

High-level EBB position on FF55 files

Underpinning the urgency in accelerating the decarbonisation of the European economy, the European Commission (EC) has issued in July 2021 the “Fit for 55” (FF55) package, aiming at putting in place policies to achieve a reduction of 55% greenhouse gas (GHG) emissions by 2030 and delivering on the Paris Agreement goals.

The European biodiesel industry ⁽¹⁾ welcomes the renewed ambition expressed in the FF55 package. It is ready to continue delivering real solutions to help decarbonise the European transport sector, move towards a low carbon economy and contribute to the EU’s long-term goal of achieving a carbon-neutral Europe by 2050.

Our industry was born from a political ambition that is still ready to serve: develop an EU-made green fuel to improve EU energy security by reducing diesel imports, contribute to climate change mitigation, and strengthen the independence and revenue of European farmers.

Upstream, European cultivation of rapeseeds, sunflower, and soy provides protein meal for animal feed, decreases imports from third countries and diverts waste fats and oils from landfill, while reducing fossil diesel use.

Downstream, biodiesel’s main co-products, such as green glycerine or bio-naphtha, replace chemicals of fossil origins in a wide variety of fields such as cosmetics, food, feed, polymers. In addition to road transport (cars and trucks); biodiesel in the form of Hydrotreated Vegetable Oil (HVO) and Fatty Acid Methyl Esters (FAME) can replace fossil fuels in maritime, agriculture, construction machinery and in heating boilers. In the form of Sustainable Aviation Fuel (SAF) it also replaces fossil kerosene in aviation.

In addition to the critical EU Renewable Energy Directive (RED), now in its third major revision (RED III) following the ILUC Directive and the RED II, other FF55 policies will affect the strength of the European biodiesel sector. In light of this, the EBB is also putting forward policy recommendations in those specific files.

¹ Supporting around 25.000 jobs directly linked to biodiesel production in the European biodiesel industry, part of the 220.000 total jobs of the EU biofuels sector which include jobs in the farming and crushing sectors.



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Overall FF55 package

Policy stability and continuity

<p>Recommendation</p>	<ul style="list-style-type: none"> • A successful EU decarbonisation transport policy should not reverse but rather build on what has been achieved by the RED II and other EU policies.
<p>Reasoning</p>	<p>Using all available decarbonisation technologies would provide investor confidence, allowing for investments to benefit from a stable long-term policy framework and fostering the necessary capital expenditure in novel technologies and unexplored raw materials.</p>

Ambition on renewable energy use in all transport modes

<p>Recommendation</p>	<ul style="list-style-type: none"> • The use of sustainable biofuels should continue to be promoted in all relevant transport modes including road transport, aviation and maritime. • To this end, all sustainable feedstocks should be under a single EU sustainability framework under the RED.
<p>Reasoning</p>	<p>Today, European sustainable biofuels together account for over 89% of renewables in transport. They are the widest and most available alternative to fossil fuels and deliver significant GHG emissions savings.</p> <p>Moreover, biofuels comply today with a single set of strict EU-wide sustainability criteria, that allows a role for all sustainable biofuels in the decarbonisation of the European transport. These criteria should be applicable regardless of the end use of the biofuel.</p>

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RED – Renewable Energy Directive

Overall RES target (proposed at 40%)

<p>Recommendation</p>	<ul style="list-style-type: none"> As sustainable biofuels also count towards the RES target, the EBB recommends setting the highest possible overall RES target.
<p>Reasoning</p>	<p>This target is a critical part of the RED III, determining the overall EU ambition of the incorporation of renewables in its energy mix. Increasing this target should bring the RED III in line with the European Green Deal (EGD) objective of a 2050 climate-neutrality EU, which needs a 55% reduction in GHG emissions by 2030. This in turn requires an integrated energy system with significantly higher shares of renewable energy use.</p>

Indicative target annual average RES (1.1% increase)

<p>Recommendation</p>	<ul style="list-style-type: none"> As this target is an additional tool to foster the rollout of renewables, the EBB fully endorses it and expects it to be kept in the final RED III text.
<p>Reasoning</p>	<p>While this is an indicative target, it could have a positive impact as it would ensure an annual uptake of renewables in the energy mix.</p>

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RES-T Transport fuel supplier obligation (13% GHG savings)

