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RED directive

- Technology Industries of Finland (TIF) welcomes a new proposal for the Renewable Energy Directive (COM (2021) 557) (henceforth the Directive), published by the European Commission on 14 July 2021. The revision of the Directive is an opportunity for further alignment with the new climate ambition.
- TIF is in favor of increasing the use of renewable energies in the European Union. Ambitious targets help to tackle the climate crisis while creating new markets for energy efficient solutions. However, **the target should be indicative, not binding.**
- In order to create a flexible and a functional energy scheme, energy market actors need real-time information on the share of renewable energy consumption.
- **In Art. 1, the Commission proposes that as from 31 December 2026, with minor exceptions, Member States shall grant no support to the production of electricity from forest biomass in electricity-only-installations. This categorical e-ban ban is not justified or technology neutral and should be rejected.**
- Like in the case of CHP production, electricity from electricity-only plants is regarded as sustainable, if the production fulfils the requirements on reduction of greenhouse gas (GHG) emissions (Art. 29(10) and conversion efficiency (Art. 29(11)). In order to secure a fair and level playing field for all technologies, all bioelectricity production fulfilling the sustainability requirements should be treated equally, including their eligibility for state aid.
- This is also highlighted by the fact that CHP plants using biomass may have an auxiliary condenser. These CHP plants would remain eligible, justified with the argument that they simultaneously reduce CO2 emissions from both electricity and district heating production. However, auxiliary condensers, are useful in times when wind and solar power are scarce. The electricity generated by the auxiliary condenser can be used to produce renewable electricity to supplement wind and solar electricity. At times when there is an oversupply of wind and solar electricity, heat energy can be stored in heat accumulators in district heating networks.
- Further in Art. 1, it is proposed that the Commission *"shall adopt a delegated act in accordance with Article 35 on how to apply the cascading principle for biomass, in particular on how to minimize the use of quality roundwood for energy production, with a focus on support schemes and with due regard to national specificities."* This proposal should be rejected. Application of the cascading principle is at the center of operation for sectors using biomass. As proven by the Nordic countries, it operates well driven by market demand. Biomass is an important raw material for many sectors and legislating how and when this feedstock could be used could have a serious and distorting economic impact to the market. Further, regulating how to apply the principle would lead to a situation, where the principle would become an absolute, having unwanted side phenomena as already seen with the waste hierarchy and waste transportations. Should the cascading principle ever become subject to

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Eteläranta 10, PL 10, 00131 Helsinki
Puhelin 09 192 31
www.teknologiateollisuus.fi
Y-tunnus: 0215289-2

regulation, it should be noted that it is not merely a technical detail for a Delegated Act, but something that should be decided upon in the ordinary legislative procedure.

- According to Art 3:3 (ii) of the renewable energy directive, Member States shall grant no support for: "(ii) the production of renewable energy produced from the incineration of waste, if the separate collection obligation laid down in Directive 2008/98/EC have not been complied with." This same principle should be applied to waste and biomass multifuel combustion in order to secure a level playing field and technology neutrality in energy production. **If energy from the biomass fraction of waste is considered as sustainable, when the separate collection obligation has been adhered to, then this waste should also be allowed to be used for multifuel combustion with other sustainable biomass, and included into the definitions of "high efficient district heating" and "high efficiency cogeneration." in the EED.** These definitions are a central part of the bioenergy sustainability criteria, and the Commission has proposed to change them by excluding waste-based fuels and industrial residues from the definitions without solid scientific arguments to support this.
- Sustainability criteria for biomass used for energy production should not be changed in order to maintain stable and predictable framework fo investments.
- The 20 MW limit of plants that must comply with sustainability criteria should not be lowered in order to prevent excessive administrative burden on small and medium sized enterprises. The 20 MW limit is appropriate, because it is also applied within the ETS.
- The utilization of by-product hydrogen must be treated equally with hydrogen produced from renewable energy sources.
- For greenhouse gas reduction projects, the Commission investigates the Carbon Credit for Difference (CCfD) model, in which Member States can tender for projects, select the most cost-effective ones and pay the difference between the actual cost and the price of allowances. The CCfD model is technology-neutral and market-driven and can therefore be warmly supported to promote renewable energy and low-carbon technologies.
- In art. 9, the Commission is proposing to oblige Member States to participate in at least one cross-border renewable energy project over the next three years. The proposal must be rejected, because it is not the States that are launching energy projects, but energy companies. In addition, mandatory planning co-operation is proposed for large wind farms to be built in offshore areas and the common connection points they need. **Planning cooperation must be voluntary and not compulsory for Member States.**