



The Danish Industry Agreement for Sustainable Biomass

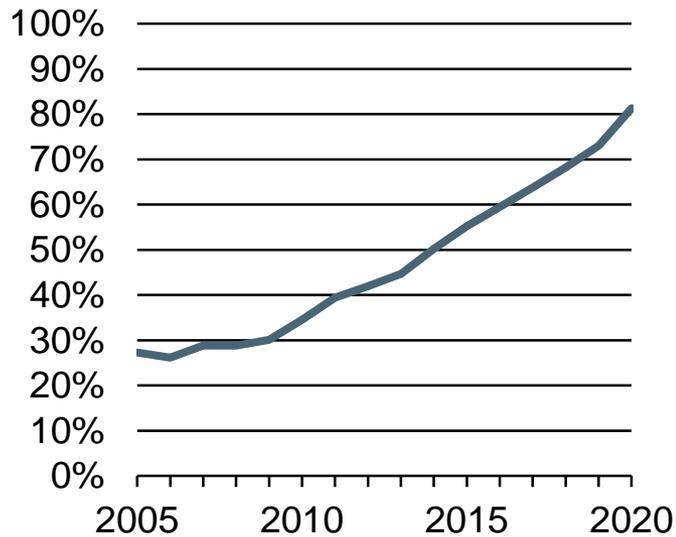
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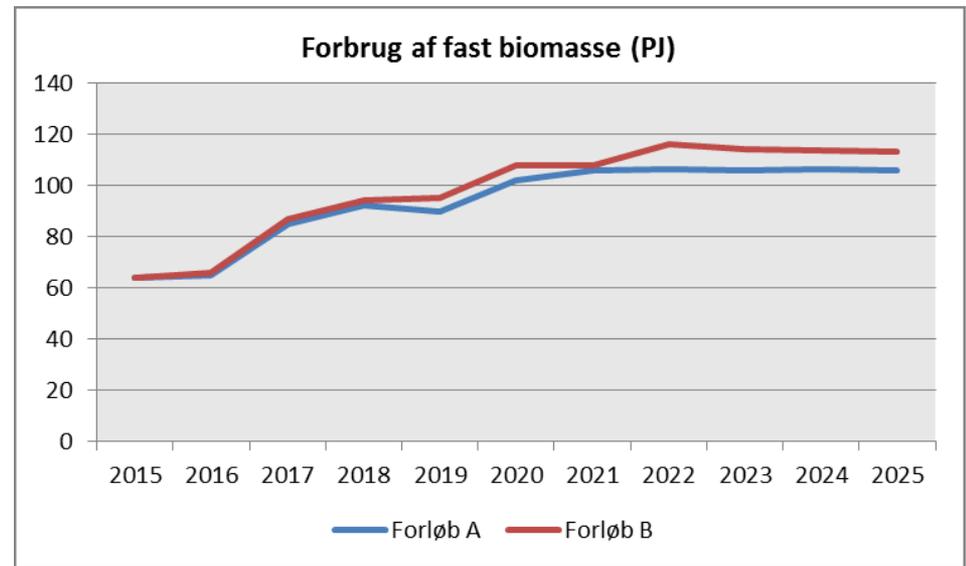


Ambitious Danish Energy Policy

Towards 80% RES in the power and heat sector

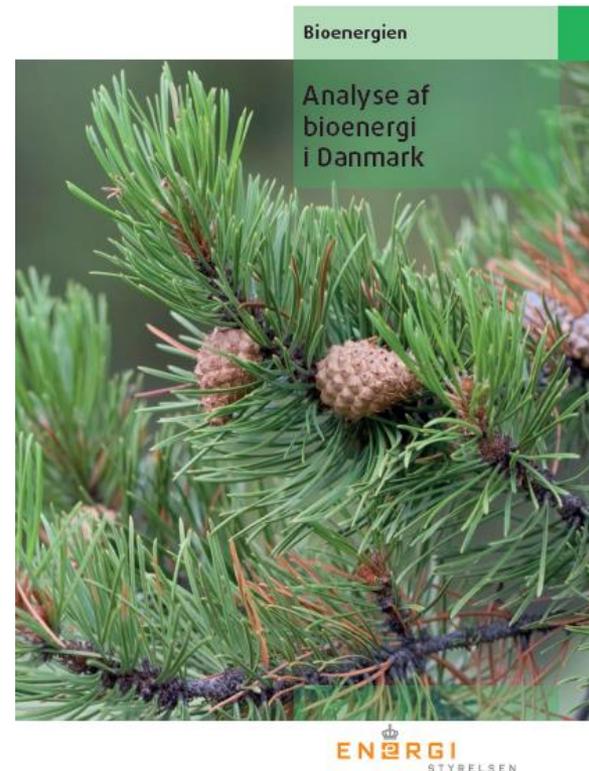


Forbrug af fast biomasse (PJ)



Focus on sustainable use of biomass

In May 2014 the Danish Energy Agency presented an analysis concerning the use of bioenergy in Denmark. The analysis points to risks of negative climate effects in the longer run in the absence of global regulation of the use of biomass for energy.