<p>Recommendation</p>	<ul style="list-style-type: none"> Having assessed what the proposed 13% GHG savings target for the transport sector means for use of available decarbonisation tools, we consider it not ambitious enough. Therefore, we recommend a higher 16% GHG emissions savings target, to be met by fuel suppliers via an incorporation obligation of renewables in the transport sector.
<p>Reasoning</p>	<p>The minimum share of renewable energy of at least 14% in transport by 2030 (EU RES-T), set in RED II article 25 is not enough to allow the necessary decarbonisation of the European transport sector, especially given the possibilities for Member States to lower this target if they lower their crop-based biofuels contribution. Therefore, the obligation put on fuel suppliers should be strengthened, and be translated into an effective incorporation of renewable energy for all fuel suppliers without exception.</p> <p>We happily note the EC’s intention to step-up the effective decarbonisation of the European transport sector by increasing the ambition of the fuel supplier obligation.</p> <p>While the proposal to restructure the incorporation obligation on fuel suppliers into a GHG savings obligation is pointing into the right direction, as it aims at delivering effective carbon savings in the transport sector, we believe Member States should still have the freedom to set their national transport incorporation obligations in volume/energy or in GHG emissions savings.</p>

Sustainable crop-based biofuels

<p>Recommendation</p>	<ul style="list-style-type: none"> • The cap on crop-based biofuels should be simplified by being calculated as 7% of the total EU’s gross final consumption of energy in the transport sector. This calculation should replace the RED II cap reference as the consumption of crop-based biofuels in 2020 (which was an atypical year due to the COVID-19 pandemic). • EU Member States should be allowed to ask the European Commission to go above the 7% crop cap, subject to availability of raw materials, and strict sustainability criteria considering best available evidence on indirect land-use change and deforestation impact (RED II foresees this consideration already; art 26.1). • Remove the possibility of MSs reducing their ambition if they reduce contribution of crop-based biofuels. • All sustainable feedstocks under RED should be included in aviation and maritime (i.e., under a single EU sustainability framework under RED). This inclusion is of course limited by the RED sustainability criteria, as well as the crop-cap and the phase-out of high-ILUC risk biofuels.
<p>Reasoning</p>	<p>Certified sustainable crop-based biofuels account for more than 60% of renewables used in transport. Their contribution to the EU RES-T target, as well as other transport modes like aviation and maritime, should not be lowered as they represent an immediate and cost-effective tool to reduce emissions in existing and future fleets, and contribute to the bioeconomy, supplying plant rich-protein feed products to the European market.</p> <p>Any ILUC and deforestation concerns have already been addressed via the RED II delegated act on high-ILUC risk biofuels (with these biofuels to be phased-out to 0% by 2030).</p>

Possibility to reduce RES-T target if cap on crop-based is reduced

<p>Recommendation</p>	<ul style="list-style-type: none"> • This possibility should be removed and the RED III should maintain the 7% maximum contribution of biofuels from arable crops as a share of renewables in transport.
<p>Reasoning</p>	<p>Member States’ ability to lower their ambition if they reduce their cap on crop-based biofuels strongly limits the development of a single market for crop-based biofuels and a coherent EU framework for using these biofuels. It is also inconsistent with the goals of the Common Agricultural Policy. The crop cap level is a compromise recognising that conventional biofuels produce valuable co-products, notably for the livestock sector, allowing the EU to decrease its protein supply deficit by substantially reducing its feed meal import dependence.</p>

Aviation and Maritime multipliers in the RED II

<p>Recommendation</p>	<ul style="list-style-type: none"> • Delete the 1.2x multiplier for aviation and maritime under the RED II.
<p>Reasoning</p>	<p>To help ensure a level playing field between the different end-uses of biofuels within the RED and considering that specific sector proposals are on the table to foster uptakes of alternative fuels in the aviation and the maritime sectors, these multipliers should be deleted in the RED II.</p>

Ambition on advanced biofuels (Part A of Annex IX)

<p>Recommendation</p>	<ul style="list-style-type: none"> Advanced biofuels from RED II Annex IX-A feedstocks, as well as other raw materials, must be established as an additional instrument to be used in all transport modes, and <u>not</u> as a replacement for existing sustainable crop-based biofuels. Therefore, we welcome the higher dedicated sub-target for Part A of Annex IX, as this will lead to further development of novel feedstocks and the scaling-up of production by industry.
<p>Reasoning</p>	<p>Increasing the use of advanced biofuels from RED II Annex IX-A feedstocks with a sub-target would help to further reduce fossil fuel use and GHG emissions but cannot be done at the expense of the existing industry.</p> <p>Deployment of these advanced biofuels should build on existing legislation and support the industry, securing the investor confidence essential to future investments in renewable fuels.</p> <p>Only a framework with space for all sustainable biofuels would support the commitment of the EU biodiesel industry to constantly improve its contribution to the decarbonisation of the European transport sector.</p>

