

Bioenergy and the EU LULUCF regulation

Woody Biomass – Climate Workshop, 15th April 2021

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Why?

What causes emissions in a given year?



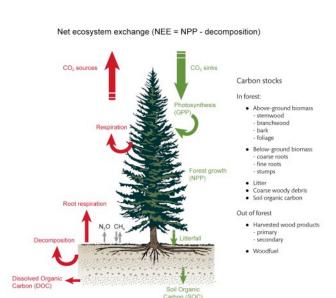
- Current direct consumption (combustion) of fuel in year
- Supply chain emissions/losses.

What needs to be done to claim emissions reductions?

- Change (current) consumption in a year
- (compared to previous years)
- (reduce supply chain emissions/losses)



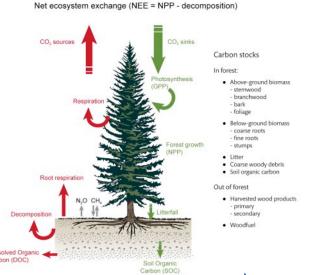
What causes emissions/ removals in a given year?



- Natural photosynthesis and respiration/climate
- Natural disturbances
- Climate
- Historical management
- Current management in year (including harvesting for bioenergy).



What needs to be done to claim emissions reductions/increased removals?



How do we separate this effect out from all the others?

- Natural photosynthesis and respiration/climate
- Natural disturbances
- Climate
- Historical management
- Change (current) management in year.

How?

- Simple accounting of removals/emissions for afforested land and deforested land
- "Afforested land" = "Land to Forest I and" in GHG inventories
- "20 year transition period"
- Similar approach for "deforested land"
- "Managed forest land" = "Forest remaining Forest" in GHG inventories
- FRL accounting for managed forest land.

"The [FRL] shall be based on the <u>continuation of</u> <u>sustainable forest management practice</u>, as <u>documented between 2000-2009</u> with regard to dynamic age related forests characteristics in national forests, using the best available data".

"[FRLs] shall [...] not unduly constrain the forest management intensity as core element of sustainable forest management practice, with the aim of maintaining or strengthening long-term carbon sinks".

"...a constant ratio between solid and energy use of forest biomass as documented in the period from 2000 to 2009".".

Does it work?

Strengths: definitely an improvement!

Underlying principles/aims

- Level playing field with other sectors
- Incentivise mitigation activities
- Avoid possibilities for gaming/hot air
- Foundation in data/evidence.

Design

• Stringent target (accounted LULUCF emissions must not exceed removals).

Implementation

- Supporting guidance
- External expert review process.

Design

- 1. FRL accounting: rates of forest harvesting (and bioenergy supply) can increase whilst still accounting for net removals or avoiding accounted emissions
- 2. In combination with (1) the "constant ratio between solid and energy use" can lead to increased bioenergy use without accounting for all emissions
- 3. Limited incentives for afforestation activities.

Implementation

- 1. Reliance on models: complicated and obstacle to consistency, transparency and verifiability
- 2. <u>Limitations in data sources</u> (forest inventories, management practices/wood production statistics) likely to lead to inconsistent construction of FRLs.

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Design

1. Scope: EU Member States only (no relevance for imported biomass sources).

Rationale

- 1. Lack of direct influence over actors: signals sent to biomass consumers by RED II and ETS are not consistent with the implications of the LULUCF Regulation (see (2))
- 2. <u>Influencing national policies/actions:</u> it is up to Member States to understand Regulation, what is needed to comply, what actions to take, and how to implement them.

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Room for improvement?

Incremental changes

- Simplify definition of "current forest management practice" e.g. recent rate of wood production?
- Simplify energy:solid ratio, e.g. recent level of consumption for energy?

Strengthen flanking policies

• Stronger sustainability criteria in RED II?

