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POSITION PAPER

EBB POSITION

The EU post-2030 Energy and Climate framework and the Renewable Energy Directive

1. The 2040 energy and climate framework: Keep building up the ambition, without changing the foundations

The past EU legislative term has established the most ambitious decarbonisation target worldwide, aimed at net climate neutrality by 2050. It has also set an intermediate target to reach such neutrality – reducing the EU's net greenhouse gas (GHG) emissions by 55% (compared to 1990 levels) by 2030 – as well as a series of sectoral targets and measures (the "fit-for-55" package") to comply with the 2030 target. The European Biodiesel Board (EBB)[1] has actively contributed to defining such a package, by delivering one key message: **the EU biofuel sector wholeheartedly supports the ambitious decarbonisation path and the set of targets that the EU has established for itself, and most specifically for its transport sector. To that end, all regulatory obstacles for the sector to unleash its full potential and actively contribute to the EU's goals must be removed**, which – as far as biodiesel is concerned – mainly relate to regulatory coherence, feedstock eligibility and sustainability certification. In this regard, the Renewable Energy Directive[2] (RED) clearly is the reference piece of legislation.

At the start of the current legislative term, EU legislators have set an additional intermediate target to achieve climate neutrality: by 2040, the EU's net GHG emissions must be reduced by 90% compared to 1990 levels[3]. **The EBB remains fully committed and consistent with its previous position: a "fit-for-90" package must simply continue the trend – that is, keeping up the ambition and targets, removing any regulatory obstacles to achieve them, without changing the foundations of the whole EU energy and climate "architecture"**.

In the current context of regulatory simplification, this is particularly critical. Regulatory simplification is a commendable policy goal in abstract, and often one of the drivers to increasing industrial competitiveness. However, in the specific context of transport decarbonisation, it must not be translated into scrapping sectoral targets, or entire (parts of) pieces of legislation.

[1] *Representing producers of biodiesel (FAME and HVO) and bio-based aviation fuel (HEFA) in the European Union*
[2] *Directive (EU) 2018/2001, consolidated text, 31 March 2026*
[3] *Regulation (EU) 2026/667 (amendment to the EU Climate Law)*

Some general statistics clearly show the inherent challenge of decarbonising transport, and therefore corroborate the need to keep ambitious transport-specific targets and measures.

- EU transport remains responsible for **26% of total GHG emissions – up from 15% in 1990**[4] - and is the only sector where GHG emissions continue to increase as demand for fuels increases. Between 2023 and 2024, the transport sector is the only one with increasing GHG emission (+0.7%) while others' remained stable or decreased (industry, agriculture, building...)[5]
- The share of renewable energy in EU transport reached **only 11.2%** in 2024, 17.8 pp lower than the 29% target for 2030[6].
- The EU remains **import dependent** for fossil fuels, with its dependency on imported crude oil and petroleum products reaching a record high of 97.7% in 2022.[7] Supply shocks and fluctuating prices driven by the global geopolitical environment make greater energy independence even more critical for the EU.

Against this background, deciding to only rely on general scope legislation and / or market-based mechanisms, such as the Effort Sharing Regulation and the Emission Trading System (including its new component covering heating, road transport and small industry) would be a strategic mistake.

These pieces of legislation remain key, however they must be seen as *additional*, and not as replacing specific transport targets.

- First of all, these pieces of legislation are very general in scope, in that they include big segments of the EU's economy. As the statistics above show, the transport sector is the most challenging one, and requires ad-hoc additional instruments.
- Secondly, they do not provide a strong enough (market) signal to drive transport decarbonisation. If we take the ETS, and the ETS2[8] in particular, the *de facto* carbon price ceiling of 45€/ton[9] does not represent an incentive for obligated parties (fuel and energy suppliers) to sustain the cost of providing decarbonised options – the main one being, for the transport sector, the use of renewable fuels. Moreover, the ETS2 is still far from being a stable policy instrument: its entry into operation has already been postponed by one year, its carbon price mechanism has already been distorted[10] and a considerable number of policy-makers and stakeholders remain openly sceptical (if not opposed) to the launching of such a system.

