



Drax Biomass International Inc.

What is Europe thinking?

Richard Peberdy, VP Sustainability

Drax

- Power station in North England
- Reducing coal, increasing biomass use (started 2008)
- Biomass Sustainability principles since 2008
- Constructing pellet facilities in US

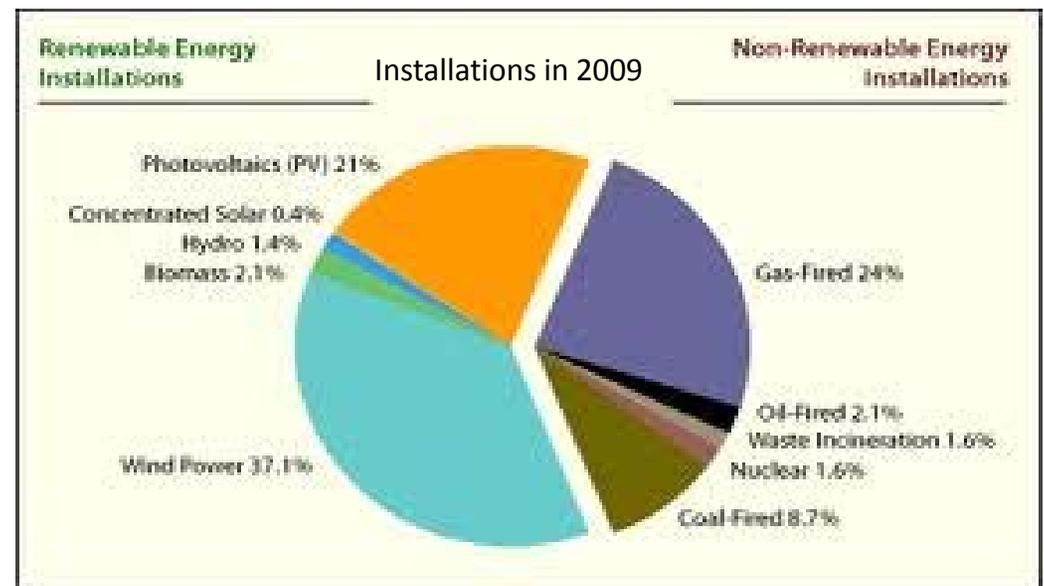
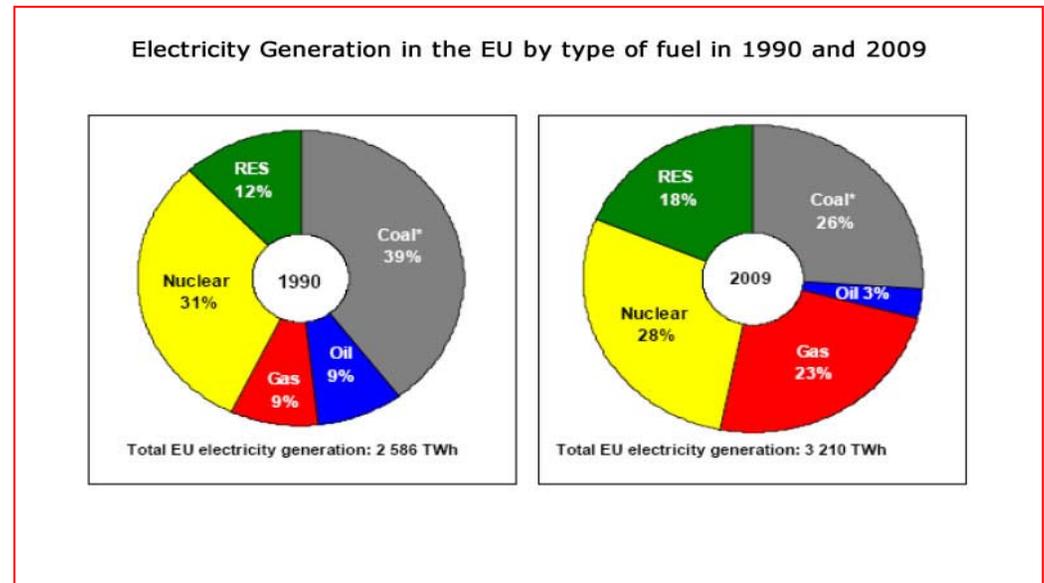


What is Europe thinking about?

- Drivers for sustainable biomass
- Criteria for sustainable biomass
- Delivering sustainable biomass
- A role for certification?

Policy drivers

- "20-20-20" targets
 - A 20% reduction in EU greenhouse gas emissions from 1990 levels;
 - Raising the share of EU energy consumption produced from renewable resources to 20%;
 - A 20% improvement in the EU's energy efficiency.



