Irish Bioenergy Association (IrBEA)

Statement to the Joint Oireachtas Committee

Enterprise, Trade and Employment

By

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Further scrutiny of the EU Legislative proposal

for the Net-Zero Industry Act

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IrBEA: The Voice of the Irish Bioenergy Industry, working towards a Sustainable Energy Future on behalf of the Biomass, Biogas, Biofuel, Wood Fuel & Energy Crop Sectors

Dear Members of the Joint Oireachtas Committee on Enterprise, Trade and Employment.

On behalf of members of the Irish Bioenergy Association (IrBEA), we thank the chairperson and committee members for the opportunity to present today on the topic of further scrutiny of the EU legislative proposal for the Net-Zero Industry Act.

My name is Seán Finan and I am the CEO of the Irish Bioenergy Association. I am joined today by Paddy Phelan who is the President of the Irish Bioenergy Association and CEO of the Southeast Energy Agency.

IrBEA was founded in 1999. Its role is to promote the bioenergy industry and to develop this important sector on the island of Ireland. The diverse membership includes farmers and foresters, fuel suppliers, energy development companies, equipment manufacturers and suppliers, engineers, financiers and tax advisers, legal firms, consultants, planners, research organisations, local authorities, education, and advisory bodies – anyone with an interest in the bioenergy industry. IrBEA is recognised by Government and its agencies as the voice of the bioenergy industry. The association's main objectives are to influence policy-makers to promote the development of bioenergy, and to promote the interests of members. Improving public awareness, networking, and information sharing, and liaising with similar interest groups are other key areas of work in promoting bioenergy as an environmentally, economically, and socially sustainable energy. IrBEA is a member of Bioenergy Europe and the European Biogas Association, and a founding member of Renewable Energy Ireland. Further information on the association is available at www.irbea.org

The Irish Bioenergy Association broadly endorses the objective of the Net-Zero Industry Act (NZIA) which seeks to enhance the competitiveness of European industries which will be vital to achieving the EU's ambitious climate goals. Net-zero solutions will enable the transition to climate neutrality, and this can be even further accelerated by simplifying and fast-tracking permitting procedures and supporting the upscaling-up of sustainable renewable energy technologies.

Significance of the strategic annex

The legislation defines "*net-zero technologies*" as all renewable energy technologies as defined by the Renewable Energy Directive which includes bioenergy. However, in Section II, the legislation identifies "net-zero strategic projects" which would be eligible for even more favourable treatment based on an Annex which identifies "strategic net-zero technologies". These benefits include notably faster permitting processes for the infrastructure and facilities that will need to be built for large-scale emissions reductions, as well as additional access to funding. Currently, the annex lists 8 different areas:

1. Solar photovoltaic and solar thermal technologies
2. Onshore wind and offshore renewable technologies
3. Battery/storage technologies
4. Heat pumps and geothermal energy technologies
5. Electrolysers and fuel cells
6. Sustainable biogas/biomethane technologies
7. Carbon Capture and storage (CCS) technologies and
8. Grid technologies.

We identify that there are gaps in this list which need to be addressed. To ensure that all renewable solutions are properly acknowledge as strategic sectors, solid bioenergy (wood chip, wood pellet, wood briquette, firewood) which arises from sustainable forest management thinning material and liquid bioenergy (biodiesel and ethanol) must be added to this list of strategic net zero technologies. These could be added to an expanded items 6 or as separate items. In addition to this and to ensure that the EU achieves negative emissions which will be pivotal to reach carbon neutrality by 2050, bioenergy with carbon capture and storage (BECCS) and carbon dioxide removals technologies (biochar) should be explicitly added to point 7.

Bioenergy

Bioenergy technologies have emerged as a crucial component of the European clean energy industry, as they can provide renewable, storable, and low-carbon energy sources that reduce greenhouse gas emissions, increase energy security, and support rural development. Additionally, bioenergy is a stable renewable energy source which can easily work together with other renewable solutions or providing an alternative when other solutions are not available. The prospects for bioenergy technologies are promising. According to the European Commission's long-term strategy for a climate-neutral economy, bioenergy is expected to play a significant role in the EU's transition to a low-carbon economy, providing up to 27% of the EU's total energy demand by 2050.

