

# Public report on the assessment of

### certification scheme SBP

(request for advice from April 2018)

against the Dutch legal sustainability criteria for solid biomass for energy applications

by the

Advisory Commission on Sustainability of Biomass for Energy Applications

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#### 1 Introduction

#### 1.1 Dutch sustainability criteria for solid biomass for energy applications

In September 2013 more than 40 Dutch government bodies, companies and non-governmental organisations endorsed the National Energy Agreement for Sustainable Growth. Part of this Agreement deals with targets for the more sustainable use of energy in the years 2020 and 2023. Bio-energy plays an important role in meeting these targets. It was also agreed that sustainability criteria would be formulated for the large-scale application of biomass for cofiring in coal-fired power plants, and that these sustainability criteria would include forest management and climate aspects like greenhouse gas emissions, carbon debt and indirect land use change.

A working group with representatives from energy companies, environmental organisations and the government has further developed the sustainability criteria into principles and underlying criteria. As from 2015 these principles and criteria have been included as a condition in the subsidy regulation SDE+ for cofiring and for production of industrial steam from wood pellets, and from beginning 2018 these principles and criteria are laid down in environmental legislation. In order to demonstrate compliance with these principles and criteria, companies need to demonstrate that the biomass used fully meets the legal requirements. This can be achieved by use of certification schemes and/or by use of the verification protocol approved for this purpose by the Dutch minister of Economic Affairs and Climate Policy (minister of EZK).

#### 1.2 The advisory commission sustainability biomass for energy applications

The independent advisory commission sustainability of biomass for energy applications (further in this document "commission" or "advisory commission" or "ADBE") is installed by the Dutch government. The commission advises the minister of EZK on the extent to which certification schemes comply with the sustainability criteria in the Dutch legal 'regeling conformiteitsbeoordeling vaste biomassa voor energietoepassingen'. The commission only gives advice on request of the minister, who receives applications for approval of certification schemes and has to decide on the approval. The minister of EZK will approve certification schemes per individual sustainability criterion, and will only approve schemes which address all management criteria. The use of a certification scheme leads to one or several claims (for instance the claim "SBP compliant biomass"). The ADBE will advise which Dutch sustainability criteria are covered by each claim of the scheme.

Energy companies can use the approved certification schemes and their claims to demonstrate that the solid biomass which they use complies with the Dutch legal sustainability criteria, either as "sustainable biomass" or as "controlled biomass". Demonstrating compliance is a condition for receiving subsidy from the so-called SDE+ subsidy scheme for cofiring of solid biomass in coal-fired power stations or for the large-scale production of industrial steam from solid biomass. Certification schemes might not be approved for all sustainability criteria. In this case a combination of two or more certification schemes and/or a combination of certification and verification might be required to show compliance with all Dutch legal sustainability criteria.

#### 1.3 Readers guide

In chapter 2 of this report the assessment procedure of the advisory commission plus the application by SBP and the timeline of the assessment are briefly explained. Chapter 3 gives a summary of the findings from the assessment by the commission for the certification scheme SBP. In chapter 4, details on the commission's judgement are given, and chapter 5 lists the documents and sources that were used when performing this assessment. This report comes with two annexes: the first annex gives background information on the requirements for biomass categories and the Chain-of-Custody (CoC) system from Dutch legislation, and the second annex lists the abbreviations that are used throughout this report.



#### 2 The commissions' assessment procedure and assessment of SBP

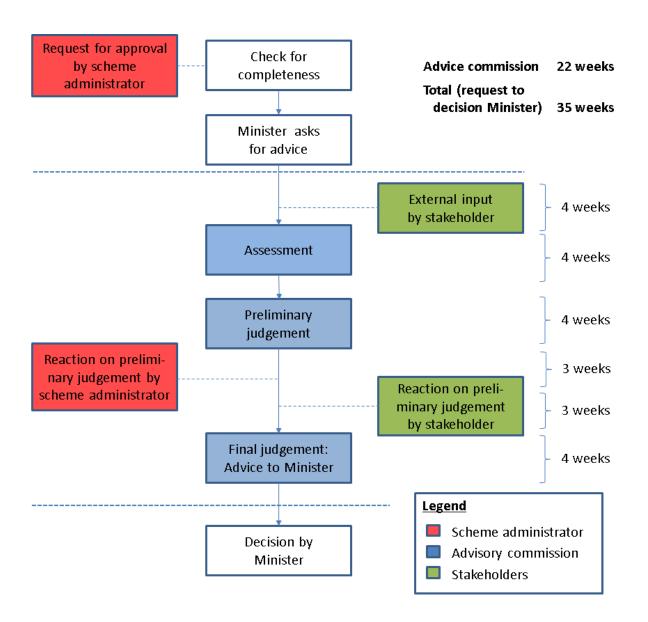
#### 2.1 Assessment protocol

The assessment procedure of the advisory commission is described in a document called "toetsingsprotocol" (assessment protocol). The actual version of this protocol can be found on the website of the advisory commission. The assessment protocol is available in Dutch language only. An English summary of the assessment procedure can be found on this webpage.

The current application of the certification scheme "Sustainable Biomass Program" (SBP) is assessed using version 2.1 of the assessment protocol.

#### 2.2 Summary of the assessment procedure

Schematically the procedure is visualised in the figure below.







#### 2.3 Application by SBP

The SBP scheme manager made an application to the Dutch ministry of EZK in which approval of SBP is requested for:

- the Dutch sustainability criteria under Principles P1 for biomass category 5;
- the Dutch sustainability criteria under Principles P12 for biomass categories 1, 2, 3, 4 and 5; and
- geographical coverage "Global".

The SBP certification scheme generates two claims: "SBP-compliant biomass" and "SBP-controlled biomass". In the application form, the SBP scheme manager indicated that the SBP chain of custody requirements include controlled biomass.

