## EUSTAFOR's input on the European Commission Roadmap: EU renewable energy rules – review

As announced in this initiative summary, under the European Green Deal the Commission has committed to stronger action on climate change and will assess how the EU's greenhouse gas emissions could be responsibly reduced by at least 50-55% by 2030.

## The review will:

- assess how far EU renewable energy rules (Directive 2018/2001/EU) can contribute to a higher EU climate ambition,
- explore how to accelerate the transition to a more integrated energy system as outlined in the energy system integration & hydrogen strategies.

In this regard, the European State Forest Association (EUSTAFOR) would like to address the following two important aspects of this initiative:

- the importance of renewable biomass as a source of bioenergy, and
- the announced possible revision of the REDII and the sustainability criteria for bioenergy therein.

## Renewable biomass

Renewables, including solid biomass, play a significant role in the European energy policy and this role should be strengthened. As stated in the Roadmap, renewable energy plays a key role in tackling climate change in a cost-effective manner, while enhancing energy security, creating growth and jobs, reducing pollution and strengthening EU industrial and technological leadership and independence. Furthermore, because it is often abundantly available within the EU and cost-competitive with fossil-fuels, renewable energy can help make the EU's energy supply more affordable and secure by reducing our dependency on imported fuels.

Forests and the forest-based sector play a significant role in mitigating climate change through decarbonizing the European economy, enabling the transition to a bioeconomy (1), increasing the renewable energy share of the EU's total energy consumption, fostering energy efficiency and promoting the efficient use of natural resources.

To maximize their potential to regulate climate, forests must be actively and professionally managed to make them "climate-fit" thus productive. Sustainable forest management improves the ability of forests to maintain and enhance carbon sinks and stocks, including by transferring carbon to wood products and substituting for fossil and other energy-intensive materials. Furthermore, forests and forest products function as a cornerstone of Europe's bioeconomy. They have a long history of providing a sustainable alternative to fossil-based materials and fossil energy, helping decouple economic growth from resource depletion and adverse environmental impacts. In the last two decades the forest area is increasing and, most importantly,

<sup>&</sup>lt;sup>1</sup> Mubareka S et al., <u>Forest bio-based economy in Europe</u>, in: European Atlas of Forest Tree Species (JRC, European Commission, 2016).

the annual growth of forests is consistently higher than the rate of harvesting. In fact, more than 30% of the forest increment stays in the forest (2). Out of the approximately 70 % that is harvested, around 20% belongs to the fuelwood quality assortment. The bioenergy sector is a main customer for this low-quality wood biomass.

Climate change is having a significant and visible impact on forests. The JRC PESETA IV final report (3) shows that, in recent years in the EU and UK, two-thirds of the total biomass was found to be potentially vulnerable to natural disturbances. Nearly half of that amount (46%) is threatened by windstorms, followed by forest fires (29%) and insect outbreaks (25%). A case in point is the recent severe damage of 1,2 million hectares of European state forests resulting from extreme weather and climate events, followed by pests and diseases, throughout Europe. EUSTAFOR's members report that in 2018-2019, over 36 million m³ of wood have been lost and recovery will require additional workforce and funding of up to 800 million EUR, presenting both logistical and financial challenges for many state forest organizations (4). Wood biomass from sanitary cuts made necessary by biotic and non-biotic calamities meets very limited demands from wood-based industries other than bioenergy.

In EUSTAFOR's view, the EU must support European forest owners and managers in combating the anticipated and most likely increasing, the aforementioned climate change-induced impacts in order to nurture climate-fit and resilient forests. This requires active, climate-smart forest management by professional foresters in close cooperation with scientists, climate change modelers, as well as a robust bio-based circular economy as the future economic model for the EU. The EU's renewable energy and industrial policies must enable affordable market conditions for the efficient use of renewable and climate-friendly raw materials, enhancing investments in forests as a natural asset. In addition to directly increasing the availability of renewables, the use of biomass for bioenergy contributes to the development of markets for low-value forestry residues. This, in turn, contributes towards keeping forestry viable which indirectly supports all other SFM measures, including climate change adaptation and mitigation.

## Potential revision of REDII sustainability criteria for bioenergy

EUSTAFOR shares the view that the best practical way to include forests and forest management into the overall climate and energy framework is to use the risk-based approach for forest biomass as has already been set out in the Renewable Energy Directive (recast). This would avoid confusion, legal uncertainty, and subsequent restrictions to investments in the forestry sector.

EUSTAFOR believes that amending the existing articles, including the announced potential changes to the sustainability and GHG gas emission savings criteria for bioenergy (Article 29-31), before the Regulation is even implemented and before national renewable energy progress reports are published and ready to be assessed, would be counterproductive. Such actions would simply diminish previous efforts and potentially slow down the process before it was even given a chance to prove its fitness.

<sup>&</sup>lt;sup>2</sup> Bioenergy Europe: <u>Statistical report 2019</u>

<sup>&</sup>lt;sup>3</sup> https://ec.europa.eu/jrc/sites/jrcsh/files/pesetaiv\_summary\_final\_report.pdf

<sup>&</sup>lt;sup>4</sup> EUSTAFOR Internal report: Forest dieback/damages in European State Forests and measures to combat it