According to the International Energy Agency, bioenergy is the largest source of renewable energy globally, currently accounting for 55% of renewable energy and over 6% of global energy supply. The IEA Net Zero Emissions by 2050 scenario sees a rapid increase in the use of bioenergy to displace fossil fuels by 2030.[1]

In Ireland the sector is growing and currently contributes over 90% of the renewable energy used in transport (biofuels), provides dispatchable renewable electricity through biomass and biogas fuelled CHP generators and contributes to renewable heat deployment through the solid biomass support via the Support Scheme for Renewable Heat (SSRH). Despite bioenergy not currently receiving the same levels of policy support in Ireland as wind and solar, our members are optimistic that this will come

[1] https://www.iea.org/reports/bioenergy

and the potential for the Irish bioenergy sector and its role and contribution to energy security, decarbonisation, and emissions reduction will be realised.

Bioenergy Europe, our representative organisation in Brussels, clearly state that if solid and liquid bioenergy is not considered as a strategic net zero technology in the Net-Zero Industrial Act, that it may not receive sufficient support and could push EU-based bioenergy technology providers to outsource their production to non-EU territory. Given the existing 50.000+ businesses and manufacturers situated in the EU and the 900.000+ jobs across the value chain[2], this would then weaken the EU economy and decrease its industrial competitiveness. According to Bioenergy Europe, the EU is a leader in the bioenergy sector: currently, more than 70% of the companies providing equipment to bioenergy investments are based in Europe, and only 7% are based in China, making bioenergy a truly European industry[3].

The EU and Ireland should not wait until this competitive position is eroded before acting but should rather provide the necessary support to make sure this strategic position is maintained. We implore that this committee and the Irish government push for bioenergy inclusion and recognition within this act.

Bioenergy Carbon Capture and Storage (BECCS)

In addition, the absence of bioenergy with carbon capture and storage (BECCS)from the list of strategic net-zero technologies also shows a missed opportunity. This heavy focus on CCS technologies overshadows the negative emission technologies and carbon dioxide removal technologies (including BECCS) that are necessary for achieving a European net-zero industry. The proposed act lacks vision to support an activity recognised by the Intergovernmental Panel on Climate Change (IPCC) as necessary to reach the Paris Agreement's targets. By enforcing the EU market for BECCS, many of innovative projects would be quickly realised and would contribute to achieving negative emissions on a large scale. One prime example of this is the EU-funded project for BECCS operated by Stockholm Exergi[4], the project aims to remove 800.000 tonnes of carbon dioxide annually.

IrBEA calls on the Irish Government to strongly encourage the European Commission to implement an EU-wide Contract for Difference of carbon dioxide captured and stored in non-ETS sectors. This Carbon Capture and Storage (CCS) measure would be enough to assure that operators in the biomethane and bioenergy sector capture and store all the carbon dioxide that arises from their facilities. This carbon capture would result in energy that is not just zero-emissions but strongly negative in terms of emissions. It would also stimulate carbon capture in Ireland's other fermentation sectors (distilleries,

[2] Towards an Integrated Energy System: Assessing Bioenergy's Socio-Economic and Environmental Impact – Deloitte Report.

[3] Based on analysis of a database of 464 bioenergy related companies in different sectors: 1. Field equipment (forwarders, harvesters etc), 2. Solid fuel preparation (chippers, pelletizers etc), 3. Combustion (boilers, burners etc), 4. Chimneys, Filters etc, 5. Steering, Control, 6. Automatization Drying, Condensing etc, 7. Storage, Handling, 8. Turbines, Generators etc, 9. Chemical conversion (biodiesel, ethanol, biogas, etc).

[4] https://beccs.se/

breweries, pharmaceutical fermentation). IrBEA member, Ethanol Europe estimates that the total carbon storage opportunity in Ireland's fermentation industry is about a quarter of a million tonnes per year, rising to well over a half a million as biomethane develops. In Europe it is 20- 40 million tonnes. The EU is slowly developing some carbon removal supporting legislation but there is absolutely nothing being done to make carbon capture economically viable. Delivering the net zero industry act is an opportunity to capitalise on this opportunity.

BECCS will play a pivotal role in achieving carbon neutrality as the International Energy Agency (IEA)[5] clearly identifies bioenergy as the only carbon negative solution for industry and a significant contributor.

Conclusion

The increasing production of bioenergy in the EU and recognition of the strong potential for bioenergy in Ireland, together with a sustainability framework provided with the Renewable Energy Directive, indicates that the industry is on the right track on the decarbonisation path. With continued investment, innovation, policy and legislative recognition, bioenergy technologies can have a bright future within Ireland's and Europe's renewable energy mix provided they are recognised in this net zero industry act.

We thank the chairperson and committee for the invitation to present and we are happy to answer any questions that you may have.

With best regards

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[5] Credible pathways to 1.5°C - Four pillars for action in the 2020s.