The following scheme documents were used for the assessment of the application:

- SBP Standard 1: Feedstock Compliance Standard. Version 1.0 March 2015
- SBP Standard 2: Verification of SBP-compliant Feedstock. Version 1.0 March 2015
- SBP Standard 3: Certification Systems. Requirements for Certification Bodies. Version 1.0 March 2015
- SBP Standard 4: Chain of Custody. Version 1.0 March 2015
- SBP Standard 5: Collection and Communication of Data. Version 1.0 March 2015
- SBP Standard 6: Energy and Carbon Balance Calculation. Version 1.0 March 2015
- SBP Glossary of Terms and Definitions. Version 1.0 March 2015
- Instruction Document 5A: Collection and Communication of Data. Version 1.1 October 2016
- Instruction Document 5B: Energy and GHG Data. Version 1.1 October 2016
- Instruction Document 5C: Static Biomass Profiling Data. Version 1.1 October 2016
- Instruction Document 5D: Dynamic Batch Sustainability Data. Version 1.1 March 2018
- Instruction Document 6A: Energy and Carbon Balance Calculation for the Netherlands. Version 1.0 March 2015
- SBP Appeals procedure. Version 1.0 July 2015
- SBP Complaints procedure. Version 1.0 July 2015
- SBP Normative Interpretations. December 2017
- SBP Stakeholder Committee Terms of Reference. Version 2.0, December 2016
- SBP Audit Report for Energy and GHG data (SAR). Version 1.2, March 2018
- SBP Report on Energy and GHG for Supplied Biomass (SREG). Version 1.1, October 2016.

#### 2.4 Timeline of the SBP assessment

The commission received a request for advice on the SBP application on April 17, 2018. This was the second request for advice that the commission received on SBP; the first request for advice from August 2017 did not result in an advice as SBP has withdrawn their first request for approval. On the April 2018 request for advice, the commission completed its preliminary judgement in June 2018. This preliminary judgement was send for comments to the scheme manager (end of June) and to the stakeholders that provided external input for comments (mid-July). In September 2018 the commission came to its final judgement, which is described in this report plus in the stakeholder report (see next paragraph). The advice that the commission has sent on 14 September 2018 to the minister of EZK consists of a cover letter plus these two reports.

#### 2.5 External input

Stakeholders have been given the opportunity to submit external input to the commission during the first four weeks of the procedure (see also paragraph 2.2). This input plus a response by the commission formed the input for a separate stakeholder report. For the certification scheme SBP, external input from two (groups of) stakeholders was received.



#### 3 Summary of findings on certification scheme SBP

A summary of the commission's findings on the application for approval by the certification scheme SBP is given in the three paragraphs of this chapter 3. Further details on the commission's findings are given in chapter 4 "Assessment tables for certification scheme SBP". The sustainability and management criteria referred to by the numbers in this chapter and listed in chapter 4 are copied from the Dutch legal regulation (the *regeling conformiteitsbeoordeling vaste biomassa voor energietoepassingen*), effective as from 1 January 2018.

The commission's judgement, based on the combined findings as described below, is that SBP can be approved for the sustainability criteria 12.1, 12.2, 12.3, 12.4, 12.5 and 12.6 for biomass categories 1, 2, 3, 4 and 5, provided that it can be demonstrated that the voluntary instruction document 5D has been applied. The advisory commission advises to include this as a condition in the approval decision. The advisory commission also advices to require that significant changes to the DTS system shall be notified to RVO.nl.

SBP partly addresses sustainability criteria 1.1 for biomass category 5 (SBP did not request approval for criterion 1.1 for biomass categories 1-4). The table in paragraph 4.3 shows which part of this criterion is addressed by SBP.

## 3.1 Findings on classification of biomass and on the first link in CoC to be certified

The current report is addressed to the SBP application for sustainability criterion 1.1 (category 5) and for sustainability criteria 12.1 - 12.6 (categories 1 - 5). The commission has concluded that SBP certified companies can distinguish between the five biomass categories from Dutch legislation when they use the voluntary SBP instruction document 5D.

SBP certification starts at the biomass producer, which for biomass category 5 is in line with the condition on the first link in the Chain-of-Custody (CoC) from Table 2 in Annex D of the Dutch regulation.

#### 3.2 Findings for management criteria

A certification scheme can only be approved if the scheme complies with all management criteria. The ADBE concludes that SBP complies with all management criteria. The table in paragraph 4.2 gives further details.

#### 3.3 Findings for individual sustainability criteria

The minister of EZK will approve certification schemes per claim and per individual sustainability criterion from the Dutch legal regulation. The commission has assessed compliance against the Dutch sustainability criteria for two SBP claims: the claim "SBP-compliant biomass" and the claim "SBP-controlled biomass".

In the two paragraphs below, the tables only show the names of the principles, they do not show names or descriptions of the individual criteria. Please refer to the table in paragraph 4.3 for further details. Green colours indicate the criteria for which the ADBE gives a positive advice to the Minister of EZK.





#### 3.3.1 Findings for the claim "SBP-compliant biomass"

For the claim "SBP-compliant biomass", the table below summarises the findings of the advisory commission per individual sustainability criterion from the Dutch regulation.

Principle	Number of the criterion as related to the respective principle to the left							
	1	2	3	4	5	6	7	8
P1: GHG emissions	*							
P2: Soil quality				=				
P3: Carbon sinks								
P4: Long-term carbon debt								
P5: Indirect Land Use Change (ILUC)				=				
P6: Laws and regulations						_		
P7: Biodiversity								
P8: Regulating effect and quality, health and vitality of forest								
P9: Production capacity, safeguard future of forests						_		
P10: Management system								
P11: Forest management by a group or regional association							=	
P12: Chain of custody system				**				
P13: Chain of custody system for a group								

<sup>\*:</sup> Please note that the commission scores only the second part of criterion 1.1 as the first part cannot be complied with through certification, see also the text under criterion 1.1 in paragraph 4.3. Please also note that SBP requested approval for criterion 1.1. only for biomass category 5.

#### **Legend (scoring table)**

Colour	Score	Meaning
Dark green:	3	The sustainability criterion is fully addressed by the claim "SBP-compliant biomass".
Light green:	2	The sustainability criterion is largely addressed by the claim "SBP-compliant biomass". Supplementary verification or another approved certification scheme is not needed.
Orange:	1	The sustainability criterion is partly addressed by the claim "SBP-compliant biomass". Supplementary verification or another approved certification scheme is needed for those elements that are not addressed.
Red:	0	The sustainability criterion is not or is insufficiently addressed by the claim "SBP-compliant biomass". Additional verification or another approved certification scheme is required for the entire sustainability criterion.
Grey:		No request for approval.