Why a voluntary industry approach and not regulation

- Ambitious – based on most stringent regulation in place
- Less bureaucratic – can be implemented without a big administrative set up
- Flexible - the agreement can be replaced with European regulation
- Based on existing regulation and guidelines in place in EU – facilitate European harmonization
- Smooth implementation – made with the support of industry

Timeframe

2016: 40 %

2017: 60 %

2018: 75 %

2019: Fully implemented

Evaluation in 2018



The Danish Agreement - 8 criteria

1. LEGALITY

- Legality of forest management and utilisation is safeguarded

2. ECOSYSTEMS

- Protection of forest ecosystems

3. CARBON CYCLE

- Forests productivity and ability to contribute to the global carbon circle must be maintained

4. CONDITION OF FOREST

- The forests must be healthy and well-functioning

5. BIODIVERSITY

- Protection of biodiversity, sensitive areas and areas worthy of preservation

6. RIGHTS

- Social and work-related rights must be respected

7. CO2 LIMITS

- CO2 emissions from the biomass value chain

8. CARCON CYCLE

- Forest carbon stock, iluc, iwuc

CO2 EMISSION LIMITS FROM BIOMASS VALUE CHANGE

Value chain for biomass



Operation: planting, maintenance, and logging



Production of woodpellets and -chips



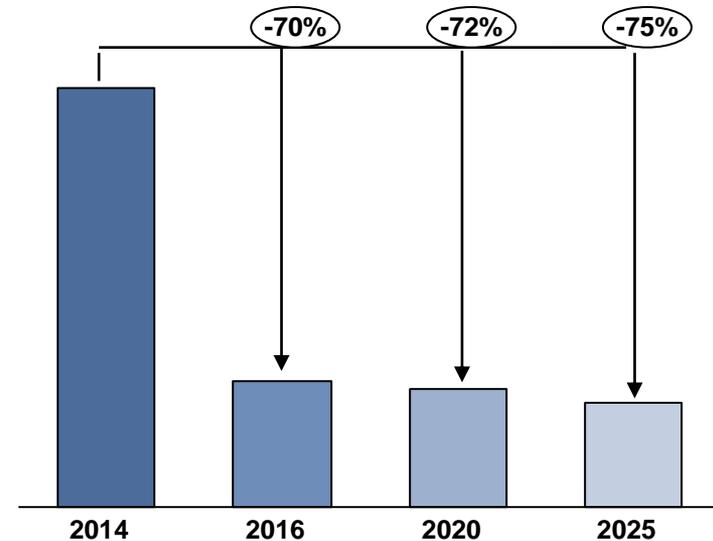
Transportation



Utilisation rate of power station

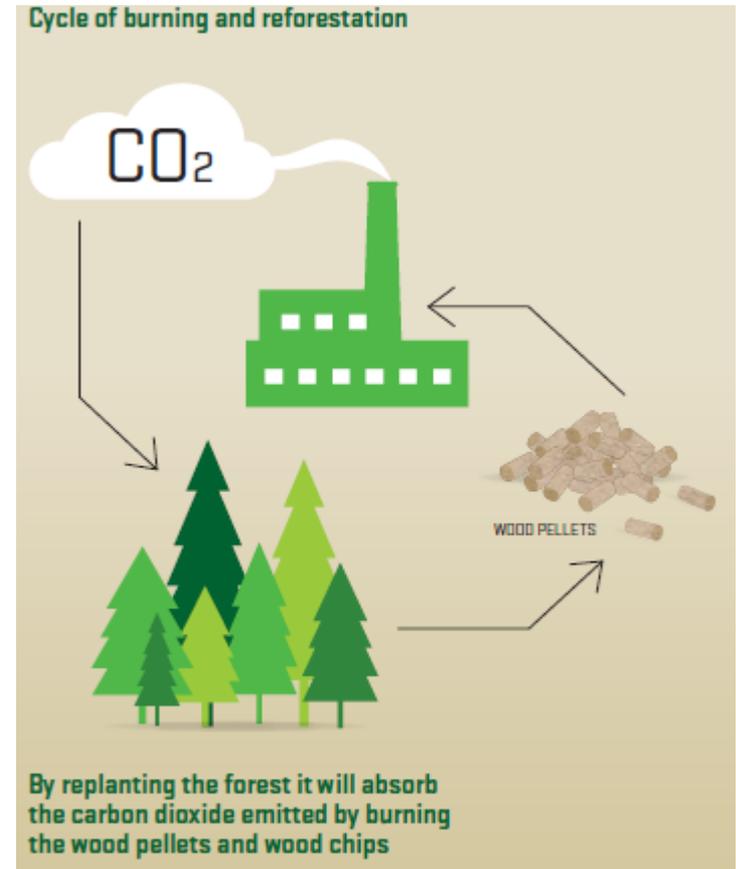
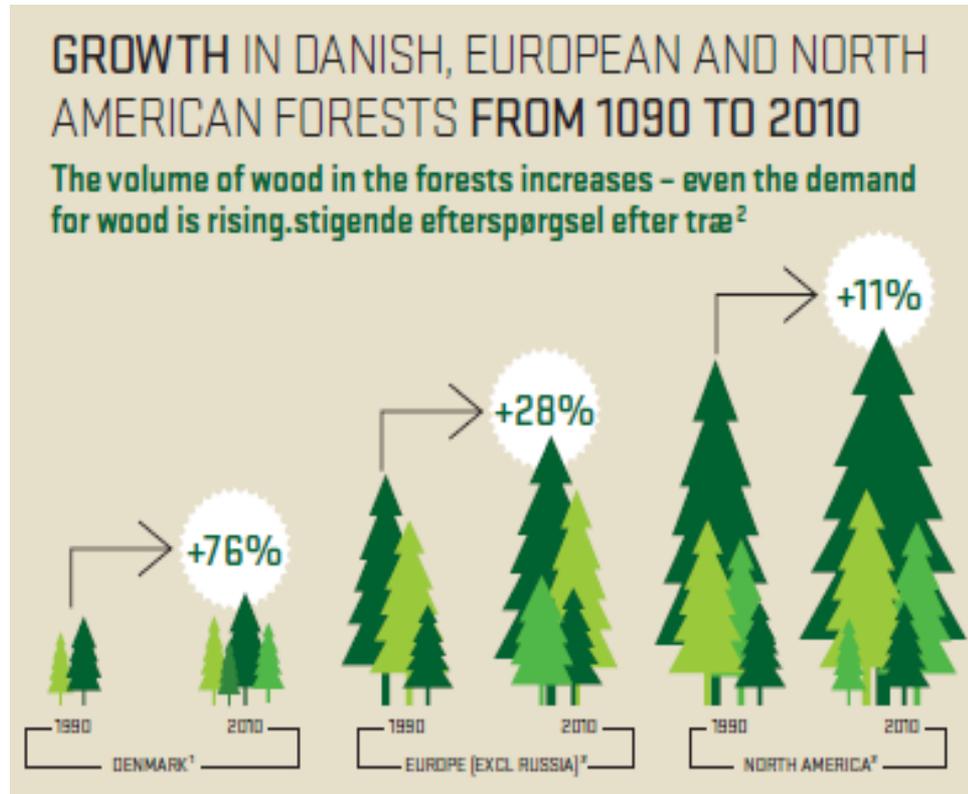
CO2 reduction requirements

Seen in relation to the continued use of fossil fuels



*EU-kommissionen, den 28. juli 2014: State of play on the sustainability of solid and gaseous biomass used for electricity, heating and cooling in the EU samt den engelske lovgivning for biomasse bæredygtighed – Timber Standard for Heat & Electricity: Woodfuel used under the Renewable Heat Incentive and Renewable Obligation.

Carbon cycle, forest carbon stock, iluc, iwuc



Compliance

- Compliance with biomass sustainability criteria must be documented through annual reporting on compliance with requirements
- Verification by an independent third party (that is accredited to undertake FSC or PEFC or SBP certification or is approved as an EUTR monitoring association)
- The annual report will have to be made available on the members' websites as well as on the websites of the Danish Energy Association and the Danish District Heating Association



Concluding remarks

- The Danish Industry Agreement ensures the sustainable use of solid biomass in CHP plants (wood pellets and wood chips) in Denmark
- 4 different schemes are now in place in EU. In some countries there are no schemes to ensure sustainability.
- This leads to uncertainties in the market and works against a level playing field
- Therefore we urge the Danish Government and the Commission to work for binding European sustainability criteria for the use of solid biomass