Incentives for waste-based biofuels (Part B of Annex IX)

<p>Recommendation</p>	<ul style="list-style-type: none"> Member States should put in place positive measures to ensure the continuous development of the use of the feedstocks included in Part B of Annex IX, (specifically used cooking oil and animal fats (C1, C2) at the present time), which deliver very significant GHG emissions savings.
<p>Reasoning</p>	<p>Today’s RED II has a system of double counting that aims to incentivise the advanced and waste-based biofuels listed in Annex IX. The RED III proposal on the table eliminates this double counting incentive, and only keeps a dedicated sub-target for Part A of Annex IX. The Annex IX part B feedstocks can rely on their savings to ensure their development in the context of a GHG objective, but it seems appropriate that Members States consider additional measures such as a sub target based on their national feedstock availability and priorities.</p>

1.7% cap on Part B of Annex IX

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<p>Recommendation</p>	<ul style="list-style-type: none"> • The 1.7% cap should be revised upwards due to: <ul style="list-style-type: none"> ○ New traceability requirements being put in place via the upcoming EU-wide database, and improvements to the voluntary schemes that are being implemented. These should address concerns of fraud or unfair trade. ○ The removal of double-counting incentives. ○ Ongoing preparation of the delegated act (under RED II) to add feedstocks to Annex IX (Parts A and B). ○ The increase of the transport target needed to achieve the FF55 ambitions. • The possibility for Member States to request they go above this cap should be reinserted. This would be particularly relevant if additional feedstocks are added to Part B, and a Member State wanted to explore the full potential of these raw materials. • A mechanism should be added in the RED III to further reassess this cap if additional raw materials are added to Annex IX Part B.
<p>Reasoning</p>	<p>If a raw material is deemed to be a waste or residue suitable to be listed in Annex IX of the RED, then capping its use at a too low level works directly against the aims of transport decarbonisation. Concerns of fraud around sustainability credentials of all feedstocks should be addressed in priority through implementation of robust traceability and certification requirements. For example, the foreseen implementation of the EU-wide traceability database – tracing liquid and gaseous renewable fuels and recycled carbon fuels – even if planned to be <i>starting "from the point of production"</i> with a possibility to further extend its scope, appears as the best tool to ensure sustainability of raw materials used for biofuel production.</p>

Methodology to calculate GHG emissions savings from waste feedstocks not included in Annex IX

<p>Recommendation</p>	<ul style="list-style-type: none"> • A mechanism is necessary to introduce a differentiation between Annex IX part B feedstocks and other non-crop, non- Annex IX feedstocks especially since the multiplier for annex IX part B has been removed. <p>However, the proposed methodology deviates significantly from RED, lacks clarity (<i>“closest substitute”</i>), and risks excluding certain feedstocks that are needed and represent a sizeable share of biodiesel.</p> <p>The EBB wishes to work with the Commission and the co legislator to propose a more suitable mechanism to amend the Commission’s proposal.</p>
<p>Reasoning</p>	<p>With the revised RED setting a GHG target and the elimination of the multiplier for Annex IX Part B, there should be a way to differentiate between Annex IX and non-Annex IX waste feedstocks in terms of their GHG savings. We therefore understand and agree with the objective of the proposed revision.</p> <p>Nonetheless, the current proposal raises some serious issues as it deviates from the current direct emission methodology from RED, in addition some disposition might prove difficult to implement such as the notion of <i>“closest substitute”</i>.</p> <p>The EBB believes an alternative methodology should be proposed that positively differentiates the Annex IX Part B feedstocks from others while allowing the continuous use of those feedstocks, which represent a sizeable portion of the biodiesel production in the EU.</p> <p>We would also recommend the impact of this measure be assessed by the Commission, in particular if this new methodology would lead to feedstocks no longer being eligible under the RED because of the GHG threshold.</p>

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GHG savings attributed to renewable electricity