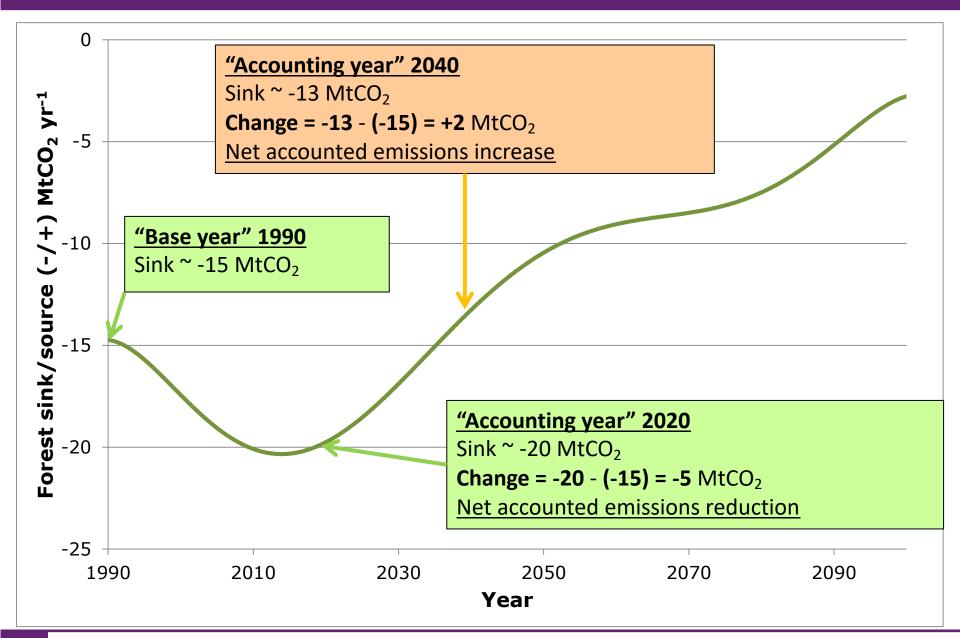
Back to the drawing board...?

Thank you

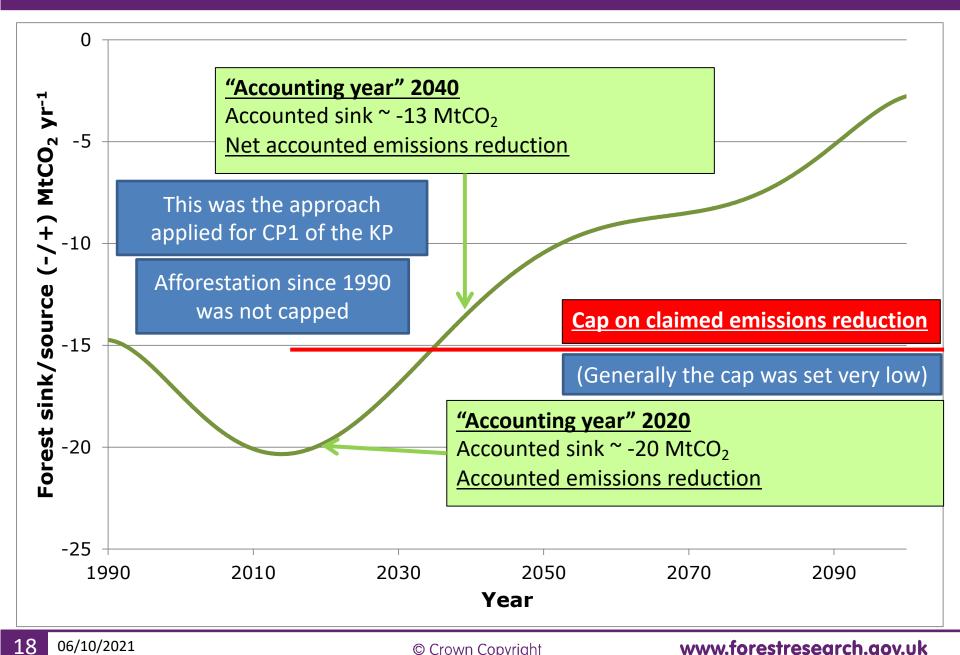


Background (some history about forestry accounting)

Net-net accounting of forest land



"Gross-net accounting"



"FMRL accounting"

