

# Future of Energy Peat in the European Union

Jaakko Silpola

Chairman of the Board of the EPE



# Energy Peat Europe (EPE) represents energy peat industry at EU level

Members are

- Energy peat producers and users
- Associations representing energy peat or peat energy

The association monitors European and national legislation and works together with policy makers to promote a strategic, responsible and sound-economic policy for the industry.

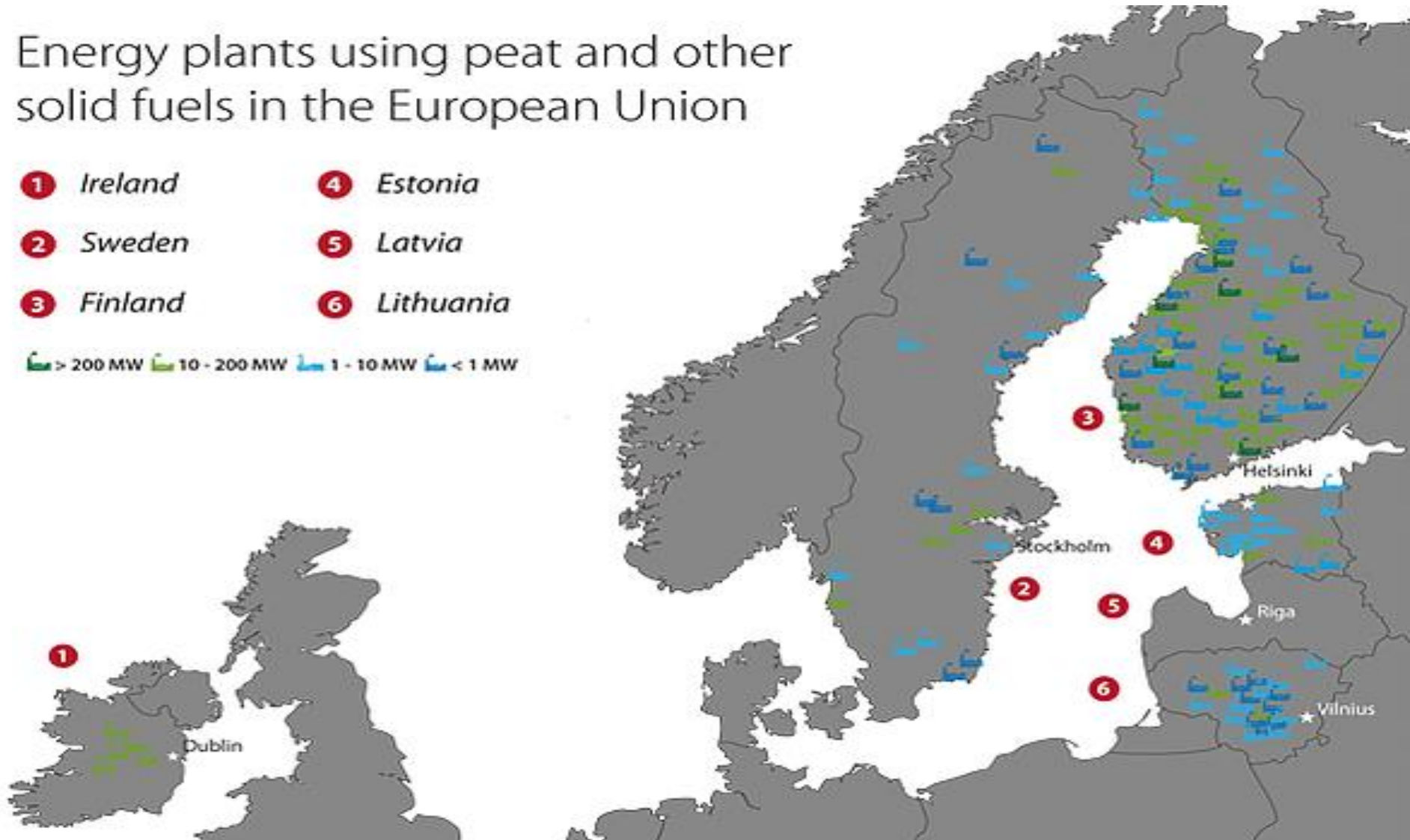


# Where energy peat is used in Europe

Energy plants using peat and other solid fuels in the European Union

- |           |             |
|-----------|-------------|
| 1 Ireland | 4 Estonia   |
| 2 Sweden  | 5 Latvia    |
| 3 Finland | 6 Lithuania |