[4] *Eurostat, Shedding light on energy in Europe – 2025 edition*
[5] *European Environment Agency, Change in EU GHG emissions across sectors (2024 Vs 2023)*
[6] *Eurostat, Renewables cover 11% of the energy used for transport*
[7] *Eurostat, Oil import dependency at its highest in 2022 - News articles*
[8] *Chapter IVa in Directive (EU) 2023/959*
[9] *Art. 30h(2) in Directive (EU) 2023/959*
[10] *Through a series of policies (Nov 2025) that, by intervening on the supply of traded emission allowances, aims at keeping the carbon price artificially low and at avoiding too high price fluctuations*

For these reasons, it is important to build on the current architecture to refine, create coherence and further improve the **post-2030 RED framework**: with at the centre of it, a **general renewable energy target – with ambitious sectoral sub-targets, particularly for the transport sector – that would help drive transport decarbonisation further and effectively.** Over the last twenty years the EU Renewable Energy-in Transport (RES-T) targets have *de facto* created a renewable fuel market, which, in turn (as shown in the statistics above), remains the main driver to decarbonise the sector. With fuels demand expected to further increase, such **targets would be of paramount importance, in particular for the road transport sector**: while specific targets (alongside the RED and the ETS) are in place, up to 2050, for the aviation and maritime sector[11], no post-2030 targets exist for road transport besides the ETS2 – with all the uncertainty associated with such emission trading system as illustrated above.

All transport modes should remain in the post-2030 RED scope. At the same time, as the policy framework has considerably evolved with ad-hoc targets in the ReFuelEU Aviation and FuelEU Maritime regulations, **the interplay between these pieces of legislation and the competitiveness of the EU fuel production sector should be carefully considered**, to ensure that the overall volumes of biofuels used in all transport modes do not decrease as an effect of regulation (and on the contrary, they grow).

2. Post-2030 RED: Removing regulatory obstacles to transport decarbonisation

Keeping the overall ambition-increasing trend and the general architecture of the EU's energy and climate framework is only one side of the coin. It is equally important to remove the regulatory obstacles that risk undermining the level of ambition. To this end, the EBB proposes a series of policy measures that should be reflected in the post-2030 RED (and RED-related secondary legislation).

1. As a **general precondition** for the EU renewable fuel market to work properly, **the EU must take all necessary measures to combat fraud**. For the past five years, the EBB has warned EU policymakers about the serious consequences of (growing amounts of) fraudulent biodiesel imports on EU producers. While acknowledging that, over the last few months, the topic of the fight against fraud has found its place on the EU energy agenda, the EBB **calls on the Commission to revise as soon as possible the Implementing Regulation** on biofuel sustainability certification and verification[12]**, and to guarantee the full implementation and operability of the Union Database (UDB)[13], taking into account concerns and suggestions raised by both the majority of Member States and the EU biofuel**

[11] *Regulation (EU) 2023/2405 (ReFuelEU Aviation) and Regulation (EU) 2023/1805 (FuelEU Maritime)*
[12] *Implementing Regulation (EU) 2022/996. The EBB has put forward a detailed and comprehensive proposal to amend this Regulation*
[13] *Union Database for liquid and gaseous renewable and recycled carbon fuels*

industry. Effective enforcement of EU sustainability rules for biofuels and their feedstocks will strengthen investors' confidence and ensure that EU producers operate on a level playing field with non-EU counterparts.

2. **Reassess the existing cap[14] on the use of 1st generation (1G) biofuels[15]**. The existing cap on 1G biofuels is in contradiction with the regularly increasing EU climate ambition on the one hand, and with the challenges associated with transport decarbonisation on the other hand. The cap was put in place to respond to specific concerns, i.e. competition with food production and risk of Direct and Indirect Land Use Change. In fact, the European Commission has recently addressed[16] both points, stating that the "*total amount of cropland dedicated to biofuel production in the EU was* [only] *3%*[17]", and that "*in recent years, no correlation has been observed between food prices and biofuel demand*". Moreover, other specific regulatory measures have been put in place, notably strict sustainability criteria, the list of High-ILUC-risk feedstocks and the EU Deforestation Regulation. Considering all of these aspects, **the post-2030 RED should revisit the current cap applied to 1G biofuels, with a view to increasing their contribution where sustainability criteria are met.** In particular, it should promote a policy that reflects the diverse agricultural capacities of Member States, thus enabling a balanced and flexible contribution to transport decarbonisation across the EU. To achieve this, **the cap of at least 7% should be established at EU level**. The EBB has published an ad-hoc position paper[18] detailing the contribution of EU 1G biodiesel to transport decarbonisation, the EU's energy, food and feed strategic independence and the competitiveness of the EU's agricultural sector and rural economy.
3. **Grant appropriate regulatory incentives to the whole Annex IX of the RED. For its part B, the EU should - at a minimum - reassess the cap applied to it**. While 1G biofuels should represent the stable backbone of the EU's biofuel sector, the biggest growth potential lies with Annex IX biofuels. Currently, a binding minimum target of 5.5% applies jointly to Annex IXA biofuels and RFNBOs,[19] whereas a cap of 1.7% applies to Annex IXB. In this case as well, the cap was put in place to address a specific concern, that is the risk of fraud. As previously mentioned, other regulatory measures (a stronger verification and certification mechanism and a fit-for-purpose and fully operational UDB) are much more effective to that end. Moreover, the 2024 amendment[20] to Annex IX has added a number of key (categories of) feedstocks to the Annex, most importantly intermediate crops and crops grown on severely degraded land.

