

Open Letter to members of the Dutch House of Representatives Committee for Economic Affairs and Climate and to Minister for Climate and Energy, Mr Jetten

20th June 2022 - We are writing to you on behalf of conservation and environmental justice organisations in the USA, Latvia, Estonia, Canada and Portugal, countries which are supplying large and/or growing quantities of wood pellets burned in Dutch power and heat plants.

We welcome the Dutch government's decisions to stop new subsidies for biomass electricity generation (including co-firing) and for the generation of low-temperature heat from subsidies,¹ which will lead to a gradual phaseout of subsidies for this type of energy generation. However, we believe that those decisions do not go far enough, and are insufficient for addressing the urgency of the climate and biodiversity crises.

We believe that the following additional policy decisions are urgently needed:

1. There must be no new subsidies for burning biomass, for primary and secondary wood, for electricity and heat, including for high-temperature heat used in industrial facilities.
2. Previous subsidy awards for biomass plants that have not yet been built must be withdrawn with immediate effect. For example, Vattenfall must not get subsidies for a proposed wood-fired heat plant in Diemen for which construction has not yet commenced. If necessary, the government can look at compensating companies for costs already incurred.
3. We welcome the fact that subsidies for heat and electricity (including co-firing) from woody biomass will not be extended beyond the period for which they were previously granted. However, ending subsidies for wood pellet combustion in coal power plants in 2027, and those for burning wood in many dedicated heat plants even later, is far too late for protecting forests, climate and communities. These ongoing subsidies must be cancelled. The government can look at compensating companies.

Since 2018, wood pellet imports by the Netherlands have grown faster than those by any other country in the world.² In 2021, the majority of those pellets came from the Southeastern USA, the Baltic States, Canada and Russia, with Russian pellets now being replaced by other supplies.³

Large-scale biomass energy generation from forest wood is incompatible with the need to rapidly reduce greenhouse gas emissions if we want to have any chance of staying within 1.5 or well within 2 degrees of warming, which is the goal of the Paris Agreement. They have been summed up in a letter signed by 500 scientists:ⁱⁱⁱ

“The result of this additional wood harvest [for biomass energy] is a large initial increase in carbon emissions, creating a ‘carbon debt’ which increases over time as more trees are harvested for continuing bioenergy use. Regrowing trees and displacement of fossil fuels may eventually pay off this carbon debt, but regrowth takes time that the world does not have to solve climate change. As numerous studies have shown, this burning of wood will increase warming for decades to centuries. That is true even when the wood replaces coal, oil or natural gas.”⁴

Dutch biomass subsidies are having severe impacts on forests in the countries supplying wood pellets, as are impacts on communities living next to plants where the wood is processed into pellets.

United States:

In 2021 alone, Dutch coal plants co-fired more than 1.2 million tonnes of wood pellets from the Southeastern USA. To produce this amount of pellets, 11,662 hectares of forests would have been clearcut, much of it in highly biodiverse coastal hardwood forests. It is an area more than half the size of Amsterdam, for just one year’s worth of US pellet imports. Another six years of the pellet imports from the USA on the same scale (up to the current end date of Dutch subsidies for co-firing in 2027) would thus equate an area three times the size of Amsterdam being clearcut in future.⁵

A 2022 report by the Southern Environmental Law Center presents an analysis of satellite imaging of forest cover changes around three Enviva pellet plants in North Carolina and Virginia.⁶ Enviva is a primary supplier of Dutch demand. It shows that removals from hardwood forests increased after Enviva’s pellet plants started operating, that removals around the pellet mills exceeded forest growth, leading to a net loss of forest cover, and that the plants used almost half of all wood from hardwood forests in the sourcing area. The authors concluded that the three pellet plants are therefore likely contributing to overall declines in forest cover and thus carbon stocks in hardwood forests in the area. Please note that hardwood forests in the regions are biodiverse ecosystems. Only softwood is grown in tree plantations in the southeastern USA.

Wood pellet plants in the Southern U.S. that are supplying power stations in the Netherlands are predominantly located in environmental justice communities, i.e. communities with above-average poverty levels, and where at least a quarter of a population are non-white.⁷

Communities next to pellet plants are adversely affected by air pollution, wood dust, constant noise, loss of their forests, and loss of peace. As shown in a study by the Environmental Integrity Project, more than half of all pellet plants in the region have either failed to keep air emissions below legal limits, or failed to install required pollution controls.⁸

Latvia:

With exports of fuelwood, including wood pellets reaching record level (4932.3 thousand tonnes in 2021),⁹ the logging volume has reached the highest level in the 21st century.¹⁰ In more than 80% of cases, logging is done by way of clear-cutting. The harvesting levels are clearly beyond what could be considered sustainable as old-growth forests, forest habitats of EU importance and breeding sites of rare and threatened species are being logged.¹¹ The increase in logging volume has also been identified as the main driver for the dramatic reduction in carbon sequestration rate in forests of Latvia.¹² Though there are several drivers for the increase in logging volume, the rise in demand for biomass for energy production is undoubtedly an important one.¹³

Estonia:

Estonian forests suffer from several negative trends that are directly associated with an unsustainable level of timber harvest and other aspects of intensification of forest management: the forest bird numbers are in decline,¹⁴ conservation status of endangered forest species is worsening,¹⁵ many forest habitats described in the Habitat Directive are in unfavourable or bad state,¹⁶ and the forest carbon sink has turned into a source of emissions.¹⁷ Biomass export is one of the financial drivers that enable intensive logging. All this needs to be taken into account when one wants to determine the environmental impacts of biomass energy.

