



Department of  
**Enterprise, Trade  
and Investment**  
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## **Government Response**

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# **Energy**

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## **Adjustments to Sustainability and Reporting Provisions for Biomass**

### **Government Response**

March 2015

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## Background

- 1.1 In 2011, the Department of Enterprise, Trade and Investment (DETI) introduced sustainability provisions for solid biomass and biogas into the Renewables Obligation (Northern Ireland) (NIRO)<sup>1</sup>. These required generators to report whether the biomass they had used had been sourced from a type of ‘protected land’ and to provide details of the greenhouse gas (GHG) emissions associated with its production and use.
- 1.2 In 2014<sup>2</sup>, in England and Wales, these provisions were enhanced with the introduction of new criteria for sustainable forest management (the UK Timber Standard for Heat and Electricity, based on the UK Timber Procurement Policy (UK-TPP)), establishment of a GHG target trajectory and the requirement for generators to produce independent audit/assessment reports. The changes were brought in as a requirement to report against performance starting in June 2014, with an intention to make the majority of the sustainability provisions mandatory (and linked to NIROCs) from 2015.
- 1.3 DETI launched a 4 week consultation in October 2014<sup>3</sup> based on the approach in England and Wales on five technical adjustments to the reporting requirements and sustainability criteria for biomass under the NIRO. Northern Ireland has previously remained consistent with the rest of the United Kingdom in relation to biomass sustainability matters, therefore the consultation reflected final policy decisions as set out in the Department of Energy and Climate Change (DECC) government response published on 12 August 2014<sup>4</sup> for England and Wales.

## Consultation proposals

- 1.4 The consultation sought views and comments on five aspects of the reporting requirements and sustainability criteria for biomass:
  - **Proposal 1** - To revise the ‘Saw Logs’ definition in the NIRO
  - **Proposal 2** - To reconsider the reporting requirements for tree species in the NIRO
  - **Proposal 3** – To provide exemptions from the Timber Standard<sup>5</sup> for certain categories of wood for the NIRO
  - **Proposal 4** – To add ‘highly biodiverse grasslands’ to the list of protected land types for the NIRO
  - **Proposal 5** – Averaging of Greenhouse Gas Emissions across the year in the NIRO

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<sup>1</sup> <http://www.legislation.gov.uk/nisr/2011/169/contents/made>

<sup>2</sup> <http://www.legislation.gov.uk/nisr/2014/146/contents/made>

<sup>3</sup> [www.deti.gov.uk/niro\\_consultation\\_on\\_adjustments\\_to\\_sustainability\\_and\\_reporting\\_provisions\\_for\\_biomass.pdf?rev=0](http://www.deti.gov.uk/niro_consultation_on_adjustments_to_sustainability_and_reporting_provisions_for_biomass.pdf?rev=0)

<sup>4</sup> <http://www.gov.uk/government/consultations/biomass-sustainability>

<sup>5</sup> <https://www.gov.uk/government/publications/timber-standard-for-heat-electricity>

## Responses to the consultation

1.5 The consultation closed on 11 November 2014. In total, three responses were received and these raised a number of points with the proposals which are summarised as follows:

- Two respondents disagreed with the proposal to replace the definition of 'saw logs' citing the age of a tree as an important part of the definition of a 'saw log' and which provides vital information about the potential carbon debt that occurs when burning it.
- Concern was expressed that the definition of 'saw logs' could be open to local interpretation and this could 'open the door to misuse, e.g. in countries where the definition of 'saw logs' might be very different'.
- One respondent disagreed with the proposal to reconsider the reporting requirements for tree species as it would weaken the level of environmental information provided, thus reducing the ability to understand industry practices and assess sustainability impacts.
- One respondent agreed that it is important to maintain the provision for reporting use of protected or threatened tree species but considered it unacceptable that subsidies continue to be available for the use of biomass from these sources. They recommended that the provision is extended to include other endangered or protected species that may be impacted by forest harvesting for bioenergy.
- Another respondent stated that it was not clear how the proposed changes would assist reporting provisions.
- In relation to the proposal to provide exemptions from the Timber Standard for certain categories of wood for the NIRO, one respondent stated that, anecdotally, they were aware that over the last number of years since the significant reduction in the construction sector, there have been greatly reduced levels of waste material from saw mill activities. However the output of biomass from this source has increased over the same period. The conclusion drawn is that timber has been processed using adapted sawmill processing techniques, to produce more residues than the normal production process and on this basis they believe that this material should not be exempt from the requirements of the Timber Standard.
- One respondent disagreed with the proposed exemptions and that the Timber Standard should apply to all wood used for bioenergy and supported under Government incentive schemes.
- Concerns were raised regarding the verification of diseased trees as there is no third party assessment. It was pointed out that 'diseased' is a term that can be open to interpretation. Concerns were also raised concerns that there is no definition of what 'wood removed for ecological reasons' means and how it is being verified.

- One respondent did not support the revised approach to average GHG emission across the year.

1.6 Responses were received from:

- Biomass Energy Northern Ireland
- Council for Nature Conservation and the Countryside
- RSPB

### Post consultation decisions

1.7 The consultation stated the need for the NIRO to remain consistent with the other two ROs in the UK unless there were Northern Ireland specific reasons for adopting a different policy stance.