<sup>\*\*:</sup> SBP can be approved for criterion 12.4 under the condition that the "Dynamic Batch Sustainability Data" system – which is a voluntary module when filling out the DTS – is used. This shall be verified by the auditor of the Dutch end user.

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#### 3.3.2 Findings for the claim "SBP-controlled biomass"

SBP also applied to be approved for controlled biomass. Dutch controlled biomass is category 1 and 2 biomass complying with Dutch sustainability criteria 1.1, 3.1, 3.2, 3.3, 4.1, 4.2, 4.3, 5.1, 7.1, 7.3, 12.1, 12.2, 12.3, 12.4, 12.5 and 12.6.

For the claim "SBP-controlled biomass", the table below summarises the findings of the advisory commission per individual sustainability criterion from the Dutch regulation.

SBP did not request approval for sustainability criteria under principles P1 (for biomass categories 1 – 4) and P2 – P11, and hence the commission has not assessed whether the claim "SBP-controlled biomass" demonstrates compliance with (any of) the sustainability criteria 1.1, 3.1, 3.2, 3.3, 4.1, 4.2, 4.3, 5.1, 7.1 and 7.3 from the Dutch regulation.

Principle	Number of the criterion as related to the respective principle to the left							
	1	2	3	4	5	6	7	8
P1: GHG emissions				-				
P3: Carbon sinks								
P4: Long-term carbon debt								
P5: Indirect Land Use Change (ILUC)				-				
P7: Biodiversity							=	
P12: Chain of custody system				**				

<sup>\*\*:</sup> SBP can be approved for criterion 12.4 under the condition that the "Dynamic Batch Sustainability Data" system – which is a voluntary module when filling out the DTS – is used. This shall be verified by the auditor of the Dutch end user.

#### **Legend** (scoring table)

Colour	Score	Meaning
Dark green:	3	The sustainability criterion is fully addressed by the claim "SBP-controlled biomass".
Light green:	2	The sustainability criterion is largely addressed the claim "SBP-controlled biomass". Supplementary verification or another approved certification scheme is not needed.
Orange:	1	The sustainability criterion is partly addressed by the claim "SBP-controlled biomass". Supplementary verification or another approved certification scheme is needed for those elements that are not addressed.
Red:	0	The sustainability criterion is not or is insufficiently addressed by the claim "SBP-controlled biomass". Additional verification or another approved certification scheme is required for the entire sustainability criterion.
Grey:		No request for approval.



#### 4 Assessment tables for certification scheme SBP

This chapter contains four paragraphs on respectively a number of general topics of the SBP application (4.1), on the management criteria (4.2) on the sustainability criteria for the claim "SBP-compliant biomass" (4.3) and on the sustainability criteria for the claim "SBP-controlled biomass" (4.4). The scores "3", "2", "1" and "0" plus the colours that are used in the tables in this chapter, are explained in the legend on the previous page.

#### 4.1 Assessment of classification of biomass and on first link in CoC to be certified

Annex D of the Dutch regulation contains two tables (which are copied into Annex I of this report) with a number of general requirements on biomass categories and on the first link in the CoC to be certified. The ADBE has assessed whether SBP meets these requirements. One important aspect is whether SBP can make a distinction between the five biomass categories.

The current report addresses the SBP application for sustainability criteria 12.1 – 12.6 for categories 1 – 5 and for sustainability criteria 1.1 for category 5. Via Instruction Document 5D "Dynamic Batch Sustainability Data" SBP has included the five biomass categories from the Dutch regulation. Point 2.2 from that instruction document reads (with DTS referring to "Data Transfer System): "for each Biomass Category defined in the DTS DBS data, the organization shall set up and maintain a Mass Balance account according to which additions and deductions of credits shall be recorded". As a result and provided that the voluntary Dynamic Batch Sustainability Data system has been used, the commission concludes that throughout the SBP CoC it is clear to which biomass category each individual batch/consignment of biomass belongs.

SBP certification starts at the biomass producer. For biomass category 5 this is in line with the condition on the first link in the Chain-of-Custody (CoC) from Table 2 in Annex D of the Dutch regulation, and for controlled biomass this in line with the condition from sustainability criterion 12.6.

#### 4.2 Assessment table for management criteria

The table below contains details of the assessment of the advisory commission on the SBP certification scheme against the Dutch management criteria from the "regeling conformiteitsbeoordeling vaste biomassa voor energiedoeleinden".

conf	ragement criterion from the Dutch "regeling formiteitsbeoordeling vaste biomassa voor giedoeleinden"	ADBE judgement on whether SBP complies with the management criteria	Score
1	A widely supported need exists for the scheme and for the conformity assessments that are performed based on the scheme.	Both the scheme manager as well as stakeholders that provided external input indicate that the scheme was developed due to a need amongst end-users of biomass ("the industry"). The commission observes that the need is broader than a need by end-users of biomass alone, as in certain pellet-producing regions such as North America the share of FSC/PEFC certified forests is still relatively low, and therefore also North American (in particular private) forest owners and pellet producers benefit from the existence of a scheme like SBP that includes a risk based approach. As a result, also the forestry sector and pellet mill owners can be considered to be stakeholders benefiting from the existence of this scheme.  The question to be answered by the commission is whether a need from the above mentioned stakeholders alone can	3





