

# FOR IMMEDIATE RELEASE 20 March 2017

# DUTCH BIOMASS CERTIFICATION FOUNDATION INITIATES RESEARCH STUDY OF NORTH AMERICAN FOREST SECTOR

ROTTERDAM – The Dutch Biomass Certification Foundation (DBC) has launched an extensive research study on the North American forest sector, with specific focus on small forest owners. DBC was established under the Dutch 'Biomass Sustainability Covenant' to promote and achieve certification among small forest owners in North America. To this end, DBC has begun the development of a Stimulation Program with a 3 million Euro budget. The research starting now is a first step in the implementation of the Stimulation Program.

The Biomass Sustainability Covenant states that 100% of the biomass used in cofiring for Dutch energy generation will be certified to the FSC or equivalent standard by 2023 at latest. To support this target, energy companies ENGIE (previously GDF-Suez), Uniper (previously E.ON), Vattenfall/Nuon and RWE have been tasked with establishing a foundation (DBC) to promote certification of small forest owners in North America. The research study, which will be led by US based Wood & Co. Consulting, will enable DBC to obtain the necessary data on the North-American forest sector (including data on small forest owners) in order to design the most effective program possible. This phase will also begin to build relationships with relevant and prospective stakeholders.

Most of the biomass that Dutch energy companies cofire, is in wood pellet form and originates from North American forests. Many of these forests are owned by small landowners and, while sustainably managed, often are not certified. DBC thus has the task to develop and implement a Stimulation Program to encourage higher levels of certification. The 3-million-euro Stimulation Program is financed by the four energy companies and will run till 2023 at which point 100% of the biomass used is expected to be certified. An annual reporting obligation will inform all Covenant signatories on the Program's progress.

DBC was officially founded December 30, 2015 with the signing of the Articles of Association. In 2016 the organizational structure and function was established. The DBC Board includes representatives of the four energy companies. A seat is also available to the five environmental organizations that have signed the Covenant.

Also in 2016, DBC developed the Stimulation Program, in close coordination with experts and stakeholders. An initial Scoping Study was performed to identify certification opportunities in North America and two workshops were organized in Rotterdam (NL) and Miami (FL, USA) with participants from The Netherlands, USA and Canada.

The Netherlands has strict sustainability requirements on the use of biomass for cofiring in coal-fired power plants. Only biomass that meets these requirements is eligible for the Dutch subsidy program (SDE+). This ensures that the biomass used for energy production comes from forests where health and biodiversity are preserved or enhanced. The electricity production therefore has no negative impact and low CO2 emission levels per kWh.

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## About the Dutch Biomass Certification Foundation (DBC):

DBC was established in 2015 under the Covenant 'Duurzaamheid Biomassa' (Biomass Sustainability), which is part of the Dutch Energy Agreement. DBC's objective is to promote and accomplish certification among small forest owners (defined as smaller than 500 hectares, or 1200 acres) in North America. This effort supports the agreed goal in the Covenant to reach 100% FSC or equivalent certification for woody biomass used in Dutch energy generation. To achieve this goal, DBC has designed and implemented a Stimulation Program focused on promoting certification and providing support to small forest owners. In its function and all its activities, DBC is bound to the applicable antitrust and/or competition laws.

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### **NOT FOR PUBLICATION**

Explanatory note to the context of this press release and a clarification of terminology used.

**Biomass Sustainability Covenant** (in Dutch: Convenant Duurzaamheid Biomassa). The Covenant is a further agreement under the Dutch Energy Agreement for Sustainable Growth (2013). The Covenant was adopted on 18 March 2015 and signed by Energie-Nederland, the four energy companies who have capacity to cofire biomass in coal-fired power plants (Engie, RWE, Uniper, Nuon/Vattenfall) and five environmental organizations (Greenpeace, Natuur & Milieu, WWF-NL, Milieudefensie and the Natuur en Milieufederaties). The Covenant has laid down:

- Sustainability criteria for biomass used in large scale cofiring.
- A timeline for reaching 100% FSC or equivalent certification.
- Development of a Stimulation Program to support this timeline.

**Stimulation Program.** The Stimulation Program aims at certification of small forest owners in North America (defined as smaller than 1,200 acres, or 500 hectares) to support the objective of the Covenant to reach 100% FSC or equivalent certification of the biomass used.

**Dutch Biomass Certification Foundation (DBC).** DBC was established to develop and implement the Stimulation Program. The Foundation is therefore an implementing agency of the Covenant. In line with provisions in the Covenant the four energy companies form the Executive Board of DBC. A seat is also available to the five environmental organizations that have signed the Covenant.

**Biomass**. The European Renewable Energy Directive defines biomass as the biodegradable fraction of products, waste and residues from biological origin from agriculture (including vegetal and animal substances), forestry and related industries including fisheries and aquaculture, as well as the biodegradable fraction of industrial and municipal waste.

**Woody biomass.** Woody biomass consists of branches, tops, trees and primary felling residues sourced directly from forests, or produced during the course of managing urban and rural green spaces and nature areas, other than forests. These are so-called primary woody biomass flows. Secondary flows are residues from the wood industry, while tertiary includes post-consumer wood waste.

**Certification**. Certification is a control system by a third party to determine if the biomass used complies with all applicable sustainability criteria. Examples include <a href="American Tree Farm System">American Tree Farm System</a> (ATFS), <a href="Forest Stewardship">Forest Stewardship</a> Council (FSC), the <a href="Sustainable Forestry Initiative">Sustainable Forestry Initiative</a> (SFI), the <a href="Programme for the Endorsement of Forest Certifications">Programme for the Endorsement of Forest Certifications</a> (PEFC), and the <a href="Canadian Standards Association">Canadian Standards Association</a> (CSA) in Canada for woody biomass.

**Sustainability Criteria**. The sustainability criteria that biomass used in cofiring should fulfill, are published in the SDE+-subsidy Regulation ("Regeling van de Minister van Economische Zaken van 24 februari 2016, nr. WJZ/16001395"). The criteria concern different aspects:

- Reduction of greenhouse gas emissions across the entire chain in comparison to the use of fossil fuels.
- Soil quality must be maintained and where possible improved when using residues from nature and landscape management and agriculture.



- Production of biomass may not result in the destruction of carbon sinks or indirect land use change (ILUC). The use of biomass may not result in a long-term carbon debt.
- Sustainable forest management. This includes respecting international, national, and regional/local legislation and regulations, maintenance and where possible enhancement of biodiversity and the regulating effect and the quality, health and vitality of the forest, production capacity for wood products and the relevant non-wood forest products.
- A chain of Custody (CoC) must be in place that covers the entire chain from the first link to the bioenergy producer. This CoC shall link the source to the material used in the product or product group.