Wood Pellets: a sustainable fuel enhancing the green recovery of the EU

Brussels 23 October 2020 – Bioenergy Europe is pleased to announce the publication of the fifth chapter of its Statistical Report 2020 focusing on pellets highlighting the key contribution of the wood pellets to the EU sustainable recovery, and to the 2050 carbon neutrality target.

In 2019, the EU28 produced nearly 18 million tonnes of pellets (corresponding to about 7.6 Mtoe), showing a growth of 5% in 2019 compared to that of 2018. Across the EU, the primary source of feedstock is wood processing residues, making pellets a true example of resource efficiency and circularity. Furthermore, pellet production endows an economic purpose to the damaged wood, making sanitary cuttings and other necessary management operations viable. In fact, in several EU Member States such as Czech Republic, Germany, Austria and Belgium, this already represents a solution to incentivise damaged wood removal from the forests. Pellets help to make our forest healthier and resilient to climate change.

Pellets use which is a sustainable, efficient, and secured solution for households, commercial and small industrial processes also represent a cost-effective mean to defossilise the European heating sector. In fact, pellets are often cheaper than fossil alternatives (heating oil, gas, or coal) making it a perfect ally to tackle energy poverty. With 16.4 million tonnes consumed within the EU28 in 2019, heating with pellets is increasing in popularity in many member states. Nonetheless, there is still a high share of residential heating appliances running on fossil fuel in EU28. As confirmed by the State of the Energy Union report, fossil fuels still enjoy different forms of subsidies (over EUR 50 bn in 2018, up 6% compared to 2015). Such measures undermine the competitiveness of renewable solutions, thereby delaying the transition towards carbon neutrality.

The proposed EU target to reduce emissions by at least 55% GHG by 2030 and zero net emissions by 2050, requires a rapid phasing out of fossil fuels in all sectors of the European economy. In this regard, both heating and industry sectors are lagging behind. Pellets is one of the readily available and economically affordable solutions to phase out fossil fuels from the power sector, industrial processes, and residential heating.

Overall, the Statistical Report on Pellets sets out a number of essential recommendations for policy makers moving forward. Indeed, a stable policy framework is essential for giving a sufficiently long-term perspective to companies to further invest in pellet production and use, helping further climate change mitigation efforts. Besides, unlocking the support through the renovation wave, to allow citizens to switch from fossil fuel appliances to modern and efficient pellet solutions, is key. Lastly, tailored measures to support the upscaling of bioenergy solutions in medium scale markets such as schools, hospitals and residential buildings should be carefully designed and implemented.

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