## Bioenergy as a transitional activity

Analysis of the taxonomy proposal to be found at: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12302-Sustainable-finance-EU-classification-system-for-green-investments

Bioenergy is described as a transitional activity when used for electricity and heat production. And in part 9.1 there is an exception in research and development for such transitional activities.
A transitional activity is understood as a temporary activity "when there is no technologically or economically feasible low-carbon alternative", as stated in the sustainable finance document adopted in June 2020. This means that bioenergy is seen as both temporary, "until other renewables can take over completely", and as secondary to "true" low-carbon sources, which always are seen as favoured.
Our view (Svebio's) is that bioenergy must be seen as a fully worthy renewable, non-fossil, carbon-neutral energy source with long-term relevance and an important component in a future 100 % renewable energy system, in no way secondary to other renewable energy sources. Describing bioenergy as only transitional diminishes its importance and relevance.
The following are texts from the proposal. *Comments in italics*.

**Annex 1**

**4.8. Electricity generation from bioenergy**
Construction and operation of electricity generation installations that produce electricity from biomass, biogas and biofuels.
The activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria specified in this Section.

> This is the wording of article 10(2) of (EU)2020/852:
> (this document is a steering document for the sustainable finance regulation adopted 18 June 2020)
>
> 2. For the purposes of paragraph 1, an economic activity for which there is no technologically and economically feasible low-carbon alternative shall qualify as contributing substantially to climate change mitigation where it supports the transition to a climate-neutral economy consistent with a pathway to limit the temperature increase to 1,5 0C above pre- industrial levels, including by phasing out greenhouse gas emissions, in particular emissions from solid fossil fuels, and where that activity:
> (a) has greenhouse gas emission levels that correspond to the best performance in the sector or industry;
> (b) does not hamper the development and deployment of low-carbon alternatives; and
> (c) does not lead to a lock-in of carbon-intensive assets, considering the economic lifetime of those assets

*Comment: In the taxonomy annex 1 and 2, only bioenergy, together with gaseous and liquid fuels (see below), are described as "transitional activities". It is obvious that the purpose of article 10(2) in (EU)2020/852 is to allow for natural gas to be used as a transitional fuel to phase out coal. But questionable if it was meant for bioenergy.*

> **4.7. Electricity generation from gaseous and liquid fuels**

Construction or operation of electricity generation facilities that produce electricity using gaseous and liquid fuels (not exclusive to natural gas, oil or other refined products).
The activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.

**4.8. Electricity generation from bioenergy (continued)**

1. Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive.
2. The greenhouse gas emission savings from the use of biomass are at least 80 % in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex VI to Directive (EU) 2018/2001.
4. Points 1 and 2 do not apply to electricity generation installations with a total rated thermal input below 2 MW and using gaseous biomass fuels.

*Comment: It is true that criteria from RED are used, but*

- *the threshold 20 MW for use of biomass from forestry is removed, meaning that thousands of small heat plants in EU must report, which is a major administrative hurdle.*
- *The GHG savings of 80%, in RED it only applies to new plants taken into operation from 1 Jan 2026, whereas plants taken into operation 2021 – 2025 only need to show 70% GHG reduction, and for older plants no requirement.*

There is identical wording for cogeneration heat/cool and power production from bioenergy 4.20, and heat/cool production from bioenergy 4.24.

**9.1. Research, development and innovation**
Research, applied research, experimental development in natural sciences and engineering of solutions, processes, technologies and other products dedicated to the reduction, avoidance or removal of GHG emissions (RD&I).
The activity is classified under NACE codes M71.1.2 and M72.1.
The activity researches, develops or provides innovation for technologies, products or other solutions that are dedicated to enable one or more economic activities for which the technical screening criteria have been set out in this Annex, with the exception of activities considered as transitional and enabling activities in accordance with Articles 10(1), point (i), and 10(2) of Regulation EU 2020/852…

Categories From NACE:
71.1 - Architectural and engineering activities and related technical consultancy
• M.71.11 - Architectural activities
• M.71.12 - Engineering activities and related technical consultancy
• M.71.2 - Technical testing and analysis
• M.72.1 - Research and experimental development on natural sciences and engineering

*Comment: note "with the exception of activities considered as transitional". Only bioenergy and "gaseous and liquid fuels" are seen as transitional.*