

An Introduction to UK Biomass Sustainability Standards



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The controversy over the export of US wood pellets to the UK and EU continues to spin madly on. The uproar has been manufactured largely by those with little knowledge of forest science or forest economics and, apparently, without the willingness to learn these subjects. Fortunately, some smart people in policy-making roles in the UK are working hard not only to understand sustainability issues specific to the US South, but also to develop UK energy policies that ensure simultaneous reductions in greenhouse gas emissions and long-term forest sustainability.

One recent example of this can be found in the biomass sustainability criteria announcement by the UK's Department of Energy and Climate Change (DECC), *Government Response to the consultation on proposals to enhance the sustainability criteria for the use of biomass feedstocks under the Renewables Obligation (RO)*. The response sets out the UK government's recommendations for the biomass sustainability criteria that must be met by UK electricity utilities before they are eligible to receive renewables obligation certificates (the UK subsidy for renewable energy).

In the UK, a consultation is the equivalent of a US federal agency's requesting comments on a proposed rule, which the agency then carefully evaluates before devising a final rule. After considering all comments submitted during the consultation, DECC has made policy decisions on the following:

1. Sets greenhouse gas trajectories for generators producing more than 1MWe (the e stands for electrical) annually
2. Establishes sustainable forest management criteria, including reporting and auditing processes
3. Specifies further actions that DECC will undertake so that investors will have a greater sense of certainty about markets
4. Outlines the implementation plan and next steps

Greenhouse Gas Trajectories

Following the consultation, DECC made the decision to maintain GHG reductions at the current level of 60 percent through March of 2020, reduce the targets further for the 2020-2025 period and reduce the targets once again for the 2025-2030 period. GHG reduction targets will be the same for both dedicated biomass power and co-firing plants converting to biomass after April 1, 2020. Any facility meeting this annual average will be eligible for ROs as long as emissions do not exceed specified ceilings.

Establishes Sustainable Forest Management Criteria

DECC based the sustainability criteria governing biomass feedstocks on the UK Government Timber Procurement Policy (UK-TPP). Developed by the government to define legal and sustainable timber procurement for governmental offices, UK-TPP requires one of two types of evidence to demonstrate that at least 70 percent of timber (or biomass) was legally and sustainably harvested:

- Category A evidence: certification either through Forest Stewardship Council (FSC) or a Programme for the Endorsement of Forest Certification (PEFC). Currently, the Sustainable Forestry Initiative (SFI), Canadian Standards Association (CSA) and American Tree Farm System (ATFS) are all recognized under PEFC.
- Category B evidence: documentary evidence that includes chain of custody from the forest source to the end user (forest management plans, applicable legislation, supplier declarations, second-party supplier audits, third-party verification).

It is important to note that the new standards will allow mass balance, or the mixture of feedstocks with different sustainability characteristics, at any step in the supply chain for both Category A and Category B materials.


Certainty for Investment

In order to provide certainty for investments made in biomass facilities, DECC has extended the GHG trajectories to 2030, and has adopted a policy that it will not make unilateral changes in the targets or other aspects of the sustainability criteria before April 1, 2027. However, changes may be made if the EU or other international law requires them to be made.

Implementation Plans and Next Steps

DECC will issue a separate document outlining how the UK-TPP will be translated to the renewables obligation program before the end of 2013. Based on this document, Ofgem, the UK's electricity and gas market regulatory agency, will develop a template for reporting compliance.

The policies—the reporting process and mandatory sustainability criteria—are scheduled to take effect in two stages. First, Ofgem will write a Renewables Obligation (RO) Order covering the report/audit requirement and submit it to Parliament in early 2014. If passed, biomass power stations with 1 MWe and higher electricity generating capacity will need to begin tracking the sustainability of their supply beginning in April 1, 2014. The first report would then be due to Ofgem on June 30, 2015.



An additional RO Order will be sent to Parliament later in 2014; it will make the sustainability criteria mandatory as of April 1, 2015. Once passed, utilities will not only be required to report on the sustainability of feedstocks, but they will be ineligible for ROCs for power generated from feedstock that fails to meet the sustainability standard.

While informed and rational policy makers in the UK work to make a difference at the nexus of energy and climate change, it is unlikely to resolve the controversy surrounding the export of wood pellets produced in the US to UK and EU power stations. DECC's policy recommendations should make a difference, however, as they were developed out of an objective understanding of forest economics and forest science with a view toward ending the controversy and getting on with the hard work of reducing carbon-related climate change.