		be considered to be "a widely supported need". The commission observes that "widely supported need" is not defined in the legislation under which this assessment is made. The commission is of opinion that "widely supported" does not mean "all different types of stakeholders", but rather means "a sufficient amount of stakeholders". As quite a large number of stakeholders (i.e. end-users converting biomass into energy, pellet mills, forest owners) have an interest in SBP, the commission concludes that there is a widely supported need for the scheme and for the conformity assessments based on the scheme, and hence considers SBP to fully address management criterion 1. The question whether other than the above mentioned stakeholders have had an influence on the development and decision-making of the scheme is discussed under management criteria 2 and 7.
2	The development of the scheme is transparent and participation in the process of development of the scheme is open to anyone.	1. Development of the scheme When developing the scheme, SBP organised a stakeholder consultation including a public announcement. SBP published on its website a public response to the stakeholder input that was given during that consultation.
		Stakeholders commented that the development of the scheme was not open to everyone as all decision-making power lay and remained with the industry representatives. The commission comments that the term "participation" from the Dutch criterion leaves room for interpretation as it does not tell whether the participation is at the level of "providing input" or whether it requires stakeholders to be part of the decision-making.
		The advisory commission has noted that SBP started, over the last two years, both an advisory board and a stakeholder committee which are both open to external stakeholders.
		The advisory commission asked an external expert for his opinion, and asked the scheme manager to provide examples on where stakeholder input has influenced the scheme under development.  1. The expert concluded that a public stakeholder consultation has been implemented by SBP (2014) which led to adjustments of the scheme's standards and on which SBP is transparent. Furthermore SBP appears to apply an open approach to stakeholders as well as mechanisms to avoid conflicts of interest for the members of its Advisory Board and Stakeholder Committee. However, the overall development of the scheme took place under responsibility of a group of biomass end-user companies, which was not a particularly balanced approach, which may (have) cause(d) conflicts of interest during the development of the scheme.  Note: the commission observes that the basic requirement from the Dutch criterion is "participation in the process of development of the scheme is open to anyone" and that SBP did largely fulfil this requirement for development of version 1 of the SBP certification scheme.  2. The scheme manager provided internal SBP documents including the minutes of a board meeting, and versions of the standards before and after consultation and revision. The commission observed that all stakeholder input and the input by the IWPB (later SBP) Sounding board (which preceded the current advisory board) was considered and that decisions on this input were motivated. The commission also observed that stakeholder input has had an influence on the development of the scheme (several modifications were made based on stakeholder comments). As a consequence, from these documents the commission concludes that stakeholders have had an influence on the development of the scheme through their participation in the consultation and in the Sounding Board and that this participation has been open to anyone. The commission scores "largely complies" as decisions were only taken by the SBP board consisting solely of companies that have an interest in t
		2. Modification of scheme documents  The extent to which – according to the commission - stakeholders need to be involved in changes of scheme documents, depends on the methods on development and updating the certification scheme that the scheme manager has developed. To the opinion of the commission, participation in the process of development of the scheme shall be open to anyone if main scheme documents (the standards themselves) are developed or modified. This has been the case. When other scheme documents (such as instruction documents, guidelines, scheme management procedures, etc.) are developed or modified, this needs to be done according to the methods for scheme development



		that are documented by SBP.	
		The commission has assessed whether SBP has followed its procedures and concludes that this was done (see also the judgement under management criterion 3). As the methods for scheme development were not public when scheme documents were recently modified (addition of instruction document 5D), the commission concludes that SBP largely addresses Dutch sustainability criterion 2.	
3	The methods related to the development of the scheme are documented and at least include the organisations participating in the development of the scheme and the decision-making process for the development of the scheme.	1.Development of the scheme The commission observed that the participating organisations are documented (e.g. on the SBP website). The commission also concludes that public information on working methods and the decision-making process (how does the board and the advisory committee operate and decide) is minimal. Although SBP indicates that this will be taken into account in the updated version in 2018 (it is an ISEAL requirement too), this cannot be taken into account by the commission in the current assessment.	
		The commission asked the scheme manager to provide documentation on the participating organisations and the decision-making process during development of the scheme. The scheme manager provided Terms of Reference documents of the Assurance Framework Development Group and the IWPB (later SBP) Sounding board including the Sounding board composition, and also provided a document showing the unified response of the SBP Sounding Board to the Draft Standards which includes NGO comments received, plus Board meeting minutes which shows decision making on these stakeholder comments.	
		Although these documents are confidential, they show that the methods and participating organisations are documented and they show insight in how actual decisions on the scheme were made.	
		2.Modification of scheme documents  SBP recently prepared two new documents: (a) Instruction document 5D with CoC requirements for companies delivering biomass to the Netherlands, and (b) a pdf document (which was requested for by the advisory commission) which is a collection of all text from the part "Normative interpretations" on the SBP website.  The commission was informed by the SBP scheme manager that the method for developing instruction document 5D was clear to SBP scheme management and to the Stakeholder Committee. This method – which was recently formally approved by the SBP stakeholder committee and was published on the SBP website as a document called "Standard setting procedure" – includes (together with names and organisations listed on the SBP website) the organisations participating and the decision-making process.	2
		When starting to develop the instruction document 5D, SBP scheme management and the stakeholder committee came to the conclusion that developing this new instruction document did not require stakeholder consultation. The ADBE does not disagree to this conclusion, as interpretation document 5D (as well as the pdf with normative interpretations) is on the practical implementation of the scheme and does not change or add to the basic principles, criteria and indicators of the SBP certification scheme. The commission has noted that SBP did make a public announcement on the new instruction document 5D in Issue 10 of the SBP Bulletin.	
		As the method was not yet formally approved within SBP at the time the scheme was modified, the commission will not score "fully addressed" but concludes that Dutch management criterion 3 is largely addressed by SBP.	
4	It can be demonstrated that during the development of the scheme and as part of the scheme management expertise of the sustainability requirements covered by the scheme is applied.	Part of the development of the SBP standards is performed by working groups, for instance one on HCV's ( <a href="https://sbp-cert.org/about-us/working-groups/high-conservation-values">https://sbp-cert.org/about-us/working-groups/high-conservation-values</a> ) were experts, including from the forestry sector, are included. Moreover, a technical committee (see <a href="https://sbp-cert.org/about-us/governance/technical-committee">https://sbp-cert.org/about-us/governance/technical-committee</a> ) including three experts with a forestry background, makes recommendations on technical decisions.	3
		The commission concludes that SBP fully addresses management criterion 4. This conclusion is based on documents describing the development of the scheme, which indicate that the development must take place with relevant	



