

# Swedish Bioenergy Association (SVEBIO)'s Reply to the Public Consultation on Inception Impact Assessment

## Revision of Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources

Svebio, the Swedish Bioenergy Association, is an independent organisation promoting increased bioenergy deployment in an economically and environmentally optimal way. Our members are companies and individuals working in the whole bioenergy supply chain, from feedstock mobilisation to final energy use, like forestry and agricultural companies, utilities supplying biobased district heating, bioelectricity producers, biofuel producers, manufacturers of equipment, consultants, researchers, etc. Bioenergy is Sweden's largest energy source, supplying 37% of Sweden's final energy use. The supply of sustainable biomass for energy can double in Sweden according to our analysis in *Roadmap Bioenergy – meeting the demand for bioenergy in a fossil free Sweden*: <https://www.svebio.se/app/uploads/2020/03/Roadmap-Bioenergy-2020.pdf>

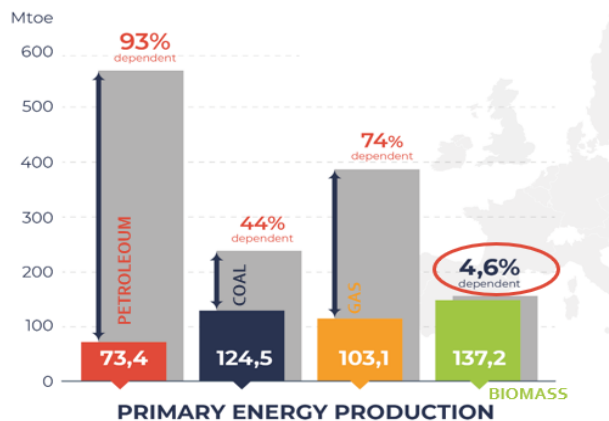
The Renewable Energy Directive, RED II, was adopted just recently, and has not yet been implemented fully in the member states. For the affected companies it creates uncertainty if the directive is revised even before it is implemented. For investments and sound business practice it is important that regulations and incentives are long-term and stable. We therefore strongly advise against opening up for changes in the sustainability criteria. These were adopted after thorough negotiations by the member states.  
Conclusion: articles 29 – 30 should not be changed.

We do however support a revision of the targets in the transport sector. The 14% target 2030 is totally insufficient to reach overall 55% GHG reduction by 2030, and to reach climate neutrality by 2050. This 14% target is not much higher than the 10% target for 2020, when considering double counting, electric vehicles and new fuels. There should be a new target of 30%, or more for the transport sector.

To reach an ambitious target for the transport sector, the restrictions for biofuels made from agricultural crops must be removed. Europe has large potentials to produce energy crops on existing farmland and on already abandoned farmland and fallow land. Steadily increased yields, and decreasing population in Europe further free land for growing energy crops. Also, the double counting for certain fuels should be removed as it distorts the market.  
Conclusion: articles 25 – 28 need to be revised.

Also, the targets for the heating/cooling sector, including heat production in industry outside ETS, may have to be revised. The change in this sector should primarily be incentivised by introducing carbon pricing. We prefer introducing carbon taxes in all member states and revising the energy taxation directive, including a minimum carbon tax level.

Bioenergy offers reliable renewable energy at a competitive cost. It also creates jobs and incomes in EU when imported fossil fuels are substituted, not least in rural and peripheral areas of Europe. In fact, less than 5 percent of the used biomass energy is imported to the EU making bioenergy to be the largest domestic EU energy source. The import of coal is 44 percent, the fossil gas import is 74 percent of the use and imported fossil oil stands for 93 percent of the use. Bioenergy development should not be restricted, but instead promoted not at least for trade balance reason. The sustainability criteria in RED II guarantee that the use biofuels and biomass fuels are sustainable. These criteria now need to be implemented.



#### Comments on the different options

Option 1 (No policy change/baseline scenario): In general, RED II should be left untouched, but articles 25 – 28 should be revised with new targets for the transport sector and removal of restrictions on energy crop based biofuels.

Option 2 (Non-regulatory measures): Such measures are not necessary from EU level if carbon pricing is fully implemented. In member states, these kinds of measures can be of value, but this must be decided in each member state, as conditions vary from country to country.

Option 3 (Raising the ambition level of the REDII targets and sub-targets in line with the 2030 Climate Target Plan): New targets need to be formulated for the transport sector and for heating/cooling. To reach the more ambitious 55% GHG target for 2030, these two sectors must have higher targets than in the current directive, and consequently the overall target for renewable energy needs to be increased. For the transport sector it is important to remove restrictions on energy crop based biofuels.

Option 4 (Amend REDII to translate into legal measures the actions proposed in other energy strategies of the EGD): We strongly advise against making such a large revision of the directive. Already, the directive is filled with “micro-management” where EU is promoting certain technologies and solutions ahead of others and telling member states in detail how to regulate their energy use. It is important to uphold the principle of technology neutrality, and let the market actors, businesses and consumers, decide on what solutions to choose. Instead of detailed regulations, EU should use general incentives like emission trading and

carbon pricing to reduce the emissions of CO<sub>2</sub> in a cost-effective and market-oriented manner.

Option 5 (Possible combinations of option 2,3 and 4): Yes, but with a focus on option 3 combined with carbon pricing.