1.8 We have considered the issues raised and have decided that there is not a sufficiently strong basis to justify a different approach in Northern Ireland to the rest of the UK. Indeed, adopting a different stance within a single region of the UK could have adverse consequences on the overall principles of biomass sustainability and reporting. **Accordingly, DETI has decided to implement the same technical changes to the reporting requirements and sustainability criteria as the rest of the UK and as set out in the consultation.**

### Implementation

1.9 The changes will be introduced in a Renewables Obligation Order (Northern Ireland) 2015 to come into operation (subject to EU Technical Standards Directive approval and NI Assembly approval) from 1 October 2015.

### Key changes

#### Definition of 'saw logs'

1.10 As set out in DECC's government response, the current definition of 'saw logs' based on tree age set out in the NIRO Order 2014 is likely to result in inaccurate reporting as in practice it will be the form of a tree, local geography and climate, growth rates and local sawmill markets that will determine what is a suitable quality for sawing. DETI agree that a definition that is clear but flexible enough to reflect local sawmill practices should be used.

1.11 DETI therefore intend to replace the definition of 'saw logs' in the NIRO Order with a requirement for generators to report against the definition of saw logs which matches the local specifications for saw logs in the place where the closest sawmill operates and to reference details of the local specification used.

### Reporting requirement for tree species

- 1.12 As set out in DECC's government response, collecting data from generators on the types of trees used in energy together with other related information on location and forestry management practices both within the UK and internationally contributes to the work in assessing the impacts of using wood for bioenergy. DETI agree that simplifying the reporting requirement will, in principle, enable generators to report more information.
- 1.13 In addition, the requirement to report under the NIRO would not replace any obligation under the EU Timber Regulation. This requires anyone selling timber (or wood fuel) into the EU to ensure that it has been legally harvested. The harvesting of protected trees and threatened species is very unlikely in countries which have good governance arrangements for sustainable forest management.
- 1.14 Therefore, DETI will replace the current requirement in the NIRO to report on specific 'tree species' with a requirement for generators to report on the proportion of wood used which is 'hardwood' and the proportion which is 'softwood'. In the UK, hardwood would include material deriving from a broadleaf tree such as oak, walnut, maple, poplar, birch, ash and softwood from a coniferous one such as pine, spruce, cedar, fir.
- 1.15 In line with the other two ROs, the NIRO will include an additional requirement to report on whether any of the wood used was likely to have come from protected or threatened species (and if so, to name that species).

### Exemptions from the Timber Standard

- 1.16 **Arboricultural residues:** The use of arboricultural residues for wood fuel presents a good, sustainable use for the material which otherwise could end up being burned in situ or put into landfill. Although arboricultural residues will be deemed sustainable, the wood fuel supplier will still have to provide evidence linking the material back along the supply chain to demonstrate where the material has come from, as detailed in DECC's government response.
- 1.17 **Diseased trees:** DETI agree with the reasons set out in DECC's government response that maintaining a requirement for this material to meet the Timber Standard will ensure that sustainable forest management systems in relation to restocking and disease control practises remain in place.
- 1.18 **Material removed for ecological reasons:** This only relates to wood fibre removed from a non-forested environment. Trees removed for example as part of a peatland restoration programme and used as wood fuel, would have to meet the Timber Standard. In the circumstances of wood fuel coming from a non-forested environment, DETI agree that such non-waste material should be deemed to have to come from a sustainable source.

- 1.19 **Windblow and saw mill residues:** DETI agree with the reasons set out in DECC's government response for not exempting windblow and sawmill residues from the Timber Standard.
- 1.20 **The following categories of wood will therefore be exempt from the Timber Standard:**
- **Arboricultural residues**
  - **Material removed for ecological reasons where it originates from non-forest land**

Protected land types in the land criteria

- 1.21 DETI agrees with the reasons set out in DECC's government response for adding 'highly biodiverse grasslands' to the list of protected land types in the land criteria for non-wood solid and gaseous biomass under the NIRO.
- 1.22 **DETI have therefore decided to add 'highly biodiverse grasslands' to the list of protected land types in the land criteria for non-wood solid and gaseous biomass under the NIRO.**

Averaging Greenhouse Gas Emissions across the year

- 1.23 As set out in the DETI's October 2013 response on biomass sustainability criteria<sup>6</sup> it was our intention that from 2015, generators of 1MW and above will be issued with ROCs only if the solid biomass or biogas they use meets or is below a GHG emissions threshold.
- 1.24 DETI agree with DECC's revised approach and methodology which recognises that some consignments of biomass could, through no fault of the generator, exceed the GHG threshold. The threshold will therefore be applied as an annual average. This is subject to the provision that the consignment of biomass must not exceed an overall ceiling. Details of the GHG thresholds and overall ceilings for solid biomass and biogas under the RO are set out in Annex B of DECC's government response.
- 1.25 **DETI therefore intends to introduce a GHG annual averaging process in the NIRO in accordance with the following methodology: the issue of NIROCs in respect of any biomass consignment that exceeds the GHG target (but is below a maximum ceiling) will be deferred until the end of the reporting year. At this point the annual average GHG for all the consignments used will be calculated and outstanding payments on any consignments that exceeded the GHG target will only be made if the overall annual average is at or below the target.**

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<sup>6</sup> [http://www.detini.gov.uk/government\\_response\\_to\\_biomass\\_sustainability\\_consultation.pdf?rev=0](http://www.detini.gov.uk/government_response_to_biomass_sustainability_consultation.pdf?rev=0)



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