		expertise from individuals and organizations. These documents are the SBP Advisory Board Terms of Reference (revised), the SBP Stakeholder Committee Terms of Reference (23.11.15) and "Response to the Consultation on the Draft BAF Standards".	
5	The scheme is publicly available or accessible under fair, reasonable and non-discriminatory conditions.	Standard documents and public summary reports from audits are freely available on the website. The commission therefore concludes that SBP fully addresses management criterion 5.	3
6	The scheme manager limits the use of the scheme to the conformity assessment bodies he has entered into an agreement with, unless the scheme owner itself is the only conformity assessment body.	SBP limits the use of the SBP certification scheme by conformity assessment bodies (CB) through the requirement of accreditation as approval procedure and by requiring an agreement. The commission has received one of the agreements between SBP and a CB and concludes that management criterion 6 is fully addresses by SBP.	3
7	The scheme manager has enforced effective procedures for handling complaints and appeal.  Appeal is treated by persons that are not directly involved in the development and the management	The commission noted that the SBP Appeals procedure provides safeguards for independence, as persons on the Appeals panel shall be "impartial and free of any conflict of interest in relation to the Appellant and to the appeal" and as "The Appellant has the right to object to the appointment of any member of the Appeals Panel, with valid reason(s), such as conflict of interest" (points 4.1 and 3.4 of the SBP appeal procedure).	
	of the document.	The commission noted that point 4.2 in the SBP Complaints procedure reads "In the event of any of the Parties being dissatisfied with the outcome of the complaint, the SBP Appeals Process may be used". Hence, the commission understands that the appeal procedure is open to anyone when a submitted complaint was not dealt with in a satisfying manner.	3
		The commission concludes that SBP fully addresses Dutch management criterion 7.	
8	The scheme manager has a scheme version management system in place.	All SBP documents have a version number and include a date of issue.  The commission did notice that there are two separate lists with definitions: the document SBP Glossary of Terms and Definitions and a webpage "Glossary of Terms". These two lists of definition contain different definitions for the same terms. On the webpage "Glossary of Terms" it is indicated that the document SBP Glossary of Terms and Definitions is normative (and hence the definitions on the webpage are not normative). Furthermore the commission noted that:  • the part "Clarification" in the normative interpretations from December 2017 on section 2.1.4 from Instruction Note 3C on the PTSR is outdated (the scheme manager explained to the commission that an auditor can now generate such a report him/herself).  • The introduction to instruction document 5A reads "1.1 Introduction. There are three Instruction Documents that accompany SBP Standard #5: Collection and Communication of Data[] 5A[.] 5B[] 5C[]". This is inconsistent with the fact that SBP published an instruction document 5D.  • Moreover, from the instruction documents itself it is not very clear which are mandatory and which are voluntary. The commission understands that instruction documents 5A, 5B and 5C contain mandatory requirements, whereas instruction document 5D is voluntary as can be learned from the fact that the "Dynamic Batch Sustainability Data" can be ticked when filling out the DTS system. It can also be concluded from the word "may" in requirement 2.1 of instruction document 5D. The commission is of opinion that being mandatory or voluntary of an instruction document should be crystal clear from the text of the instruction document itself.  The commission concludes that the SBP scheme management largely addresses Dutch management criterion 8 as there is a version management system which, however, is not implemented as rigorously as to avoid minor inconsistencies and unclarities.	2



#### 4.3 Assessment tables on sustainability criteria for the claim "SBP-compliant biomass"

The minister of EZK will approve certification schemes per claim from the certification scheme and per individual sustainability criterion from the Dutch regulation.

The commission has assessed whether the certification scheme SBP addresses the Dutch sustainability criteria from the Dutch regulation. The results of the assessment for the claim "SBP-compliant biomass" are given in the tables below. The first table lists a number of general points of attention that the commission found during its assessment.

Gen	eral points of attention	
A	Modification of indicators - applies to all criteria below	SBP Instruction note 1a point 3.2 allows SBP certified biomass producers (BPs) to modify indicators.  SBP has added a normative interpretation on this point 3.2, stating that "SBP will not approve any modifications to indicators". As a consequence, SBP Instruction note 1a points 3.1 and 3.2 then only allow additional indicators to be included. Modification of existing SBP indicators will not be approved by SBP.
В	Glossary of terms	SBP contains two places where a glossary of terms is given:  1) The normative document SBP Glossary of Terms and Definitions (version 1.0, March 2015) that can be downloaded from <a href="https://sbp-cert.org/documents/standards-documents/glossary">https://sbp-cert.org/documents/standards-documents/glossary</a> 2) The "Glossary of frequently used terms and abbreviations" on the SBP website at <a href="https://sbp-cert.org/sbp-framework/glossary-of-terms">https://sbp-cert.org/sbp-framework/glossary-of-terms</a> .  The commission therefore considers the glossary under 2) to be non-normative, which means that the definition of HCV area is considered to be non-normative.
С	SBP approval of (a) other forest management schemes, (b) other controlled feedstock schemes and (c) other chain-of-custody schemes.	The commission has no opinion on the fact that SBP approves other schemes (such as FSC, PEFC and SFI). The commission notes that - through the CoC - SBP is able to bring forward information on the fact that the sustainability (forest management criteria) was demonstrated at the pellet mill by an SBP approved scheme (FSC, PEFC or SFI). To be fully clear on this: by doing so, compliance with forest management criteria at the forest management level hence is demonstrated by the other by SBP approved scheme (FSC, PEFC or SFI), not by SBP. Whether or not this proof is accepted in The Netherlands will depend on whether the SBP-approved scheme (FSC, PEFC or SFI) is approved for demonstrating compliance with these Dutch legal criteria by the Dutch Minister of EZK.  A consequence of this is that the information on which certification scheme was used to demonstrate compliance with the SFM criteria, must be brought through the CoC to the end user (see also the commissions' judgement on sustainability criterion 12.4).  To be fully clear: If an SBP certified pellet mill receives feedstock with an SBP-approved Forest Management Scheme claim, then the certification scheme that was used to demonstrate compliance with the SFM criteria must be known by the end user of the pellets produced by this pellet mill. The information to be passed on through the CoC must be the name of the FSC-approved or PEFC-endorsed scheme, as (a) there are countries with more than one FSC-approved or PEFC-endorsed scheme and (b) these schemes might not be approved (in the Netherlands) for the same criteria.