 > 200 MW  10 - 200 MW  1 - 10 MW  < 1 MW





# Local Fuel

## Security of supply, self – sufficiency, employment

### Energy import dependency

EU imports > 50% of energy needs

Finland ~ 70%

Ireland ~ 85%

Sweden ~ 40%

Estonia ~ 12%

Latvia ~ 60%

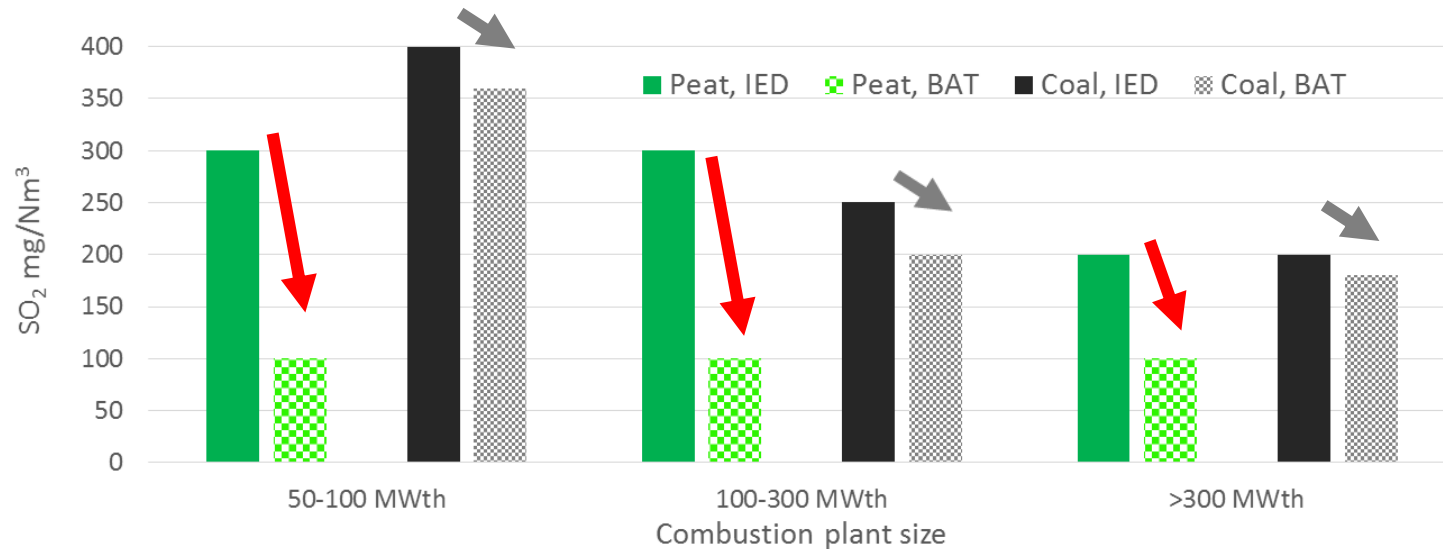
Lithuania ~ 80%



## EPE target number 1

# Failure in LCP Bref: Peat and wood burning emissions (S, N, etc) are restricted heavily when compared to coal

(LCP Bref: Large Combustion Plants Best Available Reference Document)



Specific nature of peat and wood was not noticed in the LCB Bref process.

**WHY: Too few EU countries found this matter important and requested for more neutral legislation.**



# Consequences from LCP Bref:

## Remarkable financial impacts to come

**Biomass fuels are not treated equally with fossil fuels which leads to effects that counteract the targets of industrial, energy and climate policies.**

Pöyry's study 2, 2016 (ordered by CEPI)

**Lesson learned: Too little cooperation in between EU countries during legislation preparation stage.**

In Finland :

- 49 plants need investments of 431 million €
- Annual costs will increase with 31 million €

Pöyry's study 1, 2016, Commissioned by Finnish energy and forest industry





## EPE target number 2

In the EU carbon trade peat used with biomass CO<sub>2</sub> emission free



### Energy Peat,

Emission factor 106g/MJ,  
No life cycle analysis

#### Peat boosts biomass:

- Reduced boiler corrosion
- Increased energy efficiency
- Reduced emissions



### Wood fuels,

Emission factor 0 g/MJ,  
Due to life cycle analysis

When EU Emissions Trading Scheme (ETS) was handled following proposal in the EU Parliament committee was given: Extend the emission factor of zero of biomass also to peat in circumstances where peat from drained peatlands is co-fired with biomass.

**Result: The proposal was not accepted.**

# A new case / EU Commission RED II proposal: Biomass production for bio energy on drained peatlands will not be allowed any more

NOW VALID (RED 2009/28: 17. 3 ja 17.4.) :

Biofuels and bioliquids taken into account for the purposes referred to in points (a), (b) and (c) of paragraph 1 shall not be made from raw material obtained from land with high carbon stock, namely land that had one of the following statuses in January 2008 and no longer has that status:

- (a) wetlands, namely land that is covered with or saturated by water permanently or for a significant part of the year;

...

The provisions of this paragraph shall not apply if, at the time the raw material was obtained, the land had the same status as it had in January 2008.

NEW COMMISSION PROPOSAL:

Biofuels, bioliquids and biomass fuels produced from agricultural biomass taken into account for the purposes referred to in points (a), (b) and (c) of paragraph 1 shall not be made from raw material obtained from land that was peatland in January 2008.

