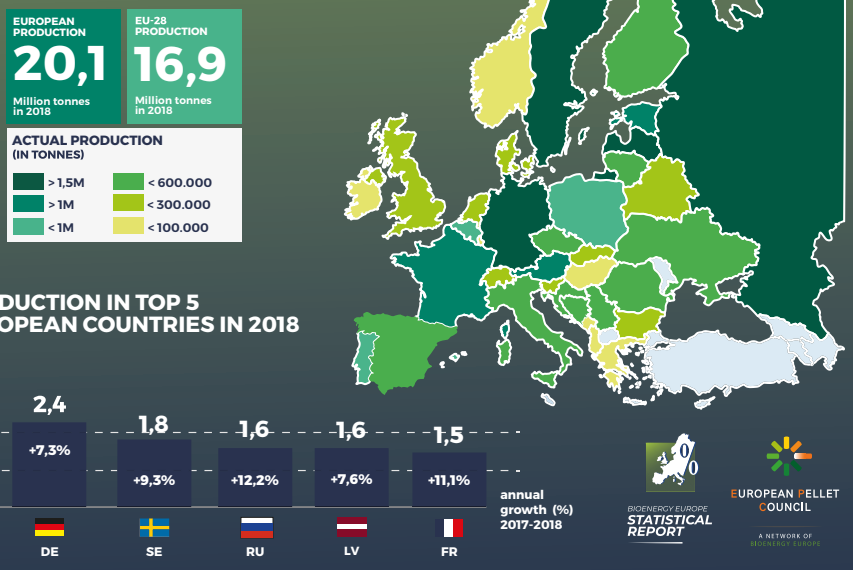
BIOENERGY EUROPE
STATISTICAL REPORT
2019

POLICY BRIEF PELLET

Supported by Valmet FORWARD

EUROPEAN/EU-28 WOOD PELLET PRODUCTION

(IN 2018, TONNES, %) SOURCE: EPC SURVEY 2019



PRODUCTION IN TOP 5 EUROPEAN COUNTRIES IN 2018

BIOENERGY EUROPE STATISTICAL REPORT

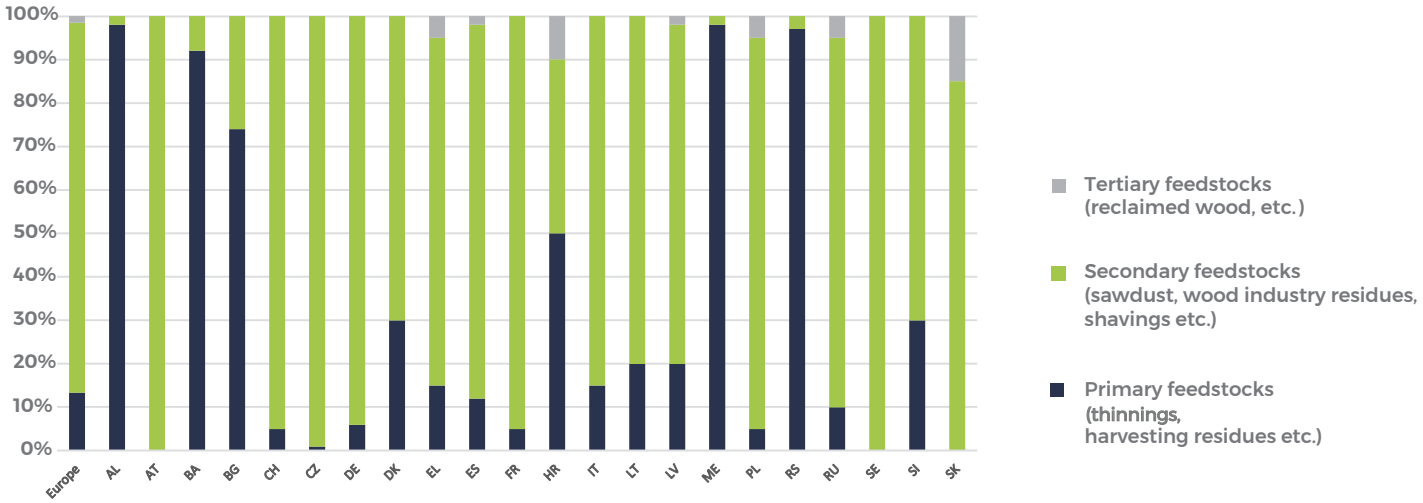
EUROPEAN PELLET COUNCIL
A NETWORK OF BIOENERGY EUROPE

Wood pellets: a sustainable fuel creating local jobs and value; enhancing rural development all over Europe

Today, the EU28 is producing nearly 17 million tonnes (corresponding to about 7 Mtoe) of pellets, showing a growth of nearly 10% in 2018 compared to that of 2017. Both wood pellet production and its use is not only concentrated in a few countries but is widespread all over Europe; creating local jobs and value. Moreover, most of the pellet production takes place in rural areas, thus contributing to rural development. In order to support the local production of this sustainable fuel, fuel that is largely consisting of wood processing residues, a stable and favourable policy framework is crucial. Promoting pellet production is particularly important right now, as forest fires and diseases become 'the norm'. In fact, collecting sick trees and harvesting residues from forests aids in avoiding the propagation of forest fires and diseases.

