Potential future developments of international bioenergy trade

Lukas Kranzl¹, Julian Matzenberger¹, Martin Junginger², Erik Tromborg³

¹ Vienna University of Technology, Institute of Energy Systems and Electrical Drives
² University of Utrecht, Copernicus Institute of Sustainable Development
³ Norwegian University of Life Science

Abstract

Introduction

Global bioenergy use is expected to undergo major changes in the coming years and decades. Biomass demand and supply, the types of feedstock used, fuels and technologies, policies, sustainability requirements and certification procedures etc. will develop differently in various regions around the world. This will have a strong impact on global supply and demand patterns as well as bioenergy trade on a local and global level.

The core objective of this paper is to give an outlook for bioenergy trade in the form of different consistent storylines for the time steps 2020, 2030 and 2050 in order to provide insight into “possible futures” of bioenergy trade and discuss implications and challenges related to different developments. These storylines will be described in a qualitative way. As far as available quantitative scenario data will be added.

This leads to the following sub-objectives:
1) Investigate to which extent various global energy models and scenarios take into account bioenergy trade,
2) Identify the implications of different global bioenergy scenarios on bioenergy trade (i.e.: Which bioenergy trade volumes would be required to fill the gap between regional biomass supply and demand in different scenarios?) and
3) summarize the range of results into 3–5 storylines of future international bioenergy trade.

The results of this paper include a comparison of representative scenario results of wide known global energy models with respect to bioenergy trade. They show the range of global bioenergy trade. The storylines will describe the main drivers and barriers in different settings of bioenergy trade. This allows to derive conclusions regarding the perspectives, challenges and key implications of possible future pathways of bioenergy trade.

Concept and methodology

The work presented in this paper consists of the following steps:
- Identification of important global energy models taking into account international bioenergy trade
- Comparative analysis of global model based scenarios of (bio)energy systems and related trade flows
- Identification and discussion of key drivers of bioenergy trade
- Summarizing the results in form of illustrative storylines of bioenergy trade
- Deriving conclusions

Figure 1 shows an overview of selected papers, models and studies. From an overall of 28 studies we selected three models that we will take into account for a comparative analysis of scenario results.
3. Acknowledgements

This paper has been elaborated in the frame of IEA Bioenergy Task 40.

4. References


Objective

Provide insights into "possible futures" of bioenergy trade and discuss drivers, implications, and challenges.

Methodological approach

- Investigate to which extent various global energy models and scenarios take into account bioenergy trade.
- Identify the drivers and implications of different global bioenergy scenarios on bioenergy trade.
- Summarize the range of results into a set of storylines of future international bioenergy trade.
- Derive conclusions.

Future perspectives of international bioenergy trade
Comparison of models and scenarios

- Screening of existing models and studies
  - 28 models have been screened in total
  - Preselection of models
  - Request (small questionnaire) to selected modeling groups

- Selection of models for further investigation: GFPM, IMAGE/TIMER

- Three biomass fractions to be covered:
  - Solid biomass
  - Based on residues and waste
  - Based on primary energy products
  - Liquid biomass: distinction of three fractions

- Regional aggregation level: 20 world regions

Models I – GFPM (EFSOS II)

**Short Description:** Partial Equilibrium Model

**Coverage Biomass Trade:** Global - Trade between country and world market rather than between individual countries

**Assumptions regarding trade:**
- Equilibrium calculation determines the direction of change of trade flow
- Institutional and other constraints limit the adjustment that can take place in any given year.
- Effect of tariffs change the cost of transportation.

**Sectoral Coverage:** Limited to the forest and forest biomass sectors
- Covers 14 principal categories of forest products

**Regional Aggregation:** 180 countries.
- 50 from Africa, 35 from North Central and South America, 50 from Asia and Oceania, and 45 from Europe and former USSR

**Scenario Time Frame:** Up to 2060

Model selection

Whole range
All investigated models (studies)

Long list
Models dealing with bioenergy trade scenarios

Short list
Models highly relevant for analysis of trade scenarios

Models II – IMAGE/TIMER

**Short Description:** Systems dynamic Integrated assessment model

**Coverage Biomass Trade:** Yes

**Assumptions regarding trade:** Bilateral trade available
- n regions, m markets. Each region imports from wherever offers the lowest price
- Imports have transport costs, plus a factor determining how "open" they are to that region (i.e. indicating OECD countries or closed economies)

**Sectoral Coverage:** Traditional biomass (no trade), modern solid biofuel, liquid biofuel

**Regional Aggregation:** Global 26 regions

**Scenario Time Frame:** up to 2100
Selected drivers

- Regional balancing of supply and demand
  - Barriers and drivers of bioenergy demand (in current supply and demand regions): oil price, policies, technological learning, ...
  - Barriers and drivers of bioenergy supply
  - Regional development of bio-based industry

- Barriers and drivers of bioenergy trade
  - Logistics
  - Trade policies
  - Sustainability requirements
  ...

- Technological change
  - Traditional biomass => modern biomass
  - Change in resource base

Conclusions (1)

- Quantities of produced biomass are rising in all investigated scenarios.
- All investigated scenarios show a strong increase in total internationally traded biomass (in a range of 20-90 fold increase from 2010 to 2050).
- The scenarios indicate a considerable dependency of global bioenergy use on international trade. Bioenergy use decreases significantly with higher trade barriers.
- The development of international bioenergy trade will be driven strongly by
  - Climate policies
  - Regional differences of policies
  - Technological change and thus shift in the biomass resource base
  - Overall global energy demand, GDP, population, ...

Shift from traditional to modern biomass

Global structure of bioenergy use, 2009

Global structure of bioenergy use according to selected scenario results Image/Timer, 2050

Share of traditional biomass in 2050: 13%-18%

Conclusions (2)

- Only a few number of global energy models explicitly simulate international bioenergy trade.
- Nevertheless, all global energy scenarios need to make an assumption on the future development of bioenergy trade. Mostly, this is only implicitly the case and is not clearly documented.
- A further investigation and integration of international bioenergy trade, barriers and drivers into existing modeling frameworks is highly needed.