

## **Biomass subsidies slip through the cracks of the law**

It seems that the energy industry is at the controls not only in Glasgow but also in The Hague and Brussels. Frans Timmermans, responsible for the EU Renewable Energy Directive, said this week from Glasgow: "Biomass must continue to be part of our future 'sustainable' energy mix in Europe." But our Prime Minister and the State Secretary for Economic Affairs and Climate are also on the lead of the industry. While Mark Rutte, on behalf of the Netherlands, refused to sign for days to waive government support for fossil fuel projects, a photo circulated on Twitter of our climate secretary of state Dilan Yesilgöz in a friendly chat with the Estonian minister of climate with the accompanying text 'Estonia and the Netherlands must join forces to protect biomass in EU regulations'.

## **'Construction path' did not come**

However, at the beginning of this year there seemed to be a revolution with the government's announcement to stop pumping out subsidies (Stimuleringssubsidies Duurzame Energie, SDE) for biomass combustion. This is in line with the SER recommendation to phase out subsidies for 'low-value applications' of wood, or biomass combustion, as quickly as possible by means of a so-called 'phasing out path'. Because, according to the advice, otherwise the 'climate goals will get in trouble'. After all, the worldwide availability of sustainable bio-based raw materials is limited. According to the SER, the Netherlands may no longer make a disproportionate claim on this.

But as tough as it sounded, the completion path never came. Both Minister Eric Wiebes and his successors at EZK trained everything until the House of Representatives intervened. No completion path? No more subsidies, nor a new opening of biomass subsidies (SDE++) in the autumn of 2021. How big is the surprise if the new subsidy term appears again last month on the website of the national government for, among other things, biomass combustion? But first back to last summer.

## **PBL delivered pre-dictated conclusions**

In the long-awaited report of the Netherlands Environmental Assessment Agency (PBL), last summer, 'in preparation for a biomass sustainability framework' that, according to the then minister Wiebes, 'would provide answers to all questions about biomass', some gaps appeared. For example, various peer-reviewed practical reports on destruction and clear-cutting in Estonia, caused by subsidized timber hunger from Europe, were missing.

In a response day after publication, Bart Strengers, lead researcher at PBL, indicated that he had 'no more financial scope for research in the Baltic States' (one of the core areas where clear-cutting takes place for biomass) and that 'clear-logging' is only anecdotal evidence'.

This was remarkable, because the RutteDrie cabinet determined its course on the basis of this report, in which biomass combustion was still 'considered necessary for achieving the climate goals'. The PBL actually delivered pre-dictated conclusions from politics and industry.

## **Cracks in the biomass doctrine**

How different was the advice of the Social and Economic Council a month later. She stated that wood combustion for heat should be phased out as soon as possible. What was going on here? A political and industry-determined reality versus a social noise?

Advice or not, there was no phasing out. One can guess what the government's position on biomass was based on. With the call from the House of Representatives to stop with new subsidies for biomass, the first cracks are beginning to appear in the biomass doctrine, which has remained undisputed for a long time.

## **Consumers and small businesses fill biomass subsidy pot**

The new State Secretary Yesilgöz of Economic Affairs (VVD) did not let the matter grow. She immediately warned of high costs. According to her, burning wood largely imported from abroad is the cheapest way to get climate accounting in order in a fairly simple way. The alternatives, she says, are more expensive and increase energy bills.

After all, consumers and small businesses fill the pot for biomass subsidies through a special tax on electricity and gas. The subsidy system is linked to the energy bill. However, her statements are not watertight.

## **Secretary of State makes new policy**

In 2021, the House will adopt two motions on biomass: 1. The Van Esch et al. motion about 'no new subsidies for woody biomass until the phase-out path has been shared with the House' and 2. the Van Raan and Leijten motion on 'from now on measuring emissions from co-firing with biomass'.

