

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Flanders Stopped Co-firing Pellets

Report Categories:

Biofuels

Wood Products

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Report Highlights:

As from March this year, the Flemish power sector has reportedly stopped co-firing of wood pellets.

The reason for this decision is that the Belgian Government no longer grants funds for pellets which are produced from an industrial resource.

From 2011 until 2013, the Government of Belgium funded the production of renewable electricity with the Green Certificate Scheme (GEC). The Green Certificates partly covers the extra costs in production compared with the use of fossil fuel and are granted based on the greenhouse gas (GHG) balance of the supply chain and traceability through the supply chain (see for more information GAIN BE3001).

Permission for the issuing of the certificates was given through the Public Waste Agency of Flanders (OVAM) and the Flemish Regulator of the Electricity and Gas Market (VREG).

The certificates were granted only with the consent of the Belgian wood industry federation, which declared to the regulator that the pellet production was not competing for their resources. This conclusion was based on the fact that ninety percent of the pellets were produced in North America.

The arrangement was officially valid until the end of 2013, and in 2014 the sustainability requirements were re-evaluated.

Mid-February, the VREG stopped the issuing of Green Certificates and made the termination retroactive back to January 1, 2014. The decision is based on new interpretation of the Flemish law, which concluded that an approval cannot be based on distance only. The law imposes the principle of “cascaded use of materials and waste streams” and states “no Green Certificate is granted to biomass that is an industrial resource”. This implicates that biomass that can be used for housing, paper, particle board, and even compost, is excluded from funding. The issuing can only be based on technical criteria and not on market and distance criteria.

According the Belgian power sector, in practice only wood dust smaller than 0.2 mm, pieces of wood with a diameter less than 4 cm, bark, stumps up to 30 cm aboveground and plantation wood are automatically accepted. Due to absence of Green Certificates, co-firing reportedly has been stopped since March this year. The power sector has stated that this situation puts all existing and planned wood-pellet based biomass projects in Flanders at risk.