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## EU votes for 6 percent cap on first-generation biofuels

The EU plenary vote and a very vocal European Biodiesel Board in the days prior to the event

By [Ron Kotrba](#) | September 11, 2013

In a much-anticipated vote today, the EU Parliament plenary decision on where to cap first-generation biofuels in Europe's Renewable Energy Directive came down to a narrow agreement of 6 percent. This cap is lower than the biofuels industries pushed for, and higher than anti-biofuel lobbies desired.

Nuria Molina, director of policy and campaigns for ActionAid, one of the many organizations in support of a lower cap on EU first-generation biofuels, had this to say about the vote, and where the next battleground in this war will be fought.

"The baton now passes to the UK government, which must fight in within Europe to make sure the cap on biofuels is as low as possible, and no higher than 5 percent. A UK position of anything higher would be a failure to live up to David Cameron's promise made at this summer's G8 to tackle global hunger."



ActionAid's Sept. 11 press release goes on to say:

"MEPs were voting to cap the amount of land-based and food-based biofuels used in transport fuel. In October, the European Commission proposed a cap of 5 percent on the amount of food that can be used to meet the overall 10 percent target for renewable energy in transport by 2020. This proposal was welcomed by development and green groups as a first step in the right direction to control the promotion of the first-generation biofuels industry. But wrangling in the European Parliament led to a watering down of the Commission's limitation, particularly by the industry committee, which had proposed a 6.5 percent cap."

Regarding an advanced biofuels subtarget in the vote, today the European Biodiesel Board said the European Parliament provided a schizophrenic proposal maintaining present double-counting support but excluding used cooking oil and animal fats from the 2.5 percent specific target allocated to advanced biofuels. Click [here](#) to read EBB's full statement on today's plenary vote.

In the days and weeks leading up to the important vote, the EBB had been very vocal in its stance on the cap, indirect land use change and misinformation being spread about palm oil for biodiesel use in the EU. Early this month, the organization touted a new U.S. study showing ILUC factors are 95 percent lower than previously estimated. Three days later, the EBB released its updated position on the legislative proposal up for vote. Following that, the EBB set the record straight on palm oil use for biodiesel in the EU, and from where the real demand comes.

First, let's look at the EBB's updated position.

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 percent and 95 percent (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 percent**

The limitation to 5 percent for agriculture-based biofuels appears as an excessive move. Major EU countries already reached percentages of incorporation beyond 7 or 8 percent. EBB considers that a capping of conventional biofuels could not be acceptable at a percentage lower than 7 percent: the Lithuanian Presidency 7 percent 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 percent of oilseeds weight—are biodiesel production chain coproducts).

#### **Harmonized 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) *Lignocellulosic 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 percent target**

Without double counting, production of TME and UCOME would be unviable, 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 percent by 2020**

A subtarget for advanced of at least 3 percent 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 subtarget, 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 subtarget for renewable electricity (especially in rail) would be an unacceptable policy deviation**

EBB strongly opposes the definition of a subtarget 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 favor 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 eliminate fraudulent trading based on multiple schemes declarations and prevent uncertified 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 tons/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.

Three days prior to releasing its updated position, EBB published a press release on the new U.S. study from Air Improvement Resource, (S&T) squared and the University of Illinois Chicago, which reveals ILUC values up to 95 percent lower than previous estimates. Here's a portion of EBB's release:

Economic modeling applied to bioenergy has been heavily questioned in the last months. With successive reports proposing improvements in assumptions, the indirect land use change (ILUC) estimates on biofuels have decreased sharply.

In June 2013, the French National Institute for Agricultural Research (INRA) concluded in an 80 percent reduction of indirect emissions, with a value for biodiesel of 10gCO<sub>2</sub>eq/MJ. The French research centers conclude that current ILUC models use lower values for increasing yields than actual observed data trends.

The new U.S. study Land Use Change Greenhouse Gas emissions of European Biofuel Policies Utilizing the Global Trade Analysis Project (GTAP) evaluates land use changes for several biofuels pathways and policies. "This work has found that ILUC calculated using the latest version of GTAP are much less than those calculated by IFPRI in 2011," said Steffen Mueller from University of Illinois.

It concludes that biodiesel could account for as little as 2,33gCO<sub>2</sub>eq/MJ, compared to current 55gCO<sub>2</sub>eq/MJ allocated in a Commission proposal amending biofuels policy. This represents a 95 percent difference mainly due to improved understanding as regards land use, crop yields and forest use in the EU, Canada and the U.S. (where the forest continuously increases in the last decades). Suggestions for further improvements are also provided like regionalization of the analysis and crop specificity of yield.

The divergence of results due to a slight change in assumptions, once again, opens the floor to question the validity of ILUC science for policy making. "Policy makers can no longer deny the immaturity of science to serve for policy making," said Raffaello Garofalo, EBB Secretary General.

Just two days ago, the EBB set the record straight about palm oil use for biodiesel in the EU.

The European Biodiesel Board, representing the European biodiesel industry, would like to comment on the "timely" International Institute for Sustainable Development research paper that has been "prepared for, and with the funding of, Friends of the Earth Europe."

First of all, EBB is very surprised that this quite clearly green, NGO-driven and "[European Parliament] plenary timed" report has been realized with the acknowledged contribution of David Laborde, International Food Policy Research Institute, the author of the famous IFPRI study, still used as exclusive legislative reference by the commission indirect land use change (ILUC) proposal. This scientific contribution in such context is not without raising few legitimate general questions of scientific neutrality. Second, the report comes to a very simplistic and thus approximate conclusion, highlighting that the more biodiesel is produced in Europe, the more palm oil risks to be used.

Targeting only such simplistic analysis, the report, however, forgets to highlight that:

- Biodiesel is only responsible for a very marginal part of palm oil demand (maximum 10 to 13 percent), which is imported under stringent EU sustainability rules

- The "remaining" 85 to 90 percent of palm oil imports in Europe are due to food (such as biscuits, spreads, pastries, etc.) and/or oleochemical uses, which are imported without any EU sustainability rule

- The European biodiesel Industry has filed a complaint in order to close the EU biodiesel markets to Indonesian biodiesel imports. Such complaint has been filed for antidumping and antisubsidy, since Indonesian unfair biodiesel exports are damaging the EU industry and EU markets.

In this context, it appears really difficult to blame the EU biodiesel industry for any unfair or unsustainable palm oil use. A fortiori to penalize the EU biodiesel industry, in this context or based on the IISD report, would be even more detrimental.