

Voluntary Report – Voluntary - Public Distribution

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Report Name: Dutch Government Lays Out New Biomass Policy

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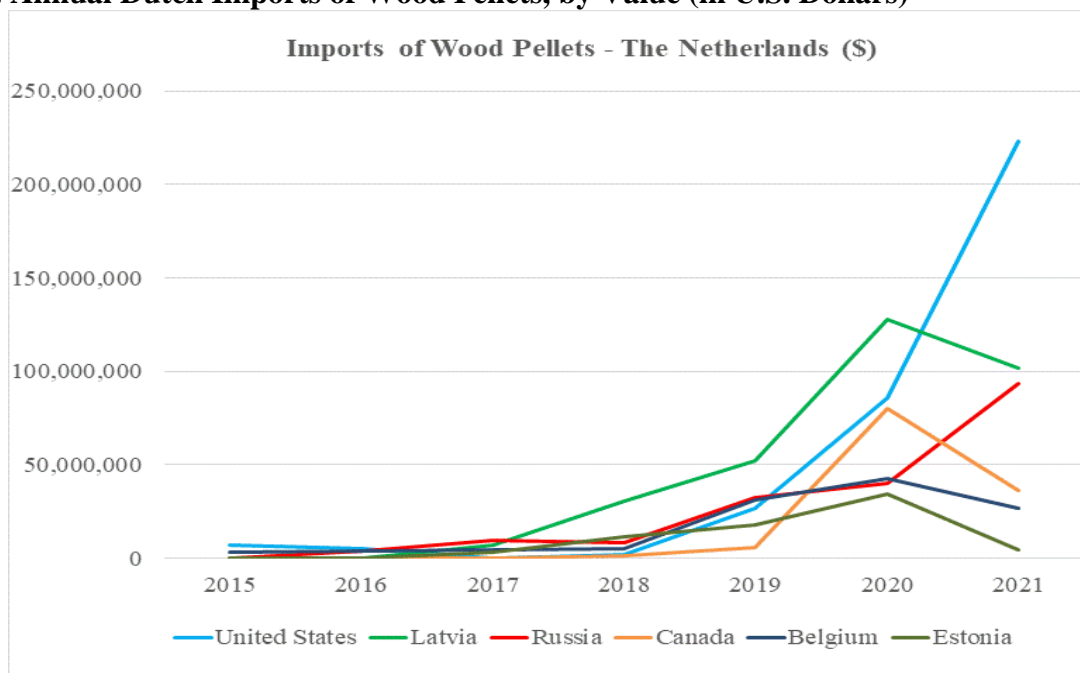
Report Highlights:

On April 22, 2022, the Dutch Minister for Climate and Energy, Rob Jetten, laid out the Dutch government's policy for the application of biomass to the Dutch Parliament. The Cabinet will support the application of biomass for high value applications, uses which have no renewable alternative, and applications by which carbon is stored. The Cabinet confirmed it will phase out its support for the applications for low value purposes (i.e., biopower and low temperature heat) and will advocate for stricter sustainability criteria at the EU level. The Cabinet indicated it will no longer aim to limit the sourcing of biomass to EU sources. U.S. wood pellet exports to the Netherlands totaled \$223 million in 2021.

Background Information

In recent years, Dutch wood pellet imports from the United States surged from a few million dollars to a record of \$223 million in calendar year 2021 (see graph below). As a result, the Netherlands rose to become the second largest export market for U.S. wood pellets, after the United Kingdom (and surpassing Denmark and Belgium). Most of the wood pellets in the Netherlands are used by Dutch power plants and co-fired with coal. This co-firing of wood pellets is subsidized by the Dutch government. In 2013, the [Dutch Energy Accord](#) was completed, which included funds for the generation of renewable energy. Since the agreement, the Dutch government has allocated €3.63 billion (i.e., \$4 billion) in [Stimulation of Sustainable Energy Production \(SDE+\)](#) funds for co-firing. For more information see the GAIN report - [Dutch Wood Pellet Imports Reach New High](#), published on April 26, 2021.

Figure 1. Annual Dutch Imports of Wood Pellets, by Value (in U.S. Dollars)



Source: Trade Data Monitor

New Dutch Government Coalition Aimed to Subsidize Locally Sourced Biomass

On December 15, 2021, a political [Accord](#) (Dutch language) was reached by the newly formed Dutch coalition government. In the Accord, the coalition of political parties expressed their intention to phase out the use of woody biomass for energy purposes as quickly as possible and to only allow the use of woody biomass produced in the EU to monitor compliance with sustainability criteria. For more information see the GAIN Report - [New Government Coalition Accord Reached in the Netherlands](#), published on December 22, 2021.

Dutch Minister for Climate and Energy Lays Out Biomass Policy

On April 22, 2022, the Dutch Minister for Climate and Energy, Rob Jetten, laid out the Dutch government's policy for the application of biomass to the Dutch Parliament. For more information see Minister Jetten's [letter with attachments](#) (Dutch language) sent to the Dutch Parliament.

The main points in the letter were:

- The Dutch Cabinet envisions an important role for biomass in reaching a climate neutral and circular economy in the Netherlands by 2050.
- The Cabinet will support the application of biomass for high value purposes (e.g., bio-chemicals, plastics, and materials replacing fossil feedstocks), applications which have no renewable alternative (e.g., advanced biofuels for marine, aviation, and heavy road transport, and biomass for generating high temperature heat $\{>100^{\circ}\text{C}\}$) and applications by which the carbon is stored (construction materials).¹
- The Cabinet confirmed it will phase out the applications for low value purposes (i.e., biopower and low temperature heat). This biomass policy of cascading the use of biomass was previously proposed by the Dutch Social Economic Council (SER). For more information see the GAIN report - [Dutch Government Advised to Cascade Biomass](#), published on July 17, 2020.
- Dutch sustainability criteria will be largely based on the [EU Renewable Energy Directive](#). However, the Cabinet will advocate to include socio-economic criteria, and the obligation to report carbon dioxide (CO₂) emissions that are emitted by the production and transport of biomass. To better monitor and control the sustainability of biomass the Cabinet will strive for a more stringent certification process, through stricter criteria and supervision of compliance.
- The Cabinet will not limit the sourcing of biomass to EU sources because it concluded this decision can only be made at the EU level. It further noted discriminatory sourcing is not compliant with World Trade Organization rules. The Government added the domestic supply of biomass is insufficient to meet Dutch demand between 2030 and 2050, and additional supplies are needed to support Dutch energy goals.

Attachments:

No Attachments.

¹ For more information see the GAIN report - [Sustainable Marine and Aviation Fuels in Northern Europe](#), published on December 10, 2021.