

# EBB

## European Biodiesel Board

### EBB Updated Position

#### EU legislative proposal on the revision of EU biofuels policy based on ILUC assumptions



Updated September 2013

EBB, representing the voice of the EU biodiesel industry, intends to express its views in the light of the progress achieved by the European Parliament and the Council of the EU as a result of negotiations on the Commission legislative proposal on ILUC.

As a preliminary remark EBB stresses that EU policies in the field of biofuels need to be consistent. We strongly believe that, without a thorough rethink, the texts discussed nowadays would still strongly undermine investor's confidence in alternative biodiesel. Investment triggered so far by the EU needs to be guaranteed as a matter of fair and wise EU industrial policy (especially in time of economic crisis) with grandfathering clauses. But this is not enough: if Europe seriously wants to keep employment in the sector and boost investment in improved biofuels we need to avoid any unreasonable U-turn on present support for existing single or double-counting biofuels operations and especially we need to establish a solid post-2020 frame.

More specifically the EBB intends to raise the attention of EU stakeholders on the following points:

#### **ILUC factors are confirmed as an unsteady and inappropriate tool for policy making**

ILUC factors are not an appropriate tool to ascertain fair and proportionate EU energy or biofuels policy. There are neither scientific proofs nor empirical verifications of the measurement of ILUC. Conceptual and measuring inconsistencies of the IFPRI study have been largely proven in the press and in scientific literature: the two very recent French INRA and US GTAP studies show ILUC figures lower by 50% and 95% (down to 2,33 grams for rapeseed biodiesel). To impose ILUC factors, even for reporting, to biodiesel based on completely inconsistent figures coming from present academic studies would have only a counterproductive effect diminishing trust and research in alternative biodiesel production pathways.

EBB therefore strongly opposes any legislative mention of unsteady ILUC figures or factors in the new Directive, even for reporting purposes, while supporting efficient horizontal ILUC mitigation actions - this would be consistent also with the very latest Commission proposal on biomass for heating and cooling, which implicitly rethink the overall Commission ILUC approach not including any mention to ILUC factors in new legislation.

#### **Any cap for conventional biofuels should not be lower than 7%**

The limitation to 5% for agriculture-based biofuels appears as an excessive move. Major EU countries already reached percentages of incorporation beyond 7% or 8%. EBB considers that a capping of conventional biofuels could not be acceptable at a percentage lower than 7%: the Lithuanian Presidency 7% proposal should be considered as a minimum. A lower level would undermine investment made until, would entail heavy job losses and would reduce global food and feed availability triggered by the production of rape and oilseeds for biodiesel (since feed/food proteins - 60 to 75% of oilseeds weight - are biodiesel production chain co-products).

#### **Harmonised criteria for the definition of advanced biofuels need to be established**

A harmonized definition of advanced biofuels should be based on the criteria highlighted by the European Sustainable Biofuels Forum (ESBF) definition, i.e.:

*ESBF Common complementary criteria to qualify as advanced biofuels:*

- (1) *Having low carbon dioxide emission or high GHG reduction*
- (2) *High sustainability*
- (3) *Ligno-cellulosic biomass, municipal or industrial waste, sludge, residue streams or process by-products, algae, micro-organisms*



#### **UCOME and TME are advanced biofuels**

Used Cooking Oils and Tallow based biodiesel have exceptional GHG and sustainability performances and are exclusively produced from waste and residues. These products are today the main advanced biofuels available in Europe and there would be no justification to exclude them from the advanced biofuels list.

#### **Waste and Residue biofuels must count double towards the 10% target**

Without double counting, production of TME and UCOME would be un-viable, leading to the closure of many specialist waste-based biodiesel plants. No further investment could take place without the support of double-counting. Any withdrawal of the existing established double-counting support would not be justifiable in the frame of a Directive establishing further support for advanced biofuels.

#### **Use of advanced fuels should be no less than 3% by 2020**

A sub-target for advanced of at least 3% including, among others, TME and UCOME would encourage development of new sustainable biofuels and grow the use of existing ones. The EBB is not opposed that within this sub-target, special segments or measures are reserved, in priority, to new, more costly pathways, provided that such priority does not exclude or hamper advanced biofuels being deployed today.

#### **No quadruple counting – prudence is needed on waste hierarchy**

Triple, quadruple counting or beyond are excessive. They will have unknown impact on the entire biofuels sector and on investments, still creating huge market distortions and especially risking to be perceived by the public opinion as an accounting trick used to shrink actual targets. Also, any use of waste hierarchy must not reduce the availability of wastes and residues for biofuels. If this was to happen all effort would be vain and investment in waste and residue biofuels will disappear.

#### **A sub-target for renewable electricity (especially in rail) would be an unacceptable policy deviation**

EBB strongly opposes the definition of a sub-target for renewable electricity in transport and especially in rail. The use of electricity in rail has been widely developed in last century and rewarding it nowadays would be a seedy attempt to find a pretext to cut the biofuels targets, while giving an ex-post incentive to last century old technologies. It is not unnecessary to remind that contrary to biofuels, electricity is an energy carrier and not an energy source and that the share of renewable electricity in transport could never be measured if cars are charged (as normal) from plugs.

#### **Incentives for advanced biofuels should be appropriately certified with an EU single system to avoid frauds**

All extra-incentives in favour of biofuels from waste and residues should be aligned with well-established certification schemes such as the RBO (Register on Biofuels Origination) to avoid frauds and untrustworthy declarations. The RBO is a system promoted by EU biofuels stakeholders that utilizes an extra certification level and a single European register to create reliable and safe method for trading of waste and residue biofuels. EBB supports EP ENVI committee amendments in this sense, with the necessary addition of specifying that we need a single EU scheme: only this will eliminates fraudulent trading based on multiple schemes declarations and prevent un-certified feedstock and biofuel from entering the EU from non-EU countries.

#### **Retain a single target for biofuels; not a split version for biodiesel/ ethanol/biogas/bio-butanol/ etc.**

Biofuels target need to remain elastic enough to respond to fuel demand evolution and to the expected further increase of diesel use in Europe. A split target (on gasoline for instance) would add significant complication to the use of renewable fuels by member States and obligated fuel companies resulting in added costs to fuel consumers across Europe.

#### **Biodiesel strongly contributes to diminish European long-term deficits in proteins and diesel supply**

As highlighted above biodiesel is synonym of EU internal production of food/feed proteins. Also, Europe imports more than 30 million tonnes/year of diesel, most of which from Russia. European biodiesel production balances such deficits and strongly contributes to EU energy independence and security of supply. These EU deficits would be negatively affected by the reduction of planned support to biodiesel production. This makes biodiesel one of those genuine EU biofuels which should be supported in priority.