

Wood panel makers down tools over biomass subsidies

By Dafydd ab Iago | Friday 29 October 2010

As a sign of growing competition between the biomass sector and other users of wood, the European Panel Federation organised a day of action against subsidies for biomass fuel on 29 October. Some 150 wood panel manufacturers in 20 EU countries stopped production in protest at the subsidies.

«We want the EU to rethink its support policy. You can recycle wood many times, but you can only burn it once,» said Europanel Secretary General Kris Wijnendaele. Wijnendaele is calling on the European Commission to carefully evaluate the National Renewable Energy Action Plans (NREAPs), which must report on potential conflicts over material use and resource shortfalls.

Manufacturers and other non-fuel users of wood point to biomass demand for wood feedstock leading to a shortage of around 400 million m³ of wood in Europe by 2020. Wijnendaele told EuroPolitics that the NREAPs, required under the 2009 renewables Directive, forecast around 411 tonnes of additional wood being burnt. «Where will member states get this wood from?» he asks.

In Belgium alone, the price for wood has risen by 50% over the last year despite the economic crisis. «By giving money to the biomass energy sector to burn wood, you are distorting the market,» Wijnendaele said.

The European Biomass Association (AEBIOM) admits that there is increasing competition between the different users of wood, but notes that a higher price for wood will help encourage the use of other wood resources, notably forest residues. These other resources are unexploited at the moment due to their lack of profitability. AEBIOM also argues that providing energy, and especially heating, should not be considered as less valid than other uses of wood.

In its arguments, the biomass association also takes a shot at the panel industry for formerly abusing a «monopoly» position. «Prices of such valuable biomass were extremely low, sometimes even 'negative' and treated as waste. The panel industry took advantage of its strong position as the sole possible client for biomass producers (sawdust, etc.),» notes AEBIOM. Biomass prices are thus rising due to greater competition for the raw material and due to higher energy prices.

Background

The renewable energy Directive (2009/28/EC) defines biomass as «... the biodegradable fraction of products, wastes and residues from biological origin from agriculture (including vegetable and animal substances), forestry and related industries including fisheries and aquaculture, as well as the biodegradable fraction of industrial and municipal waste». In 2007, bioenergy contributed to 78 million tons oil equivalent (Mtoe) to the EU's final energy consumption, or 6.7% of the total energy consumption. It represents two-thirds of all renewables.