



European Commission



**EU biomass
policy**

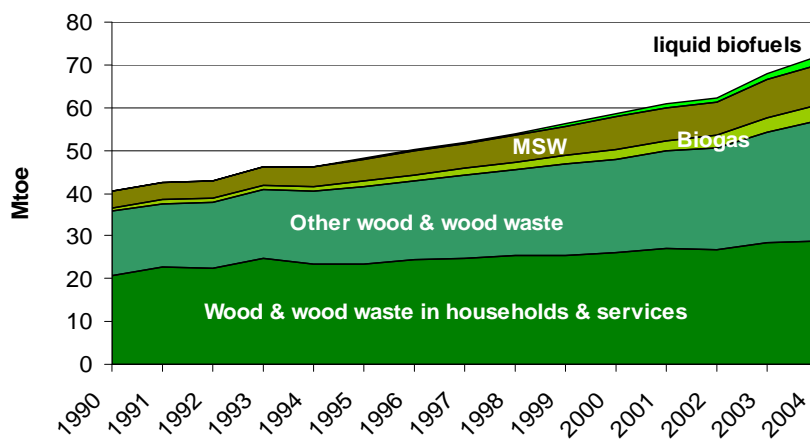
**EU funding and
financing
instruments**

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EU Bioenergy market development in the past

EU25, 1990-2002, biomass & waste only



Source: EUROSTAT



Legal framework for electricity and heat from biomass on EU level

- **Directive 2001/77/EC of 27.09.01 on RES-E** : to establish a framework to increase the share of green electricity from 14% to 21% of gross electricity consumption by 2010
- **Directive 2004/8/EC, on Cogeneration of Heat and Power** : to create a framework for promotion and development of high efficiency cogeneration of heat and power
- **Directive 2003/87/EC** : establishing a scheme for a greenhouse gas emission allowance trading within the Community



Legal framework for liquid biofuels from biomass on EU level

- **Directive 2003/30/EC of 08/05/2003 on biofuels** : Member States shall ensure by end of 2005 a 2% and by end 2010 a 5.75% minimum proportion of biofuels of all gasoline and diesel fuels sold on their market
- **Directive 2003/96/EC of 27/10/2003, on taxation of energy products and electricity** : Article 16 allows MS to apply exemption or reduced rate of taxation on “biofuels and other products produced from biomass”



Support from Common Agricultural Policy

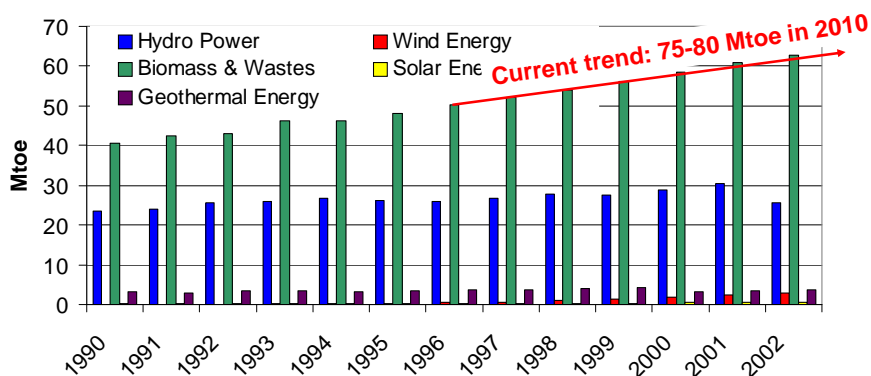
- **CAP reform (2003)**
 - Decoupled income support
 - Non-food (energy) crops on set-aside areas
 - Energy crop premium
 - Reduced scope for steering production
- **Sugar reform (2005)**
 - Sugar beet for ethanol eligible for both regimes exempt from quotas
- **Rural development policy (2007-2013)**
 - Menu of measures for renewable energies, e.g., biomass supply chains, biofuels processing capacity on/near the farm



Danger of missing EU targets for 2010

White Paper target for EU-15: 135 Mtoe biomass use in 2010

Adjusted targets for EU-25: 150 Mtoe biomass use in 2010





The EU Biomass Action Plan

Communication COM(2005)628 final

Biomass heating: RES-H / EPBD, DH, CHP, pollution

Electricity from biomass: RES-e, CHP, all options

Transport biofuels: Biofuels / Fuel Quality, trade, GPP, biodiesel standard, EU strategy for biofuels

Cross cutting issues: Energy crops scheme, Forest Action Plan, clean wastes, CEN, spot markets, national BAPs, EU structural and cohesion funds

Research: FP7, IEE/CIP, technology platforms



Implementation of the BAP (example 1/4)

The Commission will bring forward a report in 2006 in view of a possible revision of the biofuels directive. This report will address the issues of ... biofuel targets, ... biofuel obligations, ... minimum sustainability requirements.

Action:

- ✓ Public consultation on biofuel policy
- Impact Assessment of future policy options by experts
- Workshop on sustainability criteria and certification in co-operation with WWF, tender on sustainability criteria
- Revised biofuel directive to be proposed by the Commission in late 2006, final decision to be made by the European Parliament and the Council thereafter



Implementation of the BAP (example 2/4)

The Commission will work towards a proposal for Community legislation in 2006 to encourage the use of renewable energy, including biomass, for heating and cooling

Action:

- Public consultation on RES heating/cooling
- Expert Impact Assessments of future policy options on RES in general and RES heating/cooling in particular
- RES Roadmap and legislation on RES in general and/or RES heating/cooling in particular to be proposed by the Commission in late 2006, final decisions to be made by the European Parliament and the Council thereafter



Implementation of the BAP (example 3/4)

The Commission will bring forward a forestry action plan in which energy use of forest materials will play an important role.

