

## Renewable Energy Directive (RED III)

### Exemption of waste biomass from greenhouse gas saving criteria

CEMBUREAU, the association of the European cement industry, would like to express its concerns in relation to the greenhouse gas saving requirements proposed by the commission for amending the Renewable Energy Directive (RED2), in the specific case of biomass waste used in cement kilns.

Cement, through its main final product concrete, plays a major role in the building of renewable energy infrastructures, as key component of onshore and offshore wind turbines as well as hydroelectric dams. Concrete is also a key construction material for European buildings and can through thermal mass significantly contribute to energy savings and renewables' integration.

The European cement industry has set out its ambition to reach carbon neutrality by 2050, and the use of biomass waste is a central element to this (please see our CEMBUREAU [carbon neutrality roadmap](#) for more information). Already today, the EU cement industry is a large user of waste and by-products utilizing approximately 36 million tonnes per year. In the EU in 2019, the sector substituted on average 50% of its fossil fuel consumption with non-recyclable waste derived fuels, 18% of which were biomass waste derived fuels. Within a cement kiln, waste fuels are co-processed utilising the heat value from the waste fuel to substitute fossil fuels and incorporating the ash as a partial replacement of the raw materials, leaving no waste residue.

In addition to providing sound solutions for waste streams and strengthening the circular economy, the use of biomass waste in cement kilns is key for the cement industry to reduce its CO<sub>2</sub> emissions and support our vision for a carbon neutral Europe for 2050.

The biomass waste used in the cement industry comes from a variety of streams and includes for instance the biomass fraction in refuse derived fuels (RDF), end-of-life tyres, saw dust from related industries or processing, animal meals, agricultural waste or wood waste (please see CEMBUREAU's [biomass waste brochure](#) for more information).

European legislation requires categorisation of waste derived materials and fuels by specific waste category numbers (Commission Decision 2000/532/EC<sup>1</sup>). Based on these numbers, material is tracked and traced on its way from waste origin to its final user. This legal framework can be applied to distinguish between sustainable use of waste materials containing biomass and use of primary biomass from forestry or agricultural production. Only in the latter case, scope 3 emissions from an extended production value chain and including GHG emissions from land-use-change have to be

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<sup>1</sup> Commission Decision of 3 May 2000 replacing Decision 94/3/EC establishing a list of wastes pursuant to Article 1(a) of Council Directive 75/442/EEC on waste and Council Decision 94/904/EC establishing a list of hazardous waste pursuant to Article 1(4) of Council Directive 91/689/EEC on hazardous waste (notified under document number C(2000) 1147)

assessed. Waste materials used as alternative fuels in the cement industry, however, are clearly identified by the respective codes in the list of wastes and as such their usage can be considered sustainable.

For this reason, CEMBUREAU proposes the following amendments to the Commission RED III proposal and to the current RED II text, in order to reduce unnecessary bureaucratic burden and costs for companies:

**1. Keep scope of Article 29 (10) unchanged**

Article 29 (10) of the RED, in its 2018 version, required installations that started operation on 1 January 2021 until 31 December 2025, to meet a greenhouse gas emissions savings of 70% and those that started operation after 1 January 2026 to have a greenhouse gas emissions savings of 80%. The proposed changes in the legislation by the European Commission, would now make the 70% value apply to all installations regardless of whether they are new or existing.

As things stand and as the criteria from the RED will further apply to the Emission Trading Scheme (ETS), the European Commission’s proposal for amending the RED would impose on biomass waste **additional administrative burden, significant verification costs and unnecessary bureaucratic burden like changing the installations Monitoring Plans**. This would undermine the principle of legal certainty, would endanger businesses trust in the energy transition and would discourage investments without any benefit for the circular economy, climate protection and the environment. Furthermore, it would discourage the use of waste fuels all across the European cement industry.