<p>Recommendation</p>	<ul style="list-style-type: none"> • While the desire to electrify road transport – in particular passenger cars – is understandable, the GHG savings allocated to renewable electricity should reflect the actual savings, not provide excessive benefits. • Renewable electricity savings in transport should be compared against the same fossil comparator used to for biomass fuels used as transport fuel, not biomass fuels used to produce electricity.
<p>Reasoning</p>	<p>In the existing RED II, renewable electricity in the transport sector benefits from a multiple counting incentive of 4 times its energy content.</p> <p>While the RED III proposal eliminates this incentive, it still excessively favours renewable electricity by allocating it a GHG savings of around -195%, by applying the fossil fuel comparator ECF(e) (i.e., the comparator for biomass fuels used to produce electricity). This would massively overestimate GHG emission reductions. Instead, the renewable electricity savings should be compared against the same fossil comparator used for biomass fuels used as transport fuel (EF(t)).</p>

Removal of multipliers

<p>Recommendation</p>	<ul style="list-style-type: none"> • Remove all multipliers in the RED II.
<p>Reasoning</p>	<p>It has been a longstanding EBB position to ask for the reduction or removal of unreasonable and disproportionate multipliers, particularly those for non-renewable electricity and electricity used in rail - an old technology that has used electricity for a long time. Considering the transition to a GHG system, it makes sense to eliminate all remaining multipliers, to ensure effective GHG savings instead of accounting tricks.</p>

Use of regional cultivation values

<p>Recommendation</p>	<ul style="list-style-type: none"> • Restore the use of NUTS II values as in RED II.
<p>Reasoning</p>	<p>The RED III proposal deletes paragraphs 2, 3 and 4 of Article 31 RED II. These regulated the possibility of using regional cultivation values, to encourage individual producers to reduce the GHGi of raw materials.</p> <p>The EC believes LCA methodology adjustments like this one will incentivise GHG savings in agriculture. This contrasts with the feedback the EBB has received, with EBB members and their suppliers stating the change places an additional and disproportionate administrative burden on farmers, who would have to calculate their GHG emissions from cultivation.</p>

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Blend wall – B10 and beyond

<p>Recommendation</p>	<ul style="list-style-type: none"> • Accept the setting up a B7 protection grade but asking for it to only be mandatory for a transition period (e.g., 5 to 10 years). • Reintroduce in the FQD the mention that MSs can go above the B10 diesel grade and put in place higher blends if they chose to (e.g., B30 in France). In addition to B10, higher blends (e.g., B30, B100) should be further incentivised for Heavy Duty Vehicles, one of the recognised ‘difficult-to-decarbonise’ sectors. • Finally, and as part of the EU Alternative Fuels Infrastructure Directive/Regulation, Member States should roll out and foster access to higher blend infrastructure, especially for dedicated fleets.
<p>Reasoning</p>	<p>Commercially available biofuels are the most efficient and viable means to lower emissions in transport, and the current B7 level of biodiesel blending in fossil diesel should be maintained. Higher FAME blends and grades and HVO should be promoted especially in those sectors where electrification is not viable.</p> <p>The rollout of B10 (at a minimum) as the standard diesel grade across the EU is an essential instrument to decarbonise the existing road vehicle fleet, especially passenger cars. Moreover, the promotion of higher blends for dedicated fleets of heavy vehicles like buses and trucks should continue in parallel.</p> <p>Moreover, to maximise the GHG emissions reductions and air quality benefits of higher blends, effective incorporation of B7 should be achieved across the EU. Higher blends like B30 and B100 should also be further incentivised.</p>

FuelEU Maritime Regulation

<p>Recommendation</p>	<ul style="list-style-type: none"> • Include in the maritime sector all sustainable biofuels under RED (including crops and all wastes and residues). • To ensure the existence of a harmonised framework at EU level, FuelEU Maritime should follow the same sustainability rules as the RED. To this end, we recommend the removal of <i>“or that are produced from food and feed crops”</i> from Article 9(1)(a). • While all RED compliant biofuels should be accepted in maritime, the RED limitations (crop-cap, phase-out of high-ILUC, etc.) should also be applicable in the maritime sector. • Remove the 1.2x maritime multiplier in the RED to ensure a level playing field. • To put in place measures to avoid carbon leakage, where ship owner and operators operate long-distance fossil-fuel-driven voyages to ports on the EU periphery, where cargo is transferred to “clean” ships for the voyage between the port and the EU. • Ensure accurate calculation of emissions from all energy sources used in the maritime industry.
<p>Reasoning</p>	<p>The proposed regulation contradicts the RED II and should be adjusted accordingly. Namely, changes should remove the biases against food and feed crop-based biofuels to ensure that RED sustainability requirements are used consistently and remove biases against biodiesel.</p> <p>The proposal includes emissions factors for fuel production, and for biodiesel the value given refers to RED II. Values for fuel consumption are inconsistent with those given in RED II and should be corrected. Setting $\sum E_k \times CO_{2eq}^{electricity,k}$ to zero gives electricity generation an unfair advantage, does not respect technological neutrality by unfairly promoting electrification.</p>

