

EBB

European Biodiesel Board

Avenue de Tervuren, 363 – 1150 Bruxelles
 Tel: +32 (0)2 763 24 77 – Fax: +32 (0)2 763 04 57
 E-mail: info@ebb-eu.org - web site: www.ebb-eu.org

September 11th, 2008

PRESS RELEASE

EBB expresses deep disappointment as Parliament downgrades 10% target

The European Biodiesel Board, representing the major EU biodiesel producers, today expressed deep disappointment at the outcome of the vote by the European Parliament's Industry Committee on the Renewable Energy Directive.

Amongst the main issues of concern is the decision to create a 5% interim target by 2015 for renewable energy contribution in the transport sector, 20% of which would be met by other technologies than biofuels. This will result in a 4% target for biofuels by 2015, which looks unreasonably low compared to the 5,75% objective validated by the EU back in 2003. The 1,75% difference represents at least 4 million tonnes in terms of biodiesel requirement.

Raffaello Garofalo, Secretary General of the EBB, said, *"if this decision is confirmed in the forthcoming plenary vote, it will strongly affect the credibility of the European Parliament, especially with regard to past commitments. It is sad that legislators have been swayed by superficial arguments linking biofuels to food price rises."*

The EU biodiesel industry has built over 15 million tonnes of capacities already meeting the volumes of the 5,75% target indicated by the Parliament. *"If the Parliament will go back on its word on 5,75%, regressing to a 4% target, should our industry dismantle over 4 million tonnes (the 1,5% difference) of its existing capacities?"* asked Garofalo *"Can this be the acceptable result of a new Directive on the promotion of Renewable Energy Sources?"*

The economic damage to investments made in good faith by the EU biodiesel industry would be dramatic, but very minor when compared to the negative message sent to those who look for more investment security in order to start investing in renewables.

In addition to this unacceptable target reduction, EBB also condemns the EP Industry Committee decision to segment the targets, whereby future hypothetical technologies like green electricity and hydrogen would have to fill significant shares (20% and 40%) of the 2015 and 2020 targets.

In the absence of any certitude about the availability of new biofuels technologies, of hydrogen and electric cars, such a segmentation strategy will serve to reduce the practical content of the targets rather than promote new biofuels and new renewable transport technologies.

"Electric cars running on renewable electricity are a chimera: cars' batteries will be charged in private places where the electricity delivered is only one and very predominantly of fossil origin, making it impossible to segregate and choose to run on renewables" said Garofalo. *"If all cars were to become electric overnight this would not increase by a comma the use of renewables in Europe, even it would decrease its, penalising biofuels use, as certainly intended by the promoters of this proposal".*

Finally, ITRE Committee's decision to increase the cut-off value for GHG savings to 45% and even to 60% by 2015, will have as a result to cut-off more than 80% of the biofuels produced in Europe, "strategically" favouring non-EU producers.

This is the result of the unreasonably low value that has been allocated to biodiesel and EU bioethanol on the basis of a one-sided study conducted by the oil and car manufacturing industries in co-operation with the Commission JRC. Given that this study has been taken as the scientific foundation of the Directive, EBB calls for its thorough revision in a more balanced approach including the expertise of the agricultural and bioenergy sectors and comparing biofuels with a more realistic fossil fuel reference than the one provided by the oil industry and validated by the Commission.