CEMBUREAU's view is that the specific text shall remain as it is in the existing Directive and proposes the following amendment to the European Commission’s proposal:

**Proposed Amendment**

<b>Article 29 – paragraph 10 – subparagraph 1 – point d</b>	
<b>Text proposed by the Commission</b>	<b>Proposed amendment</b>
(d) at least 70 % for electricity, heating and cooling production from biomass fuels used in installations until 31 December 2025, and at least 80 % from 1 January 2026.;	(d) at least 70 % for electricity, heating and cooling production from biomass fuels used in installations <b>starting operation from 1 January 2021</b> until 31 December 2025, and at least 80 % <b>for installations starting operation</b> from 1 January 2026.;

**2. Extend the scope of the existing exemption of waste biomass from sustainability criteria also to GHG saving criteria**

CEMBUREAU reiterates that **in case of waste fuels the calculation of GHG savings is an unnecessary bureaucratic and cost burden** for ETS installations in the cement industry. This is because according to RED II, Annex V, Part C, No. 18 for liquid wastes and residues this calculation is rightfully simplified (because upstream emissions are not known in case of wastes). The respective rule for solid and gaseous wastes and residues can be found in Annex VI, Part B, No. 18. Applying this simplification means that the total emission saving from the use of biomass waste is calculated as follows: Absolute GHG emission savings from the use of biomass correspond to the reference emissions from the fossil fuel that is being replaced *minus* emissions from processing of the biomass, emissions from transport and distribution of the biomass and emissions from the biomass in use.

Waste fuels used in cement plants are usually obtained from local waste processing companies in a radius of 200-300 km around the plant. There are usually no emissions for using the biomass. The emissions related to the processing of waste, and its transport are also negligible when compared to the fossil reference fuel emissions. Therefore, due to the necessarily simplified nature of the calculation in case of waste fuels, **GHG emission savings will almost by definition result in values above the respective thresholds in Art. 29 (10)**. It is questionable, therefore, whether the calculation of GHG emission savings is necessary at all in case of waste fuels. Therefore, CEMBUREAU proposes a straightforward solution to this problem:

### Proposed Amendment

Article 29 – paragraph 1 – subparagraph 2	
Current RED II text	Proposed amendment
<p>However, biofuels, bioliquids and biomass fuels produced from waste and residues, other than agricultural, aquaculture, fisheries and forestry residues, are required to fulfil only the greenhouse gas emissions saving criteria laid down in paragraph 10 in order to be taken into account for the purposes referred to in points (a), (b) and (c) of the first subparagraph. This subparagraph shall also apply to waste and residues that are first processed into a product before being further processed into biofuels, bioliquids and biomass fuels.</p>	<p>However, biofuels, bioliquids and biomass fuels produced from waste and residues, other than agricultural, aquaculture, fisheries and forestry residues, are <b>not</b> required to fulfil <b>the sustainability and the greenhouse gas emissions saving criteria laid down in paragraphs 2 to 7 and 10</b> in order to be taken into account for the purposes referred to in points (a), (b) and (c) of the first subparagraph. This subparagraph shall also apply to waste and residues that are first processed into a product before being further processed into biofuels, bioliquids and biomass fuels.</p>

### 3. Enable ETS verifiers to confirm Art. 29 compliance of waste biomass in the ETS context

For 2021, GHG emission savings criteria already have to be fulfilled for liquid biomass fuels and the simplified calculation method applies for liquid wastes and residues. In the practice of current CO<sub>2</sub> emission reporting in the EU Emissions Trading System (EU ETS) this leads to a dispensable bureaucratic and cost burden for companies, in particular because of the required verification process. Despite the simplified nature of the GHG savings calculation, which could easily be verified by the regular ETS accredited verifier, companies have to pay a separate verifier only to confirm that, first,

waste fuels are indeed waste fuels and, second, that the simplified calculation of GHG savings is correct.

The Commission therefore should enable **verifiers accredited pursuant to the rules of the EU ETS (Implementing regulation 2018/2067) to confirm compliance with Article 29 of RED II**. This includes verification of the nature of waste fuels that are clearly identified by a code pursuant to Commission decision 2000/532/EC in order to make use of the exemption for waste and residues in Article 29 (1) of RED II. It also includes the verification of the correctness of the simplified calculation as mentioned above in the case of wastes and residues.

**For any additional information please refer to:**

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