The State Secretary responded with three letters to the House. With regard to the implementation of the motion Van Esch et al., the State Secretary indicated that he

would make a distinction between woody biomass for low temperatures and high temperatures. However, this distinction is not made in the motion. It therefore concerns an addition by the State Secretary with which new policy is drawn up – not in accordance with the motion.

### **Measured, not published**

In the letter about the implementation of the Van Raan and Leijten motion, the State Secretary then indicated that he did not want to 'measure at the chimney', but that he intended to calculate emissions 'from next year'. It is added that in 2019 15 PJ of woody biomass was burned, corresponding to 1.7 Mton. However, this 15 PJ is only a part of the total amount of woody biomass.

Finally, the State Secretary wrote in her letter of 8 November – last week in other words: 'Emissions from co-firing biomass are already being measured, but not yet published in an accessible manner'. Measurements are therefore taken, but answers about the emissions with regard to the total expected amount of biomass up to 2032, as stated in the Climate Memorandum (the KEV2021), are not given.

### **Click here to apply for your grant directly**

How big is the surprise if the new subsidy term does appear on the website of the national government last month for, among other things, biomass combustion? However, on the biomass subsidy page of the Netherlands Enterprise Agency (RVO, a department of the Ministry of Economic Affairs), there is no mention of this year's biomass Parliamentary Motions or other relevant letters.

There is a remarkable paragraph at the bottom of the list of categories for biomass applications. It seems like a 'disclaimer' stating that no subsidy is given to low temperature heat. However, biomass subsidy is awarded to high-temperature heat in industry.

The question is why all low temperature heat applications have not been removed from the web page. For example, subsidies can still be applied for for biomass plants in greenhouse horticulture for both heat and electricity. Other biomass applications are also incorrectly promoted. Such as subsidy for the category 'Boiler on solid or liquid biomass between 0.5 and 5 MWth'. It was not recorded in the fall of 2020. In the SDE++ 2021, it appears to be open again.

Subsidies for small biomass boilers, which had expired in 2020, have therefore been reopened in the 2021 round. All this while the biomass subsidies for 2021 had been discontinued by the House of Representatives. There is also the option of applying for an extension of the subsidy after the 12-year period for biomass

subsidy has expired. In view of the SER advice on phasing out, it is incomprehensible that this extension has been included.

## **Fictions of the RVO**

One of the reasons why biomass subsidies seem to be slipping through the cracks of the law is a government that allows itself to be pulled over by industry time and again. Once 'inside is kept' in accordance with the mantra of former minister Wiebes in the television program De Hofbar: Among 'entrepreneurs to whom promises have been made' (read 'subsidies awarded') 'the carpet can no longer be pulled off'.

## **Vattenfall sees awarded subsidy as company property**

An example is 'Vattenfall'. Total grant awarded: 500 million euros. For a biomass power station in Diemen that nobody wanted anymore. Not the residents. Not the municipality, nor the politicians (with the exception of GroenLinks in Amsterdam). So 'compensate', said the SER, 'if the reduction of subsidies goes faster than companies have foreseen'.

Simple, you might think, the biomass plant has not yet been built. Compensating for office costs is only a fraction of the promised large (subsidy) money. But Vattenfall did not agree with that.

Committed grants are considered "company property". Get out of there. And so the Vattenfalls of this world are putting a lot of pressure on them: 'Politics is up to you.' And so it turned out.

And the House of Representatives? He didn't respond. Not on the letters from the State Secretary nor on the reopened subsidy period for biomass combustion. Members of parliament as well as signatories to the motion (D66, Party for the Animals and ChristenUnie) state when asked that they are not aware of the letters or of the reopening of the SDE++ 2021 last month. More research and written questions are on the horizon.

## **Investigate the cabinet's conduct**

It can no longer be explained. 'Frozen biomass subsidies? We thaw while you wait.'" Given the magnitude of the biomass problem – it involves billions of dollars and far-reaching consequences for nature (forests) and air quality – a parliamentary inquiry into the 'trade and walk' of the Dutch government regarding biomass seems to be the only answer that still fits.