European Parliament
2014-2019

Committee on Agriculture and Rural Development

2016/2041(INI)

27.4.2016

OPINION

of the Committee on Agriculture and Rural Development

for the Committee on Industry, Research and Energy

on the renewable energy progress report
(2016/2041(INI))

Rapporteur: Franc Bogovič
SUGGESTIONS

The Committee on Agriculture and Rural Development calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

A. whereas it is estimated that biomass imports will triple between 2010 and 2020, and yet EU demand for solid biomass for bioenergy production is to be met mostly using domestic raw materials: whereas it is necessary to move beyond a two-speed Europe in bioenergy, and the development of the bio energy sector should respect the proximity principle, in order to ensure its economic viability and the balanced regional development of an industry over which local populations retain control; whereas, nevertheless, cascading use of renewable resources is a principle which, if enforced by law, could create interference with property rights and might hinder innovation, especially for SMEs; whereas in the past decade the area of forests in the EU has increased by 2 %, while only 60 to 70 % of natural forest growth in the Union is harvested each year; whereas renewable energy sources of agricultural origin make it possible to reduce the energy dependence of the EU, which imports more than 50 % of its energy needs, at a cost of about EUR 400 billion, making it the world’s leading importer of energy;

B. whereas 79 % of the bioethanol consumed in the EU market comes from EU-produced feedstock; whereas efforts should be made to maintain or increase that share; whereas other feedstocks have potential, e.g. not only as a renewable energy source but also as a high protein animal feed which can play a role in decreasing the EU’s dependence on imported GM proteins;

C. whereas renewable bioenergies sustainably produced within the agricultural sector make a large contribution to the EU’s achievement of crucial targets such as mitigating the effects of climate change, reducing its dependence on energy imports, creating jobs and improving incomes in the sector; whereas it is important to modernise agricultural production in Europe, so as to reduce the potential negative impacts of agriculture on the environment and contribute to an increased use of renewable energy sources;

1. Insists on the importance of promoting and encouraging decentralised energy systems, inter alia the development of on-farm and forestry holding sources of renewable energy production including on-farm waste where appropriate, which can have a significant positive impact in terms of creating new ‘green jobs’, fighting climate change and generating sustainable revenue streams in rural areas, as well as supporting the economic and social development of such areas; believes this would have a positive impact on rural demographics and could, if well managed, preserve the agricultural landscape, which could be particularly beneficial in areas of the EU where farming conditions are particularly difficult and incomes are the lowest; calls for intensive exchange of best practice in order to promote sustainable renewable energy solutions, including tax incentives, technological options and raising public awareness in rural communities, as well as helping local and regional authorities to plan and implement relevant assistance schemes; recommends the effective use of Horizon 2020 for research and innovation in the agricultural sector in order to step up renewable energy generation; recalls that bioenergy can play an important part in decarbonising the EU; calls on the Commission, therefore, to recognise that the contribution of bioenergy should not be allowed to be
jeopardised; notes that innovation in the field of bioenergy generation will lead to a more efficient use of biomass and reduce production costs in the long term; points out that the financial aspect is key when it comes to farmers investing in bioenergies;

2. Stresses the fact that a wide range of renewable resources exist, and in particular recognises the value of forest biomass for energy purposes in contributing to the renewable energy targets of the 2030 climate and energy framework and in opening up new business opportunities; emphasises that the energy-generating potential of waste has yet to be fully harnessed; points out that Member States have differing starting-points with regard to possibilities of using forest biomass for energy purposes, and that this should also be reflected in EU policies; calls on the Commission to establish a system to evaluate the contribution that forests make as carbon sinks, and thus to contribute to the development of the renewable energy sector; calls on the Commission and the Member States to establish forest carbon accounting models in order to address key questions concerning forest policy and management options and their impact on carbon stocks and carbon sequestration, in both forests and wood products, so as to ensure that the overall carbon impacts of bioenergy feedstocks are properly accounted for; encourages the Member States and the Commission to remove barriers to the development of intelligent distribution systems, and stresses the importance of supporting new start-ups by introducing ‘smart grids’, which would allow the full potential of renewable energies of agricultural origin to be exploited, and developing special instruments to incentivise farmers and rural cooperatives to enter the market; believes that boosting the creation of short-rotation coppices and tree plantations for industrial use in order to reduce demand for trees from forests would make a major contribution to the maintenance of native forests;

3. Believes that the promotion of renewable energy sources in the EU should not create unnecessary obstacles for the deployment of other energy sources which could improve energy efficiency in the Union, such as peat;

4. Stresses the importance of supporting EU and national framework programmes for research into sustainable renewable energies for agriculture and, in particular, as regards refined and second-generation biofuels, sustainable use of biomass, organic agricultural by-products and the development of fast-growing energy crops, as well as crops with a lifespan of over two years which can achieve a higher biomass yield than annual energy crops, and using feedstocks without land use effect; points also to the importance of research into the grid integration and storage of non-centrally generated renewable energies and of methods for harnessing the energy-generating potential of other types of biomass that are not yet widely used for energy generation; emphasises the importance of developing a European network able to help overcome the fragmentation of research facilities on bioenergy from agriculture by providing the opportunity for researchers to access high-quality experimental facilities and services across Europe; calls for increased incentives to accelerate the sustainable production of biofuels, and in particular the development of sustainable biofuel production facilities, so that they can more intensively make use of various crops and agricultural residues, provided the overall carbon impacts of bioenergy feedstocks are properly accounted for;