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[14] *On the contribution of such biofuels to the RED targets*
[15] *Officially defined as "food and feed crops biofuels" in art. 2(40) of the RED*
[16] *European Commission, 2020 Renewable Energy Progress Report*
[17] *Note that currently almost 100% of 1G biofuels used in the EU are also produced in the EU. In particular in 2023 and 2024, around 97% of the 1G biodiesel used in the EU had also been produced in the EU (our calculation based on the 2024 USDA Biofuels report).*
[18] *EBB position on the benefits of first-generation biodiesel*
[19] *Renewable Fuels of Non-Biological Origin*
[20] *Delegated Directive EU 2024/1405*

Considering all the above, appropriate ambitious regulatory incentives should be granted to the whole Annex IX of the RED. As to its part B, this means, at a minimum, **reassessing its cap** once more efficient measures to fight against fraud are in place, **with a view to increasing its contribution to the RED targets**. It is important **that incentives are in place regardless of the type of transport targets of the post-2030 RED** (energy targets, GHG emission reduction targets or both). This is particularly relevant to Annex IXB feedstocks, which, under the option of a GHG target, would end up being penalised (instead of incentivised), should the cap remain in place as it is[21].

4. **Update and keep Annex IX under regular review[22] uniformly across transport modes, and ensure that certification rules and clear definitions for all newly added feedstocks are published swiftly**. Given the rapid evolution of feedstock markets and industrial processes, the list of feedstocks in Annex IX should be kept under continuous review. Moreover, **Annex IX must be applied consistently across Member States**. For any of the future Annex IX revisions, it is also crucial that feedstock classification not vary solely based on the final use (that is, differentiating by transport mode), unlike the latest amendment to Annex IX in 2024, where intermediate crops and crops grown on severely degraded land have been included in part A or B of the Annex depending on the final fuel use (for the aviation sector or for all other uses). As the EBB has expressed[23] in the past, this should not become a precedent, as the risk exists of important market distortions due to such differentiation in feedstock classification. Moreover, timely and clear definitions and certification rules for newly added feedstocks – particularly for intermediate crops and crops grown on severely degraded land – are essential to effectively unlock additional sustainable biofuel potential.

   Lastly, a **fully harmonised EU approach to feedstock verification remains crucial**: uniform certification practices, aligned audit and reporting requirements, and coherent implementation by voluntary schemes. To prevent market fragmentation, this harmonised interpretation should be reflected in the Union Database, ensuring a single, standardised feedstock nomenclature and traceability framework across certification, reporting, and administrative systems.
5. **Ensure legislative coherence in feedstock eligibility with other pieces of legislation.** The post-2030 energy and climate framework should clearly harmonise – based on the RED – feedstock eligibility across EU sectoral legislation governing the use and production of biofuels, including Regulations FuelEU Maritime and RefuelEU Aviation. At present, approaches to feedstock eligibility vary significantly across different legislative acts, in particular concerning 1G biofuels, as well as some waste and residues: for instance, 1G biofuels do not count towards the targets in the ReFuelEU Aviation and FuelEU Maritime Regulations, are

[21] *With no energy targets anymore to which Annex IXB biofuels can contribute, and with the existing cap in place, these biofuels would end up being less incentivised than biofuels out of the 1G category AND out of Annex IX (and therefore not subject to any cap)*

[22] *According to art. 28.6 in the consolidated RED: the Commission shall review the list of feedstocks in Annex IX every two years, and is only empowered to add, but not remove feedstocks*

[23] *EBB statement on the Commission adoption of the revised RED Annex IX*

considered by default as non-compliant under the EU Taxonomy Regulation, and receive the same fiscal treatment as fossil fuels under the revised Energy Taxation Directive (which is still under negotiation). Some waste & residues are also excluded (or their contribution is capped) from counting towards ReFuelEU Aviation while being RED compliant. Such discrepancies blatantly represent yet another form of regulatory obstacles that risk undermining the achievement of the EU's ambitious decarbonisation targets.