RefuelEU Aviation Regulation

<p>Recommendation</p>	<ul style="list-style-type: none"> • Include in the aviation sector all sustainable biofuels under RED (including crops and all wastes and residues). • To ensure a broad supply of Sustainable Aviation Fuels (SAF), it is critical to expand the pool of suitable feedstock types for aviation (e.g., sustainable crop-based, as governed already in transport), as well as and other novel feedstocks, is key. Therefore, the proposed definition of SAF should be amended to include all the above-mentioned feedstocks. • While all RED biofuels should be accepted in aviation, the RED limitations (crop-cap, phase out of high-ILUC, etc.) should also be applicable in the aviation sector. • Remove the 1.2x aviation multiplier in the RED to ensure a level playing field. • Support the proposed blending obligation for the aviation sector. • The market impact on feedstock availability should be taken into proper consideration in the political discussions to ensure there is sufficient feedstock for the aviation sector’s requirements, while at the same time ensuring current uses are not drawn away leading to a reversal of decarbonisation in road transport.
<p>Reasoning</p>	<p>If measures are implemented in the right way, the EBB believes it would trigger companies to invest in SAF technology development and generate additional SAF production volumes. An EU-wide measure for aviation decarbonisation must be effective and complement other existing EU decarbonisation measures in other transport sectors such as road transport, and in particular the reduction of GHG emissions of the Heavy-Duty Vehicles (HDV) sector, which has limited decarbonisation options and should continue being decarbonised.</p>

CO₂ Standards for Cars and Vans

<p>Recommendation</p>	<ul style="list-style-type: none"> The EU should consider an approach that accounts for the nature of the energy powering vehicles (Well-to-Wheel), distinguishes between fossil and biogenic CO₂ and accounts for the production and end-of-life emissions of the vehicles. In the meantime (e.g., by 2030), an incentive to account for the renewable component of the fuel should be introduced.
<p>Reasoning</p>	<p>Current EU CO₂ standards for vehicles only account for tailpipe emissions (Tank-To-Wheel). This restrictive approach distorts competition between powertrain technologies and misleadingly labels electromobility as emissions free. It fails to incentivise biofuels and biogas with a lower GHG footprint and renewable content by not recognising their biogenic energy content.</p>

ETD – Energy Taxation Directive

<p>Recommendation</p>	<ul style="list-style-type: none"> Refuse the equation of crop-based biofuels and fossil fuels, rejecting the proposed table of tax levels. Propose equal taxation level for all sustainable biofuels. This taxation level should recognise the significant GHG savings of biofuels, and respect the fact that, under IPCC guidelines, CO₂ pricing should not apply to biofuels and biomass. Derogation for fuels used in agriculture, horticulture and forestry must be maintained.
<p>Reasoning</p>	<p>An EU energy taxation system should incentivise the use of higher renewable content in liquid fuels. It should also follow a carbon intensity methodology to improve the business case for renewable liquid fuels. Moreover, it should differentiate between fossil fuels and sustainable biofuels without a sunset clause for this differentiation.</p>

ESR – Effort Sharing Regulation

Recommendation	<ul style="list-style-type: none">• We welcome the increased ambition in the EC proposal and support a higher ESR target that includes road transport.
Reasoning	To match this increased ambition in the uptake of renewables in transport, the EU Effort Sharing Regulation (ESR) should be strengthened by setting higher GHG emissions targets for the transport sector. Failure to do so would place a higher burden on other non-ETS sectors such as agriculture and households.

EUROPEAN BIODIESEL BOARD

The European Biodiesel Board (EBB) is a non-profit organisation established in January 1997. Today, the EBB gathers 48 members across 17 Member States, which represents 75% of the European output. Biodiesel is the main European solution to reduce emissions from transport and dependence on imported oil. EBB aims to promote the use of biodiesel in the European Union and is committed to fulfil International standards for sustainability in GHG emissions and sustainable feedstock. The EBB is constantly working towards the development of improved and greener technologies.



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