#### Principle 1: The use of biomass leads to a substantial reduction in greenhouse gas emissions calculated across the entire chain in comparison with the use of fossil fuels

Timelple 1. The use of biomuss reads to a substantial reduction in greenhouse gas emissions calculated deloss the entire chain in comparison with the use of rossil racis						
confo	ainability criterion from the Dutch "regeling ormiteitsbeoordeling vaste biomassa voor giedoeleinden"	ADBE judgement on whether "SBP-compliant biomass" category 5 complies with the sustainability criteria	Score			
1.1a	The reduction in CO <sub>2</sub> -eq emissions is calculated to be a minimum of 70% per year on average based on the EU reference value. The average emissions have a maximum of 56 g CO <sub>2</sub> -eq/MJ for electricity and 24 g CO <sub>2</sub> -eq/MJ for heat.  No consignment of biomass shall result in emissions above 74 g CO <sub>2</sub> -eq/MJ for electricity and 32 g CO <sub>2</sub> -eq/MJ for heat. The calculated maximum CO <sub>2</sub> -eq emission levels are based on the most recent European Commission publication on sustainability criteria for biomass and on the reference values provided for fossil fuels.	<ul> <li>Dutch sustainability criterion 1 consists of three parts:         <ul> <li>The reduction in CO<sub>2</sub>-eq emissions is calculated to be a minimum of 70% per year on average based on the EU reference value. The average emissions have a maximum of 56 q CO<sub>2</sub>-eq/MJ for electricity and 24 q CO<sub>2</sub>-eq/MJ for heat.</li></ul></li></ul>	1			

Principle 12: A chain of custody system is in place for the biomass, covering the entire chain from the first actor to the energy producer, that links the source to the material used in the product or product group, and provides greenhouse gas emission data of each individual link.

mate	material used in the product or product group, and provides greenhouse gas emission data of each individual link.							
confe	ainability criterion from the Dutch "regeling ormiteitsbeoordeling vaste biomassa voor giedoeleinden"	ADBE judgement on whether SBP-compliant biomass complies with the sustainability criteria	Score					
12.1	Each link in the chain of custody bears final responsibility and has a quality management system in place that provides safeguards for compliance with the requirements of the chain of custody system.	<ol> <li>Dutch criterion 12.1 consists of two parts:         <ol> <li>Each link in the chain of custody bears final responsibility</li> <li>SBP standard 4 criterion 5.1.1 requires each legal owner of the biomass to be certified against an SBP-approved Chain of Custody (CoC) system and to hold a valid certificate. The commission therefore concludes that SBP covers this part of the criterion.</li> </ol> </li> <li>Each link in the chain of custody has a quality management system in place that provides safeguards for compliance with the requirements of the chain of custody system</li> </ol> <li>The commission has noted that elements that can be part of a quality management system (and which in particular are aimed to bring information through a CoC) are present within SBP (for instance in standard 6 indicators 6.1.1, 6.1.2, 6.2.1 and 6.2.2) and within the CoC systems that SBP approved. The BP must have a management system (see standard 2 section 15 and instruction document 5B 2.1.2). The commission concludes that SBP covers this part of the criterion.</li> <li>As a result, the commission concludes that Dutch sustainability criterion 12.1 is fully addressed by SBP.</li>	3					



g o n E	Each link in the chain of custody has the relevant greenhouse gas emissions information for its own organisation, which has been obtained using a methodology that is based on the most recent European Commission publication on sustainability criteria for solid biomass and the reference values provided for fossil fuels.	The commission assesses this criterion taking the following considerations into account. It is the end user that will have to make the final calculation (for meeting Dutch sustainability criterion 1.1). This is also mentioned in instruction document 5A, section 2.1.1. of the SBP scheme.  The end user can only make a GHG calculation (or pick the appropriate default value) if he has received the relevant information through the CoC.  The commission concludes that SBP fully addresses Dutch criterion 12.2, as SBP requires to have and provide to the next owner of the biomass all necessary data to facilitate energy and GHG calculations (SBP instruction document 5A, indicator 2.1.1. and SBP Standard 5 section 5.2, and the complete SBP instruction document 5B). SBP instruction document 6A section 2.2 covers the second part of criterion 12.2 on the EU GHG calculation methodology.	3
n	Each link in the chain of custody keeps all necessary documentation for demonstrating compliance with the applicable sustainability requirements available for a minimum of 5 years.	SBP standard 6 indicators 6.4.1 and 6.4.2 cover this criterion. The commission therefore concludes that Dutch criterion 12.3 is fully addressed by SBP.	3
ir a tl	Each link in the chain of custody registers for all ncoming or outgoing consignments the quantities and required sustainability information based on the Dutch regulation "conformity assessment sustainability biomass for energy purposes".	The commission took the SBP electronic Data Transfer System (DTS) into account when making its assessment. The commission checked whether under SBP each link in the CoC registers the 8 pieces of information that form the required sustainability information under the Dutch regulation:  1. Biomass category or information allowing to unambiguously determine the biomass category.  This part is covered as this is included in the Dynamic Batch Sustainability data.  2. For category 2 biomass: has the sustainability been demonstrated at regional or at forest management level? This point is not applicable for the current SBP application.  3. For category 1 and 2 biomass: is the biomass controlled biomass?  This is included, DTS makes a distinction between controlled and sustainable biomass.  4. Country of origin of the feedstock  This is included in DTS.  5. The kind of GHG emission value that is being used: (a) a total default value, (b) an actual value(s), of (c) a combination of disaggregated default values and actual values  This is not strictly included as – according to SBP – it is the end user that will make the choice which kind of GHG values to use. SBP supports making actual values by providing all data. Hence the commission concludes that this part is covered by SBP.  6. In case actual values are being used: the GHG emission in q CO <sub>2.equivalent</sub> per MJ or ton biomass produced. SBP passes on – via the SAR and SREG reports – all input data needed to make GHG calculations, including transport distances and types of shipment (a pellet producer includes in the report all the end users that he sells pellets to, plus transport distances and transport modes). The commission concludes that SBP covers this part of the criterion.  7. The certification scheme (plus any additional verification statement(s)) which are used to demonstrate compliance with the sustainability criteria under principles P2-P11.  This is included in DTS (and is hence covered). The level of detail might not yet be sufficient for Dutch end users,	3