ESTIMATE OF THE SHARES OF RAW MATERIALS USED IN LOCAL PELLET PRODUCTION IN EUROPE IN 2018

(%) Source: European Pellet Council (EPC) survey 2019



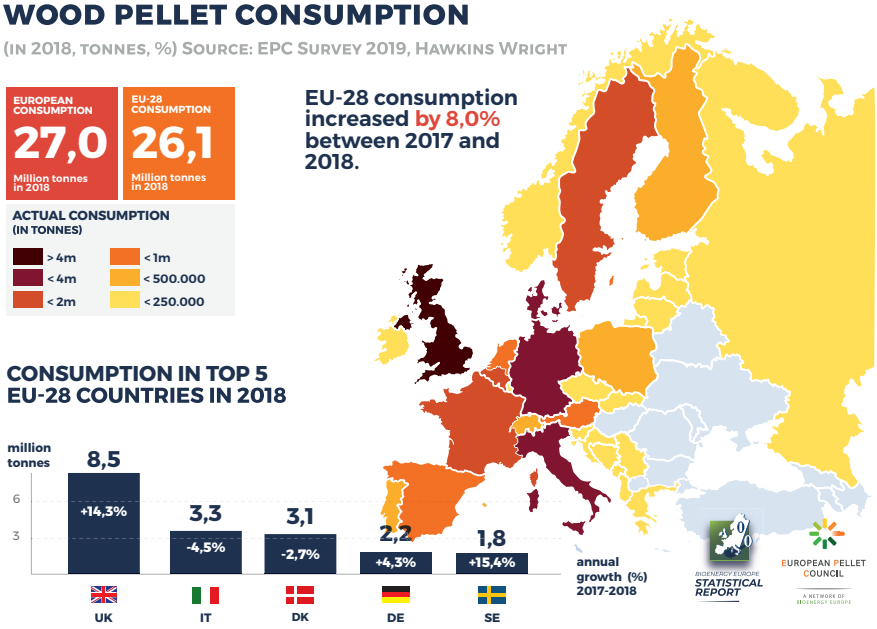
Wood pellets: A versatile solution for contributing to the energy decarbonisation in Europe

Wood pellets are a very versatile fuel. They offer a sustainable and cost-effective solution in producing heat, electricity or indeed both (in a combined heat and power unit). Pellets are therefore able to contribute to the energy transition and the decarbonisation of Europe in a number of different ways.

Contrary to variable renewable solutions, using pellets for generating electricity is not weather-dependent, since it does not rely on solar or wind to produce electricity. Due to this reliant energy storage, it is perfect addition to variable renewable energy sources, enabling to further enhance the energy security within Europe; as it creates the possibility for a 100% renewable based electricity system.

EUROPEAN / EU-28 WOOD PELLET CONSUMPTION

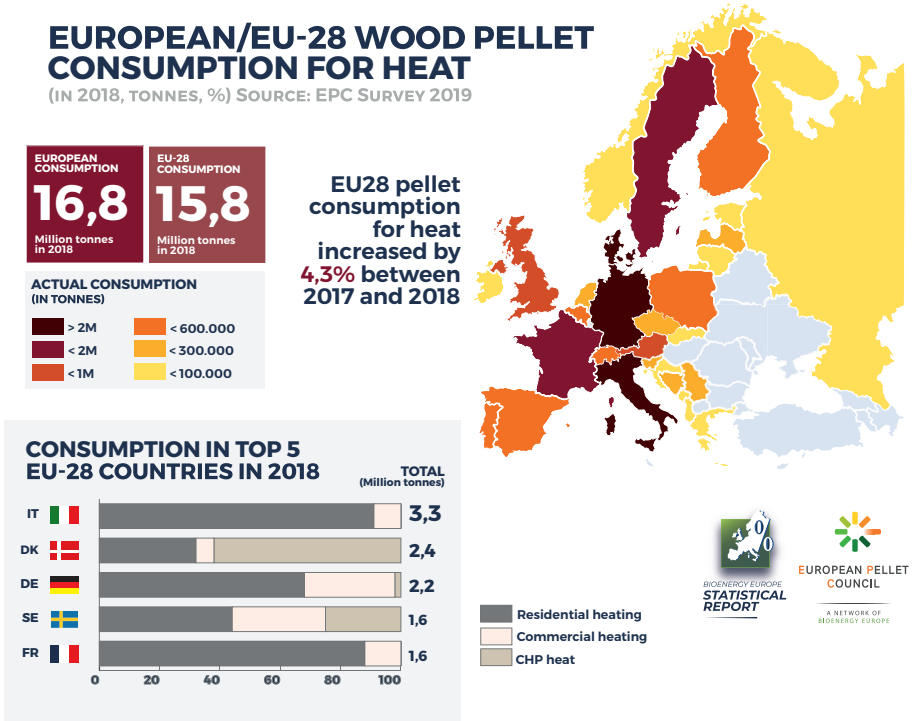
(IN 2018, TONNES, %) SOURCE: EPC SURVEY 2019, HAWKINS WRIGHT



