



Biomass demand in Japan and South Korea

A ten-year outlook

A multi-client study

English version: available March 2021

Japanese version: available on request (for a supplementary fee)



HAWKINS WRIGHT

Why this report is needed

Since our last *Biomass Demand in Japan and South Korea* report in mid-2019, Japan and South Korea have ramped up their climate change commitments. With both now targeting net-zero by 2050, their governments are making key policy decisions and defining the role of biomass. This new report analyses the changing policy framework and its impact on biomass demand, including the Japanese coal phase out and new sustainability requirements. We showcase the latest 2020 data as well as detailed updates on planned projects and their expected timings. With most of the projects having now confirmed their fuel mix, we are able to share in-depth insights regarding the relative roles of pellets, palm kernel shells and woodchips in the market.

Summary of the report's contents:

Electricity generation in Japan and South Korea

- Market structures and the factors driving the countries' renewable energy policies. The report details the planned 2030 energy mix in South Korea and Japan and the role that biomass is expected to play.

Policy mechanisms driving biomass demand & paying capability

- The operation and value of policy instruments (e.g. Feed-in Tariffs in Japan and the Renewable Portfolio Standard in South Korea) used to promote the development of renewable electricity generation. The report identifies recent changes to the policy frameworks and how this has impacted existing and planned biomass projects.
- The report outlines the value of these subsidy instruments to a biomass power producer and provides the biomass paying capability of a variety of hypothetical biomass power projects, both cofiring and 100% dedicated biomass plants, before and after the policy changes.

Profiles of biomass power projects

- Including both dedicated biomass and cofiring projects. The capacity of each project, including its ownership and its technical, planning and financial status. Each project's estimated annual feedstock requirement and its likely feedstock preferences/flexibility. The report identifies the key biomass users in both countries, giving a detailed insight into their activities, status of projects, procurement approaches and feedstock preferences.

Forecasts of biomass feedstock demand in Japan and South Korea to 2030

- Including analysis of historical demand and sourcing regions. The report provides different demand scenarios for both countries, as well as a breakdown of demand by project status.

Who should read this report?

This report will be essential reading for all companies with exposure to the emerging biomass market in the Asian Pacific Rim, including energy generators, wood pellet and other biomass fuel suppliers, energy and biomass traders, forestry/plantation owners and investors, non-energy wood chip buyers (e.g. pulp manufacturers), oil palm plantation owners and palm oil processors, shipping companies, financial institutions, energy regulators and policy makers.

Questions answered...

- » What are the current policy instruments and subsidy schemes supporting biomass growth in Japan and South Korea?
- » Will the ambitious new climate change targets provide an opportunity for increased biomass demand?
- » How will the phase out of coal in Japan impact biomass demand?
- » Will new sustainability criteria impact the fuel mix?
- » Under different scenarios, what is the outlook for biomass demand in north-east Asia through 2030?
- » What forms of biomass will be favoured; wood chips, wood pellets, PKS...?



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