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		The commission concludes from Clause 5.2.5 in Standard 4 and from Clause 7.2 in Standard 6 that records will be kept by the BP that include:  • A description of the physical product, including the sustainability characteristics and other data required in the SBP Instruction Document: Collection and Communication of Data  • The certificate numbers of any certified supplier	
		The commissions' understanding is that this information will directly or indirectly provide the required content on points 1, 3, 4, 7 and 8 above.	
		The commission concludes that Dutch sustainability criterion 12.4 is fully addressed by SBP.	
12.5	Each link in the chain of custody applies a mass balance in case of mixing or splitting of materials with different sustainability characteristics. For the mixing the following applies:  - The method shall be applied at least at the level of a location;  - The organisation defines a period with a maximum of a year, during which incoming and outgoing consignments are measured and reports the results;  - All sustainability characteristics of mixed biomass output can be traced back to the characteristics and quantities of the incoming consignments, taking account of the applicable conversion factors.	<ul> <li>Dutch criterion 12.5 consists of 4 parts, which have been considered by the commission one by one (with numbers 2, 3 and 4 applying in case of mixing materials with different sustainability characteristics):</li> <li>1. Each link in the chain of custody applies a mass balance in case of mixing or splitting of materials with different sustainability characteristics.  In instruction document 5D, SBP requires that, for each biomass category defined in the DTS (data transfer system) DBS (Dynamic Batch Sustainability) data, the organization shall set up and maintain a mass balance account according to which additions and deductions of credits shall be recorded. The commission therefore concludes that SBP covers the first part of the criterion.</li> <li>2. The method shall be applied at least at the level of a location; This part of the criterion is covered by SBP through Standard 4 indicator 5.3.3 in combination with the SBP Standard 4, Indicator 5.1.2 which tells that in case of conflict SBP standards take precedence.</li> <li>3. The organisation defines a period with a maximum of a year, during which incoming and outgoing consignments are measured and reports the results The commission concludes that this part of the criterion is covered as a period of 12 months is defined (SBP instruction document 5B, 3.2.1 and 3.2.4) and SBP allows to only slightly exceed the 12 month reporting period based on a number of defined criteria (SBP instruction document 5B, 3.2.5).</li> <li>4. All sustainability characteristics of mixed biomass output can be traced back to the characteristics and quantities of the individual incoming consignments, taking account of the applicable conversion factors. This part of the criterion is covered by instruction document 5D 2.4 and 2.5.</li> <li>The commission therefore concludes that Dutch criterion 12.5 is fully addressed by SBP.</li> </ul>	3
12.6	When being mixed with other consignments category 1 and 2 consignments only complying with the requirements 1.1, 3.1, 3.2, 3.3, 4.1, 4.2, 4.3, 5, 7.1 and 7.3 are distinguished as controlled biomass on a mass balance. For controlled biomass, the biomass producer is the first link in the chain of custody and the source is the forest management unit or a defined supply area.	Dutch sustainability criterion 12.6 includes a definition for controlled biomass: category 1 and 2 consignments complying with the requirements 1.1, 3.1, 3.2, 3.3, 4.1, 4.2, 4.3, 5, 7.1 and 7.3. In paragraph 4.4 it is assessed whether or not the claim "SBP-controlled biomass" demonstrates compliance to these requirements.  Dutch sustainability criterion 12.6 includes three requirements:  1. When being mixed with other consignments, consignments are distinguished as controlled biomass on a mass balance.  SBP makes a clear distinction between "SBP-compliant biomass" and "SBP-controlled biomass", which can be concluded (for instance) from criterion 5.2.7 from SBP Standard 4. As a result, the commission concludes that SBP covers the first part of criterion 12.6  2. For controlled biomass, the biomass producer is the first link in the chain of custody.  The SBP conformity assessment starts at the biomass producer, so this part of the criterion is covered by SBP.  3. For controlled biomass, the source is the forest management unit or a defined supply area.  Within SBP, biomass is supplied either through FSC or PEFC (endorsed) forestry certification schemes which source biomass from FMU's, or through a risk based approach with a larger but defined supply area. As a result, the commission concludes that SBP also covers this part of the criterion.	3



The commission concludes that SBP fully addresses Dutch sustainability criterion 12.6.	
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#### 4.4 Assessment on sustainability criteria for the claim "SBP-controlled biomass"

The minister of EZK will approve certification schemes per claim from the certification scheme and per individual sustainability criterion from the Dutch regulation.

For the claim "SBP-controlled biomass", the commission comes to the same assessments results as for the claim "SBP-compliant biomass": "SBP-controlled biomass" demonstrates compliance with the sustainability criteria 12.1, 12.2, 12.3, 12.4, 12.5 and 12.6. The commission has not assessed whether "SBP-controlled biomass" demonstrates compliance to Dutch sustainability criterion 1.1 as controlled biomass is biomass of category 1 and 2, and SBP has requested approval for criterion 1.1 only for biomass category 5.

SBP did also not request approval for sustainability criteria under principles P2 – P11, and hence the commission has not assessed whether the claim "SBP-controlled biomass" demonstrates compliance with (any of) the sustainability criteria 3.1, 3.2, 3.3, 4.1, 4.2, 4.3, 5, 7.1 and 7.3 from the Dutch regulation.

The commission refers to paragraph 4.3 for the detailed assessment results on sustainability criteria 12.1, 12.2, 12.3, 12.4, 12.5 and 12.6.



