

Fit for 55, no space for subsidiarity: a top-down approach to sustainability will not enable a renewable future.

Brussels, 14 July 2021 - Bioenergy Europe welcomes the launch of the “Fit for 55” package establishing a series of proposals affecting all parts of the European economy and aimed at fostering EU’s race towards 55% GHG emission reductions by 2030.

While Europe is still heavily reliant on fossil fuels, the package represents an opportunity to course correct towards carbon neutrality by further promoting the penetration of renewables, strengthening carbon sinks, improving energy efficiency, correcting energy taxation, and supporting adequate price signals to decarbonise the economy.

Bioenergy Europe is supportive of the objectives the package is trying to achieve. It regrets that the new sustainability framework for bioenergy is poorly designed in both form and content.

The “Fit for 55” package creates a top-down approach that makes it harder for Member States to achieve a renewable future. It contains burdensome retroactive measures which will be especially punitive to SMEs, which are the pillars of the local economies in rural areas. These retroactive measures could prevent the penetration of renewables and keep the EU on a trajectory of heavy fossil fuel use.

From a procedural standpoint, the Commission has proposed to issue a delegated act on an important internal matter for Member States like the cascading use of biomass.

Jean-Marc Jossart, Secretary General at Bioenergy Europe said:

“Sustainable bioenergy is the largest renewable energy source in Europe and will play a pivotal role in delivering on climate neutrality objectives. It is regretful to see that despite the umpteenth recognition by the Commission of sustainable bioenergy as a key part of the EU energy mix, the proposed REDIII fails to meet expectations”.

“It appears clear that challenging times await Europe. The upcoming months will be critical to bringing the necessary improvements to today’s proposals. The end results should ensure that biomass sustainability remains effective and applicable for economic operators.” Jossart added.

Hannes Tuohiniitty, President of Bioenergy Europe highlighted:

“It is unfortunate to see that some of the red flags we have raised have been ignored most notably, the retroactive GHG emissions savings which threatens the industry’s competitiveness. It also represents a dangerous precedent disregarding legal certainty. Although such measure would be attainable by most large operators, small operators would be buried in red tape which will critically impact their business plans and threaten their long-term commitments to clients and suppliers.”

“These market players are key for Europe, with more than 50.000 European bioenergy businesses, mostly SMEs, they create over 700.000 green jobs, particularly in rural areas. In a time of crisis, retroactive policies would not just negatively affect the industry, but also rural communities and EU citizens who depend on this for their livelihood.” Tuohiniitty concluded.

Fit for 55 package: what is a stake for the bioenergy industry?

REDIII Sustainability Criteria - The unprecedented decision by the European Commission to [undertake a review of the sustainability criteria](#) at a time when the transposition of the REDII has yet to be completed by most Member States, opens the door to a risky and volatile situation. Due to the European Commission’s delays, those tools necessary for market operators to demonstrate compliance with REDII are not available to date. A responsible

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approach requires a [science- and practice-based assessment](#). Abrupt changes to the rules will create legal uncertainties and will result in negative repercussions on the entire bioenergy value chain. An [improper sustainability framework for forest biomass](#) could challenge the EU's renewable energy ambitions and harm the rural economy. The current approach can have the unintended effect of increasing red tape and cost compliance without delivering increased sustainability.

Energy Taxation – Bioenergy Europe welcomes the evolution of the Energy Taxation Directive from a volume-based system to an energy content based one. This will help prevent discrimination against low carbon and biofuels. However, legislators should carefully scrutinise the system for potential unintended consequences that will result from the extension of the scope to include biomass products used for the heating in installations with a total rated thermal input equal to greater than 5 MW. This will result in a higher administrative burden and slow down the achievement of RES objectives due to increasing cost for small and medium sized operators. Instead, decarbonisation of these installations by sustainable bioenergy should be incentivized.

Heating & Cooling - The inclusion of the [building sector](#) in the EU ETS represents a positive step forward in acknowledging the importance of decarbonising heating which is responsible for 36% of EU emissions. RED III rightly promotes the switch from fossil fuel heating systems to RES and stresses the need for consistency with the EPBD. The text also recognizes that the shortage of RHC installers is a barrier to phasing out fossil fuel systems at the pace we need. However, the renewable heat targets in Article 23 remain disproportionately low, setting a business-as-usual approach which will not be enough to achieve the new 49% renewables in buildings target set out in Article 15.

Energy Efficiency - Bioenergy Europe supports the EED's renewed [focus on heating](#) and the establishment of one-stop-shops for financial and technical assistance which will further promote RES uptake. We also welcome the fact that the new general target will be a binding one and regret the fact that national targets will only be indicative ones, which will make it difficult to reach this goal. Finally, if the public sector is set to have an exemplary role, the obligation to renovate 3% of the total floor area of public buildings is not ambitious enough to bring a real change and decarbonise the current building stock.

LULUCF - The evolution away from the cumbersome and complex forest reference levels to a more efficient inventory system is an improvement; however, it will be necessary to address the method for the determination of the national contributions and how to affect the harvest decisions of private forest owners in a fair and robust way.

Concluding remarks

Bioenergy Europe recognises the European Commission's efforts in addressing the myriad of challenges facing the EU by putting together a series of proposals to foster the EU transition. However, legislators should carefully evaluate the complexity of our value-chain and take into consideration the recognised added value of the industry in achieving EU's environmental, social, and economic objectives.

The bioenergy sector therefore calls for a constructive approach that will avoid further toxification of the debate based on oversimplified and emotionally driven narratives. We trust the European Parliament and the Council of the European Union will undertake a careful assessment of today's proposals, based on an inclusive approach, that will ultimately benefit Europe as a whole.

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