether its combustion leads to the premature loss of recyclable or reusable material resources;
- whether the use of the biomass for energy is consistent with the principles of circular economy and cascading use;
- whether alternative renewable options are available that would avoid diverting scarce biomass away from material uses.

This broader approach would improve policy coherence between climate, energy, circular economy and industrial policy. It would also help prevent situations in which a biomass use is counted as renewable and sustainable under energy rules, while at the same time undermining circularity and carbon storage objectives elsewhere in EU policy.

## **5. Carbon storage in harvested wood products must be better reflected in the policy framework**

The Call for Evidence notes that the future framework must take into account the decline in the EU carbon removal sink. This makes it even more important to recognise the role of harvested wood products in climate mitigation.

Wood-based panels and other long-lived harvested wood products provide a double climate benefit:

- they store biogenic carbon for the lifetime of the product;
- they substitute more emission-intensive materials in construction, furniture, packaging and other many other applications.

The post-2030 renewable energy framework ought to therefore avoid treating biomass solely through the lens of energy production. The climate value of harvested wood products must be properly acknowledged in the wider policy architecture.

EPF calls for:

- clear recognition that long-lived wood products contribute to climate mitigation through carbon storage;
- better coherence between energy policy and the treatment of harvested wood products under LULUCF, carbon accounting and certification frameworks;
- avoidance of energy policy measures that weaken the contribution of wood-based products to carbon storage and substitution.

The framework must not create incentives that favour immediate combustion over long-term storage in products. In a context of declining forest carbon sinks globally, this would be counterproductive.

## **6. Stronger coherence with the updated Bioeconomy Strategy**

The future renewable energy framework has to be fully aligned with the updated EU Bioeconomy Strategy. The Commission itself identifies biomass scarcity in the context of the growing bioeconomy. This means that energy policy can no longer be designed in isolation from industrial bioeconomy policy.

The updated EU Bioeconomy Strategy recognises woody biomass as a strategic feedstock for high-value material uses, circular products and industrial decarbonisation. The renewable energy framework has to support this by ensuring that energy policy does not crowd out the development of the circular bioeconomy.

EPF therefore calls for:

- systematic coherence between the renewable energy framework and the updated Bioeconomy Strategy;
- recognition of the strategic role of wood-based panels and other long-lived wood products in a competitive, circular European circular bioeconomy;
- consistent prioritisation of uses that maximise climate mitigation, material efficiency, industrial value creation and resilience of domestic supply chains.

## 7. Stronger coherence with the upcoming Circular Economy Act

The upcoming Circular Economy Act will aim to strengthen the Single Market for secondary raw materials and improve the circular use of resources. The renewable energy framework must be consistent with that objective.

For woody biomass, this means that energy policy must not undermine the availability of secondary and recyclable wood flows for material recovery. Wood residues, by-products and post-consumer wood are essential feedstocks for the wood-based panels sector, which is one of the most important industrial users of recycled wood in Europe.

The post-2030 renewable energy framework ought therefore:

- avoid incentives for burning recyclable wood or wood residues that can still be materially used;
- support the retention of wood in the circular economy for as long as possible;
- ensure coherence with End-of-Waste criteria, recycling and secondary raw material objectives under the Circular Economy Act;
- contribute to a functioning waste hierarchy in which reuse and recycling come before energy recovery.

This would not only support circularity, but also improve European strategic autonomy by reducing dependence on virgin raw materials and imported fossil-based products.

## 8. Material uses of wood deliver strategic industrial and social benefits

The role of woody biomass in material applications is not only a climate issue. It is also an industrial, economic and social issue.

Wood-based panels are used widely in furniture, construction, interior fit-out, packaging and renovation. They support domestic value chains, jobs, investment and innovation across Europe. The sector is also central to sustainable, affordable and circular construction solutions. A framework that preserves access to material-grade biomass therefore supports a broad range of EU objectives, including competitiveness, housing, circularity and local development.

By contrast, a framework that drives excessive biomass demand for energy can:

- increase raw material prices;
- reduce security of supply for manufacturing;
- weaken European value chains;
- increase dependence on imported finished products;
- undermine affordability in downstream sectors such as packaging, furniture and construction.

The future renewable energy framework should explicitly take these broader impacts into account.

## 9. Planning and permitting reforms must not weaken protection for material uses

EPF recognises the importance of faster permitting for renewable energy. However, any acceleration of permitting for biomass-based energy projects must remain consistent with the need to protect sustainable biomass availability for material uses.

Permitting frameworks must therefore not automatically favour biomass combustion projects without assessing their impact on local and regional feedstock markets and on existing industrial users of woody biomass. A more strategic approach is needed, especially where subsidised energy projects may distort biomass markets or displace material uses.

## 10. Specific recommendations

EPF recommends that the future renewable energy legal framework post-2030 ought to:

1. Recognise sustainable biomass as a limited strategic resource and reflect biomass scarcity as a structural policy constraint.
2. Make the cascading use principle operational in the renewable energy framework, with clear prioritisation of long-lived material uses over energy uses where this delivers greater overall climate and circularity benefits.
3. Phase out or strictly limit subsidies for biomass-based energy where these create distortions, increase competition for material-grade woody biomass, or undermine circular use.
4. Ensure that support for bioenergy is restricted to biomass streams that cannot be better used in material applications, reuse or recycling.
5. Broaden biomass sustainability criteria to include resource efficiency, circularity and competition between material and energy uses.
6. Recognise the climate contribution of harvested wood products, including long-term carbon storage and substitution effects, and ensure better coherence with LULUCF and wider carbon accounting frameworks.
7. Align the renewable energy framework with the updated Bioeconomy Strategy, ensuring that energy policy supports rather than weakens the European circular bioeconomy.
8. Align the framework with the upcoming Circular Economy Act by protecting recyclable and reusable wood flows from premature energy recovery.
9. Avoid permitting and support measures that incentivise early combustion of woody biomass suitable for wood-based products.
10. Assess all future biomass-related measures against their impacts on raw material availability, industrial competitiveness, circularity and carbon storage.

## Conclusion

EPF supports an ambitious and cost-effective renewable energy framework for the post-2030 period. However, this framework must reflect a simple reality: sustainable biomass is a scarce and strategic resource whose value is maximised when it is used efficiently, circularly and in line with the cascading use principle.

The future framework must therefore move away from untargeted support for biomass-based energy and towards a more selective, coherent and resource-efficient approach. It has to protect material uses of wood, reward long-lived carbon-storing applications, and ensure consistency with the updated Bioeconomy Strategy and the upcoming Circular Economy Act.

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