



To: Members of the Committee on Economic Affairs and Climate, Dutch parliament, cie.ezk@tweedekamer.nl
Date: 12 June 2023
Subject: Round table biomass, 15 June 2023. Shortcomings SBP-certificering and role professor Junginger
From: Biofuelwatch, NRDC, Dogwood Alliance and Save Estonia's Forests

Dear Sir/Madam,

We are writing you on behalf of Biofuelwatch, NRDC, Dogwood Alliance and Save Estonia's Forests¹ ahead of the parliamentary Roundtable Biomass about Estonian woodpellets and Dutch biomass sustainability standards on 15th June.² We are deeply concerned that the Netherlands remain the EU's second biggest importer of wood pellets and the biggest importer of wood pellets from the USA.³ In April 2022, the Dutch government announced that, in future, biomass should be used where it "*makes the greatest contribution to sustainability*" and not to generate electricity and heat.⁴ However, this has not translated into any reductions in pellet imports due to existing biomass subsidies.

Cancelling existing biomass subsidies due to non-compliance

We understand that cancelling biomass subsidies during the contractual period could give rise to compensation payments, provided energy companies have fully complied with the SDE+ sustainability standards. However, we believe that policymakers have so far failed to properly investigate whether those standards are indeed being complied with, and whether subsidies can be cancelled early due to non-compliance.

In this letter, we draw your attention to serious shortcomings of the Sustainable Biomass Program (SBP), which certifies a large majority of wood pellets imported by the Netherlands. This must be an important focus of the forthcoming parliamentary hearing.

We also express our objections about the fact that professor Martin Junginger has been invited to speak at the Roundtable biomass as a scientific expert, rather than a representative of the SBP and industry.

SBP-certification fails to comply with SDE+ sustainability standards

The Sustainable Biomass Program is the world's largest sustainability certification scheme for wood pellets. We understand that all or most pellets burned in Dutch coal power stations are SBP certified. The SBP was developed by industry, with no participation by any environmental NGOs.

In December 2019, the Dutch Minister of Economic Affairs and Climate Policy announced that SBP certification could be used as evidence for compliance with SDE+ criteria.⁵ In January 2023, Biofuelwatch, Comite Schone Lucht, Dogwood Alliance, Estonian Fund for Nature, and Leefmilieu published a report looking at SBP certification for Estonian wood pellets as well as for Enviva's wood pellets imported from the southeastern USA.⁶ Here are key findings from our report, with additional observations (based on SBP certification documents published after our report was published):

a. SBP certifiers not required to visit any of the forests

SBP certifiers are not required to visit any of the forests from which pellet companies source wood. Conclusions about forest management practices are based entirely on paperwork, much of it pellet companies own reports. An example highlighted in our report is Enviva's Ahoskie pellet plant in North Carolina which, according to Enviva's 2022 Supply Base Report for the SBP,⁷ uses mostly hardwood taken directly from forests. Hardwood in the region is only found in natural, biodiverse forest ecosystems. The 2020 SBP Reassessment Audit for the plant, undertaken by SCS Global, states that Enviva had conducted around 150 site visits to their subcontractors who are supplying them with wood across its Mid Atlantic wood sourcing region. The Audit report relied heavily on Enviva's reports from those visits. SCS Global, the certifier, undertook itself no site visits at all.

b. Audit Reports rely almost entirely on pellet producers' own wording

Certifiers' Audit Reports, which determine whether SBP certification is complied with, rely almost entirely on text written by pellet producers' themselves, even if those include wording that is contrary to evidence that has been published by investigative reporters, NGOs or scientists. For example, in the case of Enviva's pellet plants, the SCS Global, concludes that sustainability standards are complied with based largely on the wording of the Enviva's Wood Purchase Agreements and Master Wood Supply Agreements with suppliers. This is in relation to a company (Enviva) against which an investor class action alleging misleading information is pending.⁸ As well as a company with a former employee having become a whistleblower, stating that "*we take giant, whole trees. We don't care where they come from. The notion of sustainably managed forests is nonsense. We can't get wood into the mills fast enough*".⁹

c. SBP certifiers rely heavily on weak FSC Controlled Wood certification

SBP certifiers – including those of Enviva in the USA and Graanul Invest in the Baltic States¹⁰ – rely heavily on FSC Controlled Wood certification, largely concerned with the legality of logging . *Under the SDE+ scheme, FSC Controlled Wood -unlike FSC forest management - certification can only be used to show compliance with a minority of the biomass sustainability standards. This is not reflected in SBP certification.*

d. SBP relies heavily on Regional Risk Assessments

The Dutch Emissions Authority (NEa) warned in its response to the SOMO-report about Estonian wood pellets: "*It is important to notice that a risk based approach requires less certification activities and thereby less assurance than a non-risk based certification*".¹¹ However the SBP relies heavily on Regional Risk Assessments (RRA), including for Estonia.

