

# Biofuels industry threatens to sue European Commission

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## **Representatives of Europe's biofuels industry have threatened to sue the European Commission if it proceeds with plans to limit crop-based biofuels because of their indirect effect on greenhouse gas emissions.**

"If no-one is going to invest in us anymore I think we should sue the European Commission for killing an industry," Rob Vierhout, the secretary-general of ePure, Europe's bioethanol association said at a roundtable in EurActiv's offices

EurActiv understands that the EU has rowed back on plans to make biofuels suppliers account for greenhouse gas emissions in its proposals to deal with the Indirect Land Use Change (ILUC) issue, due to be announced today [17 October].

But a 5% cap on the amount of biofuels allowed in Europe's transport mix by 2020 will remain, and this is likely to ensure that biodiesel dominates Europe's biofuels industry, because of European cars' reliance on diesel.

"If there will just be a cap [on biofuels] and not an ILUC proposal [included in the Fuel Quality Directive], it will look grim for bioethanol," Vierhout said.

"We would be extremely annoyed and you can forget about second generation biofuels," he added.

"We won't invest in it anymore. We'll just make sure that our [existing] investments are safeguarded."

ILUC describes the process that occurs when carbon sinks are destroyed to replace land used to grow biofuels elