



Voluntary Report - Voluntary - Public Distribution

**Date:** January 18, 2023

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# **Report Name:** Japan Proposes Default GHG Emission Values for Wood Pellets

Country: Japan

Post: Tokyo

Report Category: Wood Products, Biofuels

Prepared By: Daisuke Sasatani

Approved By: Mariya Rakhovskaya

## **Report Highlights:**

The Ministry of Economy, Trade and Industry (METI) proposed default greenhouse gas (GHG) emission values for biomass feedstock eligible for the feed-in tariff and feed-in premium (FIT/FIP) programs for power generation. METI will accept comments in Japanese on the proposal through January 23, 2023.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

## **General Information**

Since April 2019, Japan's Ministry of Economy, Trade and Industry (METI)'s Agency for Natural Resource and Energy (ANRE) has held <u>a series of Biomass Sustainability Working Group</u> meetings to discuss procurement of sustainable and legal feedstock for the Feed-In Tariff (FIT) and Feed-In Premium (FIP) programs (for more information about Japan's woody biomass market, see Japan Biofuels Annual 2021). From April 2023 (Japanese fiscal year 2023), <u>ANRE plans</u> to require FIT/FIP-approved powerplants to calculate greenhouse gas (GHG) emission values for imported agricultural residues, imported woody biomass, and domestic woody biomass.

Based on the Biomass Sustainability working group meetings, on December 23, 2022, METI proposed default GHG emission values and calculation methods for crude palm oil (CPO), palm stearin, palm kernel shell (PKS), palm trunk, imported wood chips, imported wood pellets and domestic woody biomass used in FIT/FIP programs. METI based its calculations on the European Union's (EU) Renewable Energy Directive (RED) II and Ministry of Environment's "the Life-Cycle Analysis (LCA) Guidelines for Greenhouse Gas (GHG) Reduction Effect of Renewable Energy". In determining the default GHG emission values for the biomass feedstocks, ANRE proposes to use information on vessel type (e.g., Handysize vs. Supramax), transportation distance, methane capture during the manufacturing process, and biofuel use during the drying process to determine default GHG values. ANRE considered PKS a by-product and did not include GHG emissions from palm oil processing in the calculation of the default GHG emission value. The proposed default values for woody biomass do not account for GHG emission reduction associated with effective forest management practices (e.g., lower risk of wildfires). Please consult <u>ANRE's proposal</u> for the detailed methodology and proposed GHG emission values (in Japanese only).

For more information about CPO, palm stearin, and PKS in the Japanese market, please see <u>Japan Oilseeds and</u> <u>Products Annual</u>. ANRE has separately recalculated default GHG emission values for liquid biofuels (see <u>JA2023-0002</u>).

### **Comment Submission on the Proposal**

METI will only accept comments submitted in Japanese by January 23, 2023 via:

- the <u>e-Gov</u> web form (click "意見入力へ")
- <u>Email</u> sent to <u>biomass\_sus\_wg@meti.go.jp</u>
- <u>Mail</u> sent to 100-8901 1-3-1 Kasumigaseki, Chiyoda-ku, Tokyo. To: ANRE Energy Conservation and New Energy Department, Renewable Energy Division (Please use the <u>form</u>).

### Attachments:

No Attachments.