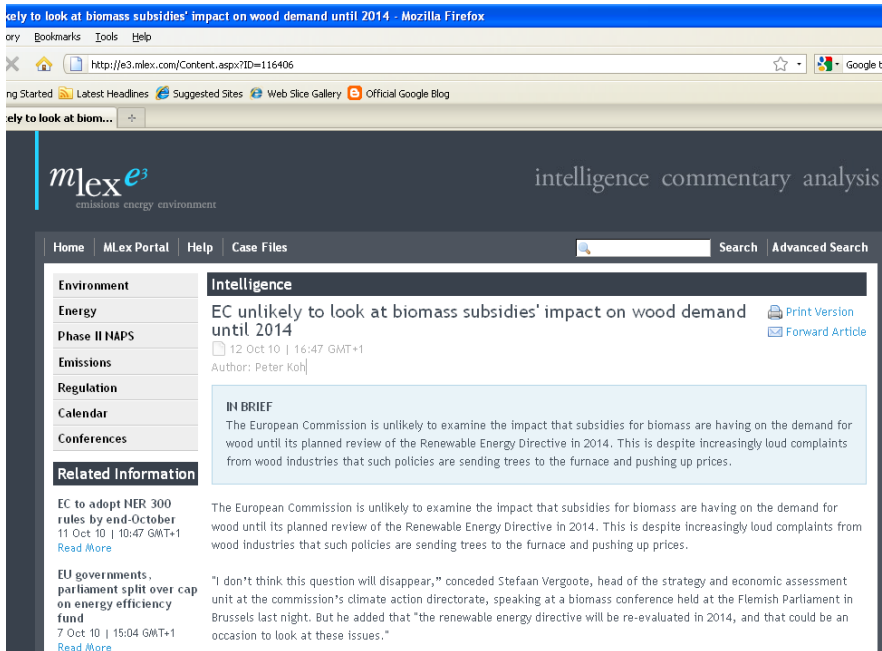


## MEDIA COVERAGE

Media: MLex E<sup>3</sup>

Circulation: tbc

Date: 12 October 2010



The screenshot shows a web browser window displaying an article on the MLex website. The article title is "EC unlikely to look at biomass subsidies' impact on wood demand until 2014". The author is Peter Koh. The article is dated 12 Oct 10 | 16:47 GMT+1. The article content includes an "IN BRIEF" section stating: "The European Commission is unlikely to examine the impact that subsidies for biomass are having on the demand for wood until its planned review of the Renewable Energy Directive in 2014. This is despite increasingly loud complaints from wood industries that such policies are sending trees to the furnace and pushing up prices." Below this, a quote from Stefaan Vergoote, head of the strategy and economic assessment unit at the commission's climate action directorate, is provided: "I don't think this question will disappear," conceded Stefaan Vergoote, head of the strategy and economic assessment unit at the commission's climate action directorate, speaking at a biomass conference held at the Flemish Parliament in Brussels last night. But he added that "the renewable energy directive will be re-evaluated in 2014, and that could be an occasion to look at these issues."

**EC unlikely to look at biomass subsidies' impact on wood demand until 2014**

Author: Peter Koh

### **IN BRIEF**

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"I don't think this question will disappear," conceded Stefaan Vergoote, head of the strategy and economic assessment unit at the commission's climate action directorate, speaking at a biomass conference held at the Flemish Parliament in Brussels last night. But he added that "the renewable energy directive will be re-evaluated in 2014, and that could be an occasion to look at these issues."

"We need to look at how we can maximise the benefits of renewable energy in terms of innovation, employment and energy security," Vergoote said. "Co-firing biomass does not have the same kind of innovation benefits as photovoltaic technology or offshore wind."

Wood-panel factories across Europe will shut down for the day on 29 October, to draw attention to the damaging effect that subsidies for electricity produced from biomass are causing their 25 billion euros-a-year industry.

"We want politicians to understand that we are really fearing for our existence," European Panel Federation (EPF) president Ladislaus Dory told MLex. "This isn't just an academic exercise."

The European Commission expects biomass to produce as much electricity as solar and wind power

combined by 2020, and many European governments are depending on biomass to meet their 2020 renewable energy targets.

Analysis of the national renewable-energy policies submitted to the commission shows that biomass policies could increase the demand for wood by 411 million tonnes - around a third of the total projected demand for 2020.

This increase in demand is pushing up prices for industries that rely on wood as a raw material, such as the paper and furniture industries.

But generous subsidy schemes are encouraging power companies to burn wood for electricity rather than less convenient forms of biomass, such as hay or other agricultural waste, that are expensive to collect and transport. As a result, 95 percent of the biomass being used for electricity in Europe is wood from trees that could be used rather than simply burnt, the EPF says.

In February this year, the European Commission rejected calls to introduce compulsory sustainability criteria for Biomass, recommending instead voluntary criteria for European governments to consider (see MLex story [here](#)).

These criteria, which could be reviewed next year, relate to how plants to be burned for electricity are grown and the emissions impact of their transport, rather than the issue of competing uses.