Heating in the residential sector is responsible for 23% of the total EU energy consumption. As heat generated from pellets is a very sustainable, efficient, comfortable and secure solution for households, commercial uses such as those in larger habitation buildings and small industrial processes, it allows for a cost-effective decarbonisation of the European heating sector. In fact, pellets are cheaper than fossil alternatives (heating oil, gas or coal) in many member states. Heating with pellets is, over the lifetime of the installation, cheaper than heating with fossil fuels; making pellets the perfect ally to tackle energy poverty. With nearly 16 million tonnes consumed within the EU28 in 2018, heating with pellets is increasing in popularity in many member states. Nonetheless, there is still a high share of residential heating appliances running on fossil fuel in EU28.

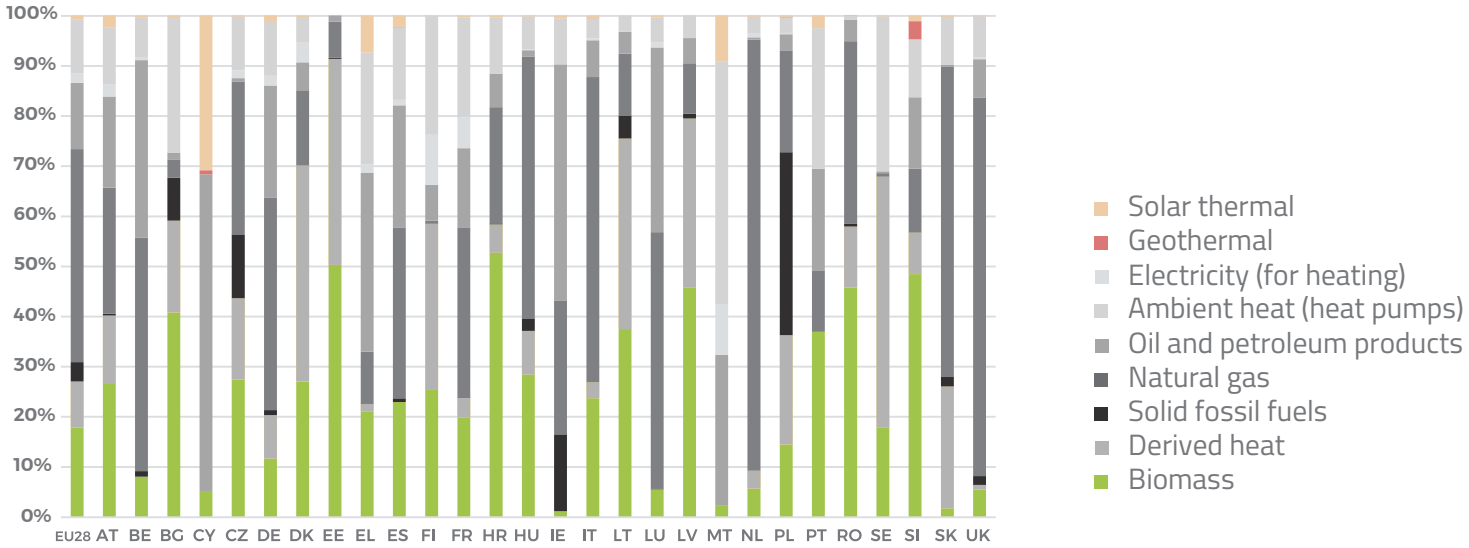
EUROPEAN/EU-28 WOOD PELLET CONSUMPTION FOR HEAT

(IN 2018, TONNES, %) SOURCE: EPC SURVEY 2019



SHARE OF ENERGY USED FOR HEATING AND COOLING IN THE RESIDENTIAL SECTOR BY EUROPEAN COUNTRIES IN 2017

(%) Source: EUROSTAT



If member states are to meet their long-term climate objectives, decarbonising the heating and cooling sector (which is currently responsible for 50% of our final energy consumption) must become a priority throughout the entirety of the political system; being discussed at EU, national and most importantly local levels. To achieve this goal, a strategy to phase out fossil fuels must be developed; by means of putting a halt to fossil fuel subsidies and instead introducing market incentives that foster a switch to renewables (e.g. a carbon tax). In fact, today, market conditions are not right and renewable solutions cannot compete on a fair basis with fossil alternatives. In addition to establishing fair market conditions, further political support such as fiscal incentives or subsidies would be desirable to accelerate the energy transition and give markets a clear signal on the solutions of tomorrow.

our messages

1. **Recognising the benefits of pellet for electricity and heat production for energy security, economic growth especially in rural areas and fight against energy poverty.**
2. **Decarbonising the Heating & Cooling sector (responsible for 50% of EU's energy consumption) should be a priority for EU, national and local authorities.**
3. **Fair market conditions should be established, by phasing out subsidies to fossil fuels and introducing market incentives rewarding climate compliant solutions).**