Action:

- ✓ The Commission in its Forest Action Plan has proposed 18 key actions to be implemented jointly with the MS during the period of five years (2007–2011), including:
 - Key action 4: Promote the use of forest biomass for energy generation, ie the Standing Forestry Committee supporting the BAP implementation and pellet/ wood chip markets, MS assessing the availability of wood and wood residues, the Commission continuing its research efforts [...]



Implementation of the BAP (example 4/4)

The Commission will assess the implementation of the energy crop scheme.

Action:

- ✓ The Commission has assessed the implementation of the energy crop scheme and proposed (to the Council) the following changes:
 - Extension to 8 MS which do not benefit from it yet
 - Increase of maximum area to 2 million hectares
 - Allowing MS to grant national aid of up to 50% of the cost of establishing multiannual crops (in addition to the energy crop premium)



Challenges and questions

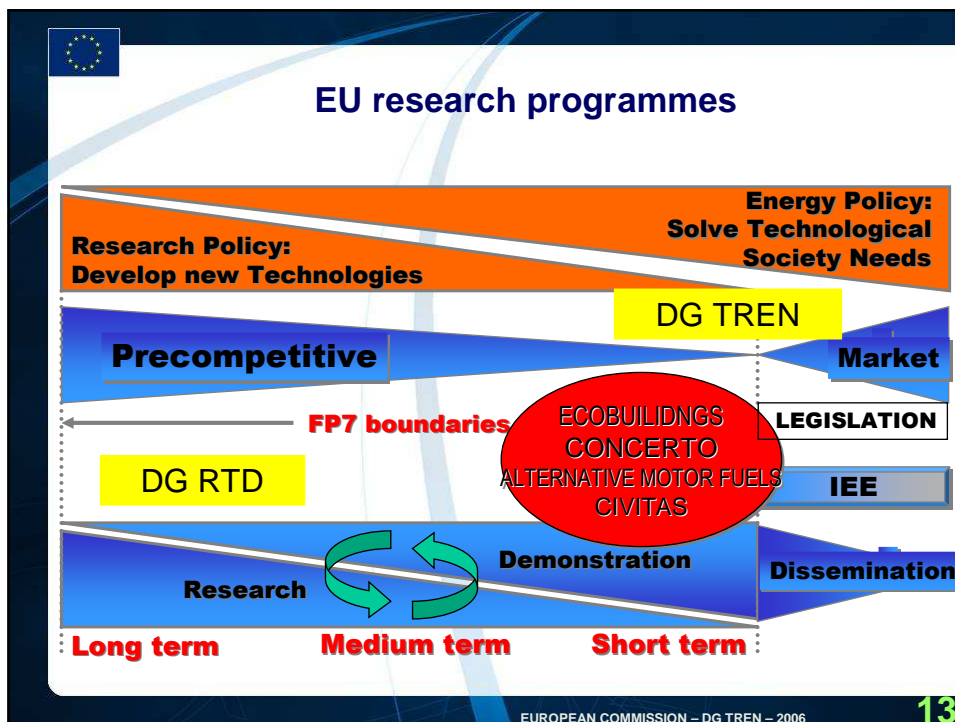
Sustainable provision of feedstocks, considering

- potential of European agriculture and forestry
- impacts on food and feed markets - EU and globally
- other possible uses of biomass
- environmental balance of different raw materials

Research and technological development

- optimised production and mix of raw materials
- advanced, more cost-effective conversion technologies
- more diverse feedstocks – not only food crops

Stable environment for the industry to develop



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- EU financing and funding opportunities**
- **EU funding instruments (2007-2013)**
 - European Regional Development Fund
 - Cohesion Fund
 - European Agricultural Fund for Rural Development
 - Operational programmes (one per fund and per region)
 - Management through local/regional/national administration
 - **European Investment Bank (EIB)**
 - Financial products at reduced interest rates
 - Direct loans for larger projects (> 25 Mill € total cost)
 - Indirect loans for smaller projects
- EUROPEAN COMMISSION – DG TREN – 2006
- 14



Conclusions

Energy from biomass (incl. organic waste) is expected to make a significant contribution to a future sustainable energy system in Europe

The Commission strongly supports bioenergy with a variety of legislative proposals, the BAP, and its programmes for research & market penetration

European funding and financing opportunities are available for both, biomass production and use, innovative and commercial technologies

At the end of the day it is the pro-active stakeholders on local/regional level who develop projects and deploy biomass in Europe's energy system



Further information

EC, DG TREN: Biomass Action Plan

http://ec.europa.eu/energy/res/biomass_action_plan/green_electricity_en.htm

EC, REGIO: Structural and Cohesion funds

http://ec.europa.eu/regional_policy/index_en.htm

EC, DG AGRI: EAFRD

http://ec.europa.eu/agriculture/rurdev/index_en.htm

European Investment Bank (EIB)

<http://www.eib.org/>