



## Argus Biomass

### **SBP moves towards greater market permeation**

**The Sustainable Biomass Partnership (SBP) certification scheme was created by seven European utilities to establish a single framework to prove the sustainability of biomass used for power production. Argus interviewed SBP to get an update on its activities and the reception by the biomass industry.**

*Argus:* In the last year we have seen a large increase in the number of certified producers and traders, what has driven this increase? What has been the main focus for SBP in the last year?

*SBP:* SBP's focus over the last year has been on the implementation and development of the certification system. Highlights include SBP approving over 60 certifications of biomass producers and traders since the first certification in September 2015, and there are more than a further 60 applications in the pipeline. This represents significant growth compared with other certification systems. The interest shown illustrates recognition of the certification system in the market place.

SBP has now launched its Data Transfer System (DTS), an important tool that underpins the integrity of SBP through facilitating the collection, collation and transmission of the data required by those generators using biomass to produce energy. Importantly, the DTS allows SBP claims — SBP-compliant and SBP-controlled — to be transmitted along the supply chain.

SBP has reached an agreement with Accreditation Services International (ASI) for the management of the SBP accreditation programme representing a significant and important development for SBP — the use of an accreditation body brings it into line with other well-recognised certification schemes.

*Argus:* When do you think SBP will be adopted as the primary check for the utilities who initiated the SBP scheme? Do you expect adoption by other biomass users in Europe?

*SBP:* That is really a question for the utilities. With the uptake of SBP certification and the continued interest in the system, alongside recognition by national regulators, including the Danish and UK regulators, SBP believes it is demonstrating the worth of the system to the market and would expect to see its adoption as the primary check for all utilities burning biomass to produce energy.

*Argus:* What challenges has SBP faced in encouraging the universal adoption of the scheme? We understand that producers find it challenging to use large amounts of sawmill residue as feedstock for SBP-compliant pellets — has that caused barriers to SBP adoption for some producers?



17 November 2016



SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP

*SBP:* The introduction of SBP-endorsed Regional Risk Assessments (RRAs) has been a positive move. RRAs are designed to reduce the burden on biomass producers by presenting a risk assessment for an entire country or large region rather than the onus falling on the biomass producer to conduct a risk assessment of its own, discrete supply base. SBP-endorsed RRAs are a key part of SBP's focus on identifying and mitigating risks associated with sustainably sourcing feedstock for biomass pellet and wood chip production.

SBP is also working on making the system more readily applicable to wood chip producers and other users as we learn more about how SBP is being implemented in practice.

With regard to residue or secondary feedstock, it is the regulations — individual government requirements — that present a challenge in that they require evidence of the sustainability of secondary feedstock. We are working with producers and the supply chain, and are aware that producers are working hard to find a solution. It is an issue that SBP has raised with regulators given that it would tend to drive producers towards using primary feedstock rather than secondary, which would be a perverse outcome. As far as the SBP certification system is concerned, it presents a solution to demonstrate sustainability.

*Argus:* To what extent is SBP aiding liquidity in the industrial biomass market?

*SBP:* One of the key aims of the certification system is to assist the trading of biomass in the market. It is too early to determine the impact SBP has had on the traded market. We will have a better idea when more producers are certified and a greater volume of SBP-certified material is in the market place. But it is our expectation that the contracting process and trades between parties will be smoother and easier as a result of SBP.

*Argus:* Was the Netherlands' adoption of sustainability criteria at the forest level — as opposed to SBP at pellet mill level — a disappointment for the SBP scheme? What role does SBP have in certifying that wood pellets meet the Netherlands' standards?

*SBP:* SBP certification is likely to be necessary for pellet producers wanting to sell to the Netherlands as no other scheme transmits greenhouse gas (GHG) emissions data and identifies the feedstock types, as required by the Dutch regulations. So in reality, if the Netherlands sticks to the forest level approach, multiple verification tools will be required to satisfy the regulations, but it is very likely that SBP-certified biomass will be a minimum requirement for the Dutch market.

*Argus:* Is SBP involved in discussions with the European Commission as it works towards developing a Europe-wide sustainability standard? Are you hopeful the commission will adopt SBP as its sustainability standard?

*SBP:* SBP has met with the commission, and we await the decision on whether there will be EU-wide sustainability criteria or not. The commission is aware of the SBP certification system and understands its approach.



17 November 2016



SENT TO LSU AGCENTER/LOUISIANA FOREST PRODUCTS DEVELOPMENT CENTER - FOREST SECTOR / FORESTY PRODUCTS INTEREST GROUP

*Argus:* Do you see opportunities to expand the scheme outside of Europe?

*SBP:* Yes we do see opportunities for expansion in time. SBP is designed in such a way that makes it globally applicable and it can be used by producers in any country today. Interest in SBP has been shown by countries outside Europe, including Japan and South Korea. SBP offers a robust, credible and practical solution to demonstrate carbon saving, sustainability and legality, and should be attractive to regulators interested in those concepts and a practical solution.

-----  
Richard P. Vlosky, Ph.D.  
*Director, Louisiana Forest Products Development Center*  
*Crosby Land & Resources Endowed Professor of Forest Sector Business Development*  
Room 227, School of Renewable Natural Resources  
Louisiana State University, Baton Rouge, LA 70803  
Phone (office): (225) 578-4527; Fax: (225) 578-4251; Mobile Phone: (225) 223-1931  
Web Site: [www.LFPDC.lsu.edu](http://www.LFPDC.lsu.edu)



**President, Forest Products Society; President-Elect, WoodEMA i.a.**