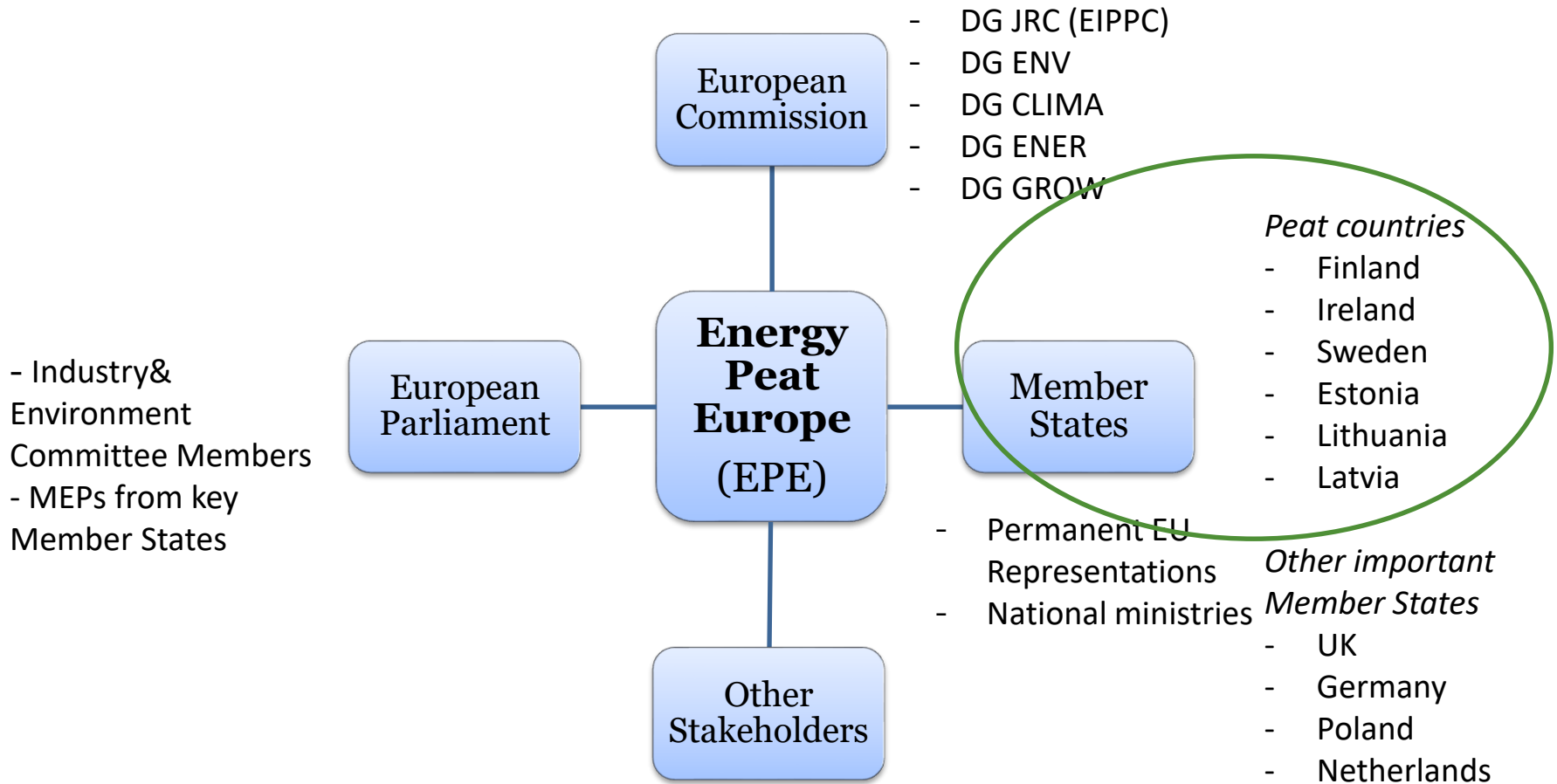
**Proposal for a directive  
Article 26 – paragraph 4**

**Will decision makers note in EU member countries how hundreds of thousands of hectares arable (peat)land is taken away from possible bioenergy production without any notable climate effect?**



## Lesson learned in local fuels:

More interaction is needed in between EU countries



*See stakeholder map*

# Is it time to establish an EU discussion forum for energy peat?

- Provide an opportunity to exchange views on energy peat production and use with various stakeholders;
- Include discussion on climate, energy security, environmental and social interests;
- Highlight issues of regional cooperation and the need for more targeted R&D which would balance different interests when producing and using energy peat;
- Research the role and significance of peat as a local energy source and as an enabler of more significant use of biomass fuels.



# Thank you for your interest!



For more information please have a look on: [www.energypeat.eu](http://www.energypeat.eu)