5. Encourages the Member States and the Commission to promote the importance of sustainable forest management, and hence the key role of forest biomass as one of the
EU’s crucial renewable raw materials for reaching its energy targets; draws attention to the increasing demand for forest biomass, which means that sustainable forest management, in line with the EU forest strategy, should be even further strengthened and promoted, as it is crucial for biodiversity and the ecosystem function of forests, including the absorption of CO2 from the atmosphere; points out the need, therefore, for balanced exploitation of resources grown in the EU and imported from third countries, bearing in mind the very long regeneration time required for wood;

6. Encourages the Member States and the Commission to promote the importance of the sustainable forest-based bioeconomy and of wood as one of the EU’s crucial renewable raw materials; calls on the Commission, therefore, to channel more EU funds into boosting the plantation of short-rotation coppices and tree plantations for industrial use in the EU;

7. Urges the Member States to eradicate unnecessary barriers and to improve existing administrative procedures in order to encourage investment in the development and construction of facilities that use bioenergy, and thus to contribute to the development of ‘green entrepreneurship’ and the creation of ‘green jobs’ in rural areas;

8. Recalls the importance of promoting and supporting local renewable energy cooperatives, to be empowered with the skills and capacity to efficiently manage renewable resources in both rural and urban areas, in order to increase public and private support for renewable energy; calls on the Member States, in this respect, to ensure that their regulatory frameworks for renewables, and especially their support schemes, do not lead to unnecessary distortions with regard to energy production and competitiveness in the EU; calls on the Commission to conduct and present a study on how current subsidies affect the investment landscape and the transition to sustainable energy in the EU’s rural areas; encourages the development of energy initiatives in line with the principles of the circular economy, by which farmers and landowners would be incentivised to create district heating schemes using on-farm waste and by-products; encourages the Commission and the Member States to consider undertaking measures aimed at facilitating the selling of surpluses from agriculture-based renewable energy production;

9. Underlines the importance of the transport sector for the EU’s rural areas; notes that transport is the sector that has seen least progress in using renewable energy sources, with a figure of only 5.4 % for renewable energy in 2013 compared to the 10 % EU target for 2020; calls, therefore, on the Member States to intensify their efforts to meet the targets concerned in due time, and to consider strengthening the link between the transport and electricity markets by promoting electric and plug-in hybrid vehicles in order to meet the targets;

10. Calls on the Member States and the Commission to encourage the creation of ‘local agro-energy districts’ constituting territorial reference units that bring together all the relevant skills to reduce the intermediate stages between the production of renewable energy from agriculture and the marketing thereof, thereby reducing both prices for European consumers and distribution difficulties, while at the same time boosting the market in bioenergy of agricultural origin and the number of people employed in the sector;

11. Encourages the Commission and the Member States also to recognise the profitability of using heat pumps in the agricultural and food processing sectors;
12. Encourages the Commission and the Member States to recognise the underexploited potential of extracting renewable energy from the sea, as well as the benefits of using marine resources in biogas production for the agricultural sector;

13. Emphasises that the production of biofuels should not interfere with food production or compromise food security; believes, however, that balanced policies to promote increased European yields in feedstock crops such as wheat, maize, sugar beet and sunflowers could include provision for biofuel production, taking account of indirect land use change (ILUC), in a way which could provide Europe’s farmers with a secure income stream, attract investment and jobs into rural areas, help address Europe’s chronic shortage of (GM-free) high-protein animal feed, make Europe less dependent on fossil fuel imports, and help the EU reach its greenhouse gas targets while minimising concerns regarding land use change and other environmental factors; believes that in cases of market oversupply of the agricultural products referred to, the production of biofuels and bioethanol would represent a temporary outlet which would maintain sustainable purchase prices, safeguard farmers’ incomes during crises, and serve as a market stability mechanism; stresses the need to encourage the integration of uncultivated arable land which is not being used to produce food into the production of bioenergy, with a view to meeting national and European renewable energy objectives;

14. Believes that livestock manure can be a valuable source of biogas via the use of manure processing techniques such as fermentation, while also stressing the importance of making this an economically viable option for farmers;

15. Proposes the establishment of a mechanism to guarantee the long-term stability of purchase prices for individual farmers, producers or companies supplying energy produced from biomass to energy distributors;

16. Notes the importance of being able to link with the electricity grid so that rural energy producers can sell surplus renewable energy generated at a fair price, thus making it possible to incentivise or oblige electricity companies to purchase such electricity first.
RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

<table>
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<th>Date adopted</th>
<th>26.4.2016</th>
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| Result of final vote | +: 35  
|--: 7  
|0: 0 |
| Substitutes present for the final vote | Pilar Ayuso, Franc Bogovič, Jean-Paul Denanot, Jens Gieseke, Ivan Jakovčić, Norbert Lins, Anthea McIntyre, Sofia Ribeiro, Ramón Luis Valcárcel Siso |