#### 5 Documents used for the assessment of certification scheme SBP

# 5.1 Documents submitted by the scheme manager as part of the request for approval

- 1. SBP Standard 1: Feedstock Compliance Standard. Version 1.0 March 2015
- 2. SBP Standard 2: Verification of SBP-compliant Feedstock. Version 1.0 March 2015
- 3. <u>SBP Standard 3: Certification Systems. Requirements for Certification Bodies</u>. Version 1.0 March 2015
- 4. SBP Standard 4: Chain of Custody. Version 1.0 March 2015
- 5. SBP Standard 5: Collection and Communication of Data. Version 1.0 March 2015
- 6. SBP Standard 6: Energy and Carbon Balance Calculation. Version 1.0 March 2015
- 7. SBP Glossary of Terms and Definitions. Version 1.0 March 2015
- 8. <u>Instruction Document 5A: Collection and Communication of Data</u>. Version 1.1 October 2016
- 9. <u>Instruction Document 5B: Energy and GHG Data</u>. Version 1.1 October 2016
- 10. Instruction Document 5C: Static Biomass Profiling Data. Version 1.1 October 2016
- 11. <u>Instruction Document 5D:Dynamic Batch Sustainability Data</u>. Version 1.1 March 2018
- 12. <u>Instruction Document 6A: Energy and Carbon Balance Calculation for the Netherlands</u>. Version 1.0 March 2015
- 13. SBP Appeals procedure. Version 1.0 July 2015
- 14. SBP Complaints procedure. Version 1.0 July 2015
- 15. SBP Normative Interpretations. December 2017
- 16. SBP Stakeholder Committee Terms of Reference. Version 2.0, December 2016
- 17. SBP Audit Report for Energy and GHG data (SAR). Version 1.2, March 2018
- 18. SBP Report on Energy and GHG for Supplied Biomass (SREG). Version 1.1, October 2016
- 19. Screen shot of DTS DBS data sheet (30-03-2018)

#### 5.2 Additional sources assessed by the commission

- 20. SBP Standard setting procedure version 1.0 June 2018
- 21. Webinar organised by SBP for the advisory commission on the electronic "Data Transfer System" (DTS) June 7, 2018.
- 22. Setting Social and Environmental Standards ISEAL Code of Good Practice (Version 6.0, December 2014)
- 23. SBP Bulletin: Issue 10

# 5.3 Additional documents provided by stakeholders as part of their external input

- 24. US Resource Conservation and Recovery Act (RCRA).
- 25. Washington Post. How Europe's climate policies led to more U.S. trees being cut down.
- 26. Wall Street Journal. Europe's Green-Fuel Search Turns to America's Forests.
- 27. Colnes et al. 2012. Biomass Supply and Carbon Accounting for Southeastern Forests
- 28. Enviva. Track and Trace.
- 29. SBP Audit Report for Energy and GHG data (SAR). Version 1.2, March 2018
- 30. SBP Normative interpretations; December 2017#2. Q&A regarding "Section 8.2"
- 31. Forest Ethics. "SFI: New and Unimproved. Analysis of Revised Sustainable Forestry Initiative Standards," 2015. Detailed analysis for the report attached to this consultation. See Pg. 1-5 of detailed analysis for list of issues.
- 32. THE SUSTAINABLE BIOMASS PROGRAM: SMOKESCREEN FOR FOREST DESTRUCTION AND CORPORATE NON-ACCOUNTABILITY. ISSUE PAPER. NRDC and DOGWOOD Alliance. June 2017.
- 33. Are the UK 'biomass sustainability standards' legitimising forest destruction? By Almuth Ernsting, Biofuelwatch. Published in The Ecologist, 18th August 2016.



#### Annex I - Biomass categories and the CoC system

The sustainability and management criteria in paragraphs 4.2 and 4.3 are a translation from the criteria in Annexes B and C of the Dutch regulation on conformity assessment of solid biomass for energy production . In Annex D of this regulation two tables show which requirements apply to the five categories and the set-up of the chain of custody. In the explanatory notes to the legislation a table can be found with additional guidance to the requirements.

#### Biomass categories and the chain of custody system

There are five biomass categories for which the sustainability requirements apply. In Table 1 for each category is listed which sustainability requirements apply:

Table 1. Biomass category's with the applicable sustainability requirements

Sustainability requirements Category		Soil management	Carbon and land use change	Sustainable forest management	Chain of custody
Woody biomass from forest management units	1.1		3.1-3.3, 4.1- 4.3, 5.1	6.1-6.3, 7.1- 7.5, 8.1-8.8, 9.1-9.2, 10.1-10.5, 11.1-11.2	12.1-12.6, 13.1-13.3
Woody biomass from forest management units less than 500 ha	1.1		3.1-3.3, 4.1- 4.3	6.1-6.3, 7.1- 7.5, 8.1-8.8, 9.1-9.2, 10.1-10.5, 11.1-11.2	12.1-12.6, 13.1-13.3
Residues from nature and landscape management	1.1	2.1			12.1-12.6, 13.1-13.3
4. Agricultural residues	1.1	2.1			12.1-12.6, 13.1-13.3
5. Biogenic residues and waste	1.1				12.1-12.6, 13.1-13.3

The source of the five categories and controlled biomass has to be known for each consignment. The conformity assessment by a conformity assessment body starts at the first link of the chain of custody. In Table 2 for each category the source of the material and the first link of the chain of custody are listed.

Table 2. Distinction between the source and the first link in the chain of custody per biomass category

Category	Source	First link chain of custody
Woody biomass from forest management units	Forest management unit	Forest management unit
Woody biomass from forest management units less than 500 ha	Forest management unit or predefined supply base of which the forest management unit <500 ha forms a part	Forest management unit or biomass producer
Residues from nature and landscape management	Predefined supply base	First collection point
4. Agricultural residues	Predefined supply base	First collection point
5. Biogenic residues and waste	Company that generates the residues or waste	First collection point

As part of the SDE+ subsidy scheme a temporary exemption applies for category 2 biomass regarding the first link of the chain of custody. For this category either the forest management unit or the biomass producer can be the first link. In case the biomass producer is the first link a risk based approach is used to demonstrate compliance with the sustainable forest management requirements.



#### **Annex II - Abbreviations**

ADBE Advisory commission Sustainability Biomass for Energy applications

ATFS American Tree Farm System
CB Conformity assessment Bodies

CoC Chain-of-Custody

DTS Data Transfer System EU European Union

EZK "Ministry of EZK" is the Dutch Minister of Economic Affairs and Climate Policy

FMU Forest Management Unit FSC Forest Stewardship Council

GHG GreenHouse Gas

HCV High Conservation Value ILUC Indirect Land Use Change

PEFC Programme for the Endorsement of Forest Certification

RVO Netherlands Enterprise Agency

SAR SBP Audit Report for Energy and GHG data

SBP Sustainable Biomass Program

SDE+ A Dutch subsidy scheme (feed-inn tariff) for production of renewable energy

SFI Sustainable Forestry Initiative
SFM Sustainable Forest Management
SREG SBP Report on Energy and GHG data