e. SBP standards are weaker than SDE+ standards

SBP standards and indicators themselves don't comply in several respects with the SDE+ standards:

1. Much weaker requirement to protect forest carbon stock

SDE+ standards require that *"the forest management unit where the wood is sourced must be managed with the aim of retaining or increasing carbon stocks in the medium or long term."*¹² The SBP, both in its current and in its new standards, omits the words "medium term". Furthermore, it requires forest carbon stock to only be protected, long-term across the entire 'supply base'. In the case of Graanul Invest's plants in Estonia, the supply base includes all of Estonia, Latvia, Sweden and Poland, and previously also Belarus and Russia.¹³ This wording has allowed the SBP to maintain in its Regional Risk Assessment for Estonia that the criterion is met based on assumptions about forest carbon stocks being restored over a period of more than 70 years time.¹⁴ This is despite the fact that Estonia's entire forest sector itself has recently become a net source of carbon emissions due to intensive logging.¹⁵

2. No requirement to protect 'important ecological cycles', including carbon cycles in peatlands

SDE+ criteria state that wood must not come from *"from permanently drained land that was classified as peatland on 1 January 2008, unless it can be demonstrated that the production and harvesting of the biomass does not result in water depletion of a formerly undrained soil"* and that *"important ecological cycles present in the forest management unit are preserved, including carbon and nutrient cycles"*. The second of these requirements is omitted by the SBP in their current and new standards. The SBP Regional Risk Assessment for Estonia explicitly endorses the *"renovation of old Soviet-time drainage systems"* (many of them defunct for several decades). This is counterproductive for climate and biodiversity.

3. No prevention of forest conversion to monoculture tree plantations

SDE+ criteria prohibit wood sourcing linked to the conversion of natural forests to tree plantations, with very limited exceptions. The current SBP standards do the same. However, the new SBP standards, which will apply from August 2023, no longer seek to prevent forest conversion to tree plantations.¹⁶

Prof. Martin Junginger's role in Sustainable Biomass Program

We have serious objections that Professor Martin Junginger has been invited to present at the forthcoming parliamentary Biomass Roundtable on 15h June 2023 as a scientific expert, rather than as an industry and Sustainable Biomass Program representative.

Professor Junginger:

- joined a trade delegation by the US Industrial Pellet Association (USIPA) to the Netherlands in April 2023, as can be seen from a group photo tweeted by USIPA.¹⁷ USIPA was participating in an Agribusiness Trade Mission organised by the US Department of Agriculture (USDA). USIPA represents pellet producers in the USA,¹⁸ from where the majority of wood pellets cofired in Dutch coal power stations are sourced;
- Is co-chair of the SBP Standards Committee, for which he receives a honorarium.¹⁹ According to the SBP website, *"the Standards Committee makes decisions concerning certification scheme standard-setting and provides views,*

advice and recommendations on the operation of SBP to the Board, other SBP Committees and the SBP Secretariat”;

- has carried out assignments for RWE Essent and the Port of Rotterdam Authority.²⁰

We believe that those clashes of interest should preclude Professor Junginger from being given a platform as a supposedly independent scientist.

Conclusions and demands

Wood bioenergy is not carbon neutral but results in large direct or smokestack CO2 emissions as well as in large CO2 emissions from depleting forest carbon sinks and reducing future carbon sequestration by forest ecosystems. This is regardless of the sustainability or otherwise of forest management in the wood biomass sourcing region. Wood bioenergy is an increasingly important driver of forest degradation and loss of wildlife habitats in all of the regions from which the Netherlands is importing wood pellets.

It is therefore imperative that existing subsidies for biomass are stopped immediately, not just when existing contracts expire.

We believe that subsidies for burning wood pellets for energy can be stopped on the grounds that all or most are certified through the Sustainable Biomass Program (SBP) which, as shown above, is not compliant with Dutch SDE+ Sustainability standards. Ending the subsidies now requires:

- No longer treating SBP certification as evidence of compliance with Dutch SDE+ sustainability standards;
- Carrying out urgent independent examination of all other voluntary certification schemes approved by the Dutch government, to prevent companies switching to reliance on other certification which, like SBP, cannot guarantee compliance with SDE+ sustainability standards either;
- Involving NGOs that have (on-the ground) knowledge of the impacts of woodpellet production in the countries exporting woodpellet to the Netherlands in policy development and consultations about relevant legislation at an early stage.²¹

We further request that that all speakers invited to the upcoming Parliamentary Roundtable on Biomass fully disclose all links to companies and certification programs.

We are happy to explain the above demands to you.
Please note that they are in line with the position of the Dutch Comité Schone Lucht.

Yours sincerely

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