Criteria for sustainable biomass

- Established by each nation, in UK they:
 - Initially centered on GHG calculations in supply chain.
 - Also considered carbon costs of Land Use Change
 - UK is developing Forest Management criteria through consultation process (just completed)
 - European Union Timber Regulations also in play
 - Clear aspiration for pan-European forestry criteria
 - Industry bodies such as IWPB / USIPA can contribute here



UK Forest Management Criteria – any timber procured by HMG



Management of the forest must ensure that:

1. harm to ecosystems is minimised
2. productivity of the forest is maintained
3. forest ecosystem health and vitality is maintained
4. biodiversity is maintained
5. the legal, customary and traditional tenure and use rights of indigenous peoples and local communities related to the forest are identified, documented and respected.
6. appropriate mechanisms are in place for resolving grievances and disputes including those relating to tenure and use rights, to forest management practices and to work conditions.
7. the basic labour rights of forest workers are safeguarded.
8. appropriate safeguards are put in place to protect the health and safety of forest workers.

UK GHG saving criteria

- Clear trajectory set:
- to 2020 **79.2** gCO₂eq/MJ (**60%** saving)
- 2020-2025 **55.66** gCO₂eq/MJ (**72%**)
- 2025-2030 **50.09** gCO₂eq/MJ (**75%**)
- Savings are in comparison with EU Fossil fuel comparator
- Represents greater savings than before consultation, when post 2020 was to move to **66%** saving
- EU likely to propose broadly similar criteria.

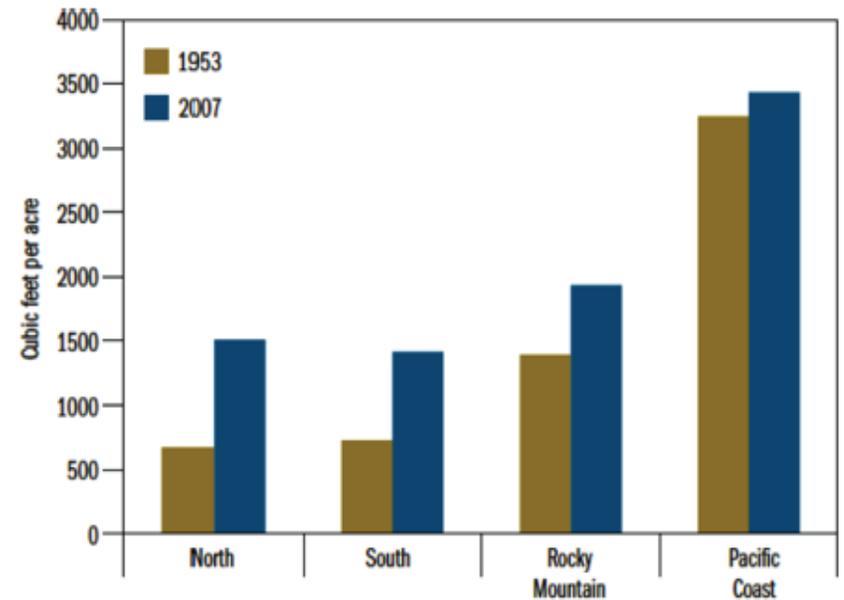
Delivering sustainable biomass

- Generators must demonstrate that their suppliers meet UK sustainability requirements.
- **Certification** has a role to play in evidencing compliance – but **is not mandatory**.
- The trend is for increasing sustainability requirements – certification could help even more in future. **SFI is well placed to assist here!**
- **Core forestry practices** – BMP's, permits, trained loggers, multi-stakeholder consultation, strong forest governance, **are strengths in the US**.
- Biomass for pellets is low value compared to sawtimber and pulp!

GHG Savings

- US supplies are well placed
- Abundant resource sequestering carbon strongly
- Positive growth-drain ratios showing forestry activities are sustainable
- It is imperative to Drax & regulators & society that this continues.

Figure 6. Forest growing stock volume per acre by region, 1953 and 2007.



Source: *Forest Resources of the United States, 2007*

GHG Savings

- Aware of models showing “carbon debt”
- Output of those models is strongly affected by assumptions on
 - Forestry system
 - Efficiency of biomass use
 - Assumed counterfactuals
- Compelling evidence from real data (not modelling assumptions) that shows genuine and growing carbon savings from biomass use in power generation.

Conclusions

- Drax, UK, Europe have clear interest in sustainability
 - Making real GHG savings
 - Conserving carbon in the forest
 - Managing sensitivities – role for SFI
- Anticipate growing (not reducing) interest in these criteria
- Pelleting industry and its stakeholders can help guide Europe to meaningful, effective sustainability criteria
- Bodies such as SFI have a role to play in that process.
- Thank you