6. **Revise unnecessary limits in FAME[24] specifications under the Fuel Quality Directive (FQD)[25].** The FAME content limit in diesel fuels put on the market as expressed in the FQD has been lastly modified jointly with the revision of the RED (the "REDIII"). Said limit was increased from 7% to 10%, which is certainly a good development. However, a 7% FAME protection grade[26] has been put in place, and the flexibility clause allowing Member States to use higher blends than the maximum allowed has been removed. The use of high blends (with FAME content greater than 10%) is becoming more and more common in some Member States, particularly in the heavy-duty sector: with the national transposition (still ongoing) of REDIII jointly with the targeted FQD amendment, we can expect such positive developments to be halted due to regulatory limitations. For this reason, we call on the Commission to propose once again, jointly with an amendment of the RED, a targeted amendment of the FQD, aiming at increasing the maximum allowed FAME content in diesel fuels and at reintroducing the flexibility for Member States to allow FAME content beyond the limit.
7. **Introduce a new minimum quota for liquid road biofuels in the RED transport target.** The replacement of fossil fuels with biofuels is an urgent necessity. While electrification will be a key component in the evolution of the vehicle fleets, a blending quota for liquid renewable fuels for vehicles is also required to accelerate the reduction of GHG emissions in road mobility. Introducing a blending quota for liquid road fuels within the RED transport target will guarantee that all Member States progressively substitute a greater portion of liquid fossil fuels with renewable fuels. We propose introducing a new binding minimum quota under the RED transport target. This quota would allow for additional national ambition and Member States should maintain **flexibility in implementing it with obligations and incentives for blends and neat renewable fuels**, according to their specific considerations.

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[24] Fatty Acid Methyl Esters (FAME), a type of biodiesel

[25] Directive 98/70/EC relating to the quality of petrol and diesel fuels

[26] That is, notwithstanding the 10% limit, fuel suppliers must ensure the placing on the market of diesel with a FAME content of up to 7%.

Conclusions

The establishment of a post-2030 EU energy and climate framework, and of the post-2030 RED in particular, must be centred around two key principles, which the EBB has advocated for over the last few years.

1. **The overall framework should keep the current trend of progressively increasing decarbonisation targets, as well as the current architecture of the framework itself**. This means that, when it comes to the transport sector, the principle of regulatory simplification should be applied cautiously: general scope and market-based mechanisms (Effort Sharing Regulation, ETS 1 and 2) do not provide a strong enough price signal for the deployment of volumes of renewable fuels that would match the needed level of ambition. They should be seen as *complementary* to **ad-hoc transport targets in the post-2030 RED**.

2. **All regulatory obstacles that risk undermining that level of ambition should be removed**. This means, in practice, acting on **three main dimensions of the post-2030 RED:**
    a. **Sustainability certification**: effective fraud prevention is a pre-condition for the entire EU renewable fuel market to work properly and to deliver on its decarbonisation potential.
    b. **Feedstock eligibility**: existing caps applied to 1G biofuels and to Annex IXB biofuels should be reassessed, with a view to increasing such biofuels' contribution towards the RED targets. Moreover, appropriate regulatory incentives should be granted to all feedstocks in Annex IX. For its part B, this means, as a minimum, reassessing the cap. Lastly, the 2040 framework should undoubtedly set the RED as *the* regulatory reference for feedstock eligibility matters in *all* pieces of legislation governing the production and use of biofuels.
    c. **Remove regulatory obstacles and support the development of high biofuel blends.** In particular, unnecessary limits in FAME specifications under the Fuel Quality Directive should be revised, and flexibility should be reintroduced for Member States to allow FAME content above the limits. Moreover, a new minimum quota for liquid road biofuels in the RED transport target should be set.

About EBB:

The European Biodiesel Board (EBB) is a non-profit organisation established in January 1997. Today, the EBB gathers 34 members across 21 Member-States, which represents around 75% of the European output. Biodiesel (FAME and HVO) and bio-based aviation fuel (HEFA) are the main European solutions to reduce emissions from transport and dependence on imported oil. EBB aims to promote the use of FAME, HVO and HEFA 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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