Many countries or companies place their trust in certification as a way of limiting environmental impacts. In the case of Estonia, it has been proven that systematic destruction of high conservation value forests has easily bypassed supposed safeguards by all widely used certification schemes such as SBP, FSC and PEFC.¹⁸ The same is true for damaging soil along the shores or rivers, lakes and other water bodies and for clearcutting in peatland forests. None of the certification schemes takes into account opportunity costs for climate and habitats in any meaningful form, nor do they offer any help with turning the trends listed above.

Canada:

We understand that all or most Canadian pellets burned in the Netherlands are sourced from Pinnacle Pellets, now owned by Drax Plc. A 2021, investigations by Stand.earth showed that most of Pinnacle's seven wood pellet facility "haul zones" in British Columbia overlap with primary forests, habitat of threatened species, including the caribou.¹⁹ In 2020, investigations by Stand.earth and Conservation North had revealed that Pinnacle is using trees from those forests to manufacture pellets.²⁰

British Columbia has already seen the great majority of its primary and old growth forests logged, and very few of its remaining primary forests and sensitive forest habitats are legally protected. The growing wood pellet industry for export, including to the UK, poses a serious threat to those forests.²¹

Drax has now admitted that it is indeed sourcing wood from old growth forests in both British Columbia and Alberta, stating:

"Our acquired pellet plants in British Columbia (BC) and Alberta, Canada, operate in regions that include old growth forests. Our approach continues to evolve as the provincial Government of BC embarks on a multi-year comprehensive review of old growth forests, including interim protections for some of these forests until the review is completed. We are supportive of the review process currently underway and we will follow the development of new policies related to old growth management closely, and ensure our procurement policies and procedures are aligned".²²

In short, the company says that it will continue to turn wood from old growth forests into wood pellets as long as the provincial governments allow this to happen.

Portugal: Disappearing pine stands linked to wood pellet production

The Netherlands is Portugal's fourth largest wood pellet export market, consuming 40,000 tonnes of Portuguese pellets in 2021. The northern European power sector, mostly converted coal-fired power stations, consumes almost half of Portugal's annual production. Pine is the main species used, and pine stands are declining at an alarming rate: the most recent government figures report a 27% decline nationally between 1995 and 2015.

Portugal consumed 57% more pine than the estimated productive capacity of pine stands in 2021. Pellet production accounted for almost a quarter of total pine consumption, even though pellet sales internationally represented just 3% of the export value of pine products.²³ Other pine-dependent industries such as sawmills are coming under extreme pressure due to increases in prices and a lack of raw material, and industry sources point to the loss of hundreds of sawmills in recent years. Competition for wood with the pellet industry is at least partly to blame for this, whereby this low-value commodity is having a disproportionately high impact.

On top of this, Portugal's large-scale pellet mills are highly dependent on roundwood removed directly from pine stands. Storage yards are often filled with sections of tree trunk, despite industry claims that only residues and waste are used. Industrial quality wood pellets produced in Portugal are therefore likely to have significant climate impacts.

Conclusion and request:

Given the serious impacts on climate, forests and communities living near pellet plants, we urge you to support a much faster and more comprehensive phaseout of subsidies for wood biomass energy. We request that you adopt the three policy decisions as mentioned at the beginning of this letter.

We ask you to have a consultation about this letter with a few of our representatives in the short term¹.

Signatories from Pellet Supplying Countries:

- ACRÉSCIMO - Associação de Promoção ao Investimento Florestal, Portugal
- Biofuelwatch, Verenigde Staten en Verenigd Koninkrijk
- Birdlife Estonia, Estland
- Concerned Citizens of Northampton County Verenigde Staten, Northampton County
- Conservation North, Canada
- Cultivator, Inc., Verenigde Staten, Northeastern North Carolina
- Dogwood Alliance, Verenigde Staten
- Estonian Fund for Nature, Estland
- Estonian Green Movement, Estland
- Impacted Communities against Wood Pellets Verenigde Staten
- Latvian Ornithological Society, Letland
- Partnership for Policy Integrity, Verenigde Staten en Europa
- Rachel Carson Council, Verenigde Staten
- Save Estonia's Forests, Estland
- Spruill Farm Conservation Project, Verenigde Staten, North Carolina
- Southern Forest Conservation Coalition, Verenigde Staten
- Stand.earth, Canada en Verenigde Staten
- ZERO - Associação Sistema Terrestre Sustentável, Portugal

Signatories from The Netherlands:

- Bomen Brigade Boxtel
- Bomenstichting Achterhoek
- Comité Schone Lucht
- Kenniscentrum Houtrookoverlast
- Landelijk Netwerk Bossen- en Bomenbescherming
- Leefmilieu
- Mobilisation for the Environment
- Milieudefensie Groningen
- Stop Houtrook Nu! Actiegroep
- Stop Ecocide
- NatuurAlert
- Netwerk Duurzaam Dorp Diemen
- Werkgroep Houtstook-vrij

¹ Representatives: Rita Frost (Dogwood Alliance), Siim Kuresoo (Estonian Fund for Nature), Almuth Ernsting (Biofuelwatch), Fenna Swart and Maarten Visschers (Comité Schone Lucht)



- 1 Policy Letter by Climate Minister R.Jetten to the Dutch House of Representatives, 22 April 2022. rijksoverheid.nl/documenten/kamerstukken/2022/04/22/beleidsinzet-biogroenstoffen
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