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Biodiesel central to decarbonising transport: Q&A

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Brussels, 26 July (Argus) — Industry has reacted negatively to the European Commission's call for phasing out first generation biofuels as part of its wider policy on decarbonising the transport sector, which was [unveiled on 20 July](#). The commission's strategy statement will be followed by concrete legal proposals on renewables and transport emissions later this year and early in 2017. European Biodiesel Board (EBB) secretary general Raffaello Garofalo tells *Argus* that biodiesel is essential to decarbonising transport.

Will the commission's low carbon transport strategy advance biofuels?

We hope so. But it needs to address the right issues. This means understanding how transport can be decarbonised. Unfortunately, it appears that the commission is putting too much faith in electrification. Greenhouse gas savings from electricity depend on how it is produced. And transport electrification is difficult to achieve. Even if set as a goal, it is going to take a very long time. First generation biofuels — and especially biodiesel— will be needed. We may be able to electrify passenger transport but heavy duty transport, navigation and aviation will need diesel.

Do you think the EU will accept the commission pushing for phasing out first generation biofuels?

We are worried. Electrification is very limited. Phasing out biofuels or just biodiesel would make it difficult if not impossible to decarbonise aviation, heavy duty transport and navigation. On top of that, we have invested heavily in the whole production and distribution chain with very ambitious targets. Phasing out makes no sense.

Do you expect the EU to exclude from advanced or double counting status palm-fatty-acid-distillate (PFAD) because of sustainability concerns?

PFAD is already excluded from double counting in France. To double count or not is decided at a national level. In Italy, we have double counting. But the Italian experience of PFAD has not been very positive due to fraud. In the new renewables proposal, expected at the end of the year, I do not expect double counting. There may not be targets but other kinds of instruments to incentivise.

With the UK leaving the EU, do you fear the EU leaving policy on promotion of renewables in transport to member states?

Good common sense requires an EU approach to transport. As regards the UK leaving the EU, the UK and UK media have always been the most critical of biofuels. If and when the UK actually leaves, this could be more good news for biodiesel than bad. In the EU's council of ministers, we would lose an influential government that has traditionally been against biofuels.

Are we close to a solution for low-priced Polish biodiesel exports?

The issue is very complicated and lengthy. The reaction from the Polish [government] and EU commission has not been satisfactory. We still see Polish biodiesel at an artificially low and dumped price. Such Polish biodiesel is being sold at a price lower than the cost of production. We still have volumes of between 25,000 tonnes and even as high as 50,000t/month, according to some estimates. Prices can be considerably lower than those normally quoted, at times €50/t to €100/t lower. We have alerted policy-makers. But nothing serious has happened. It does not look like the authorities are going to solve the problem. So, we are thinking about taking legal action, whether at European level or whether targeted at the Polish government.

Are you confident of a successful appeal to the WTO over the Argentinian anti-dumping duties?

We have seen legal analysis pointing to inconsistent conclusions from the WTO panel. The Argentinian price is clearly distorted and cannot be used as a reference. The final judgement is expected in August or September. We are confident.

How much support is there for a US-style biofuels volume target?

The US-style biofuels volume target is interesting. In Europe, instead of national targets, a blending mandate or obligation at national level with a given percentage of fossil fuels replaced by renewables in transport would offer a new perspective.

Has biodiesel suffered from concern over diesel's pollutant emissions?

The European Commission agrees with us that 'diesel-gate' is positive for biodiesel. With car-manufacturers' efforts to cut greenhouse gas emissions and increase fuel efficiency slowing down, we see the need to focus on fuel. 'Diesel-gate' shows that the ball is in the fuel and not the engine side of the court. Fuels have to achieve decarbonisation.

Is a specific ethanol target in EU renewables legislation really a bad thing?

It would be a good thing if it were to limit ethanol compared to biodiesel. We have too much gasoline in Europe that we export and at the same time we need to import diesel. Incentivising ethanol means adding to the imbalance. We have less and less gasoline consumption every year. Gasoline is only used in passenger cars where the commission wants to phase-in electrification. Diesel is used where electrification is not possible. A separate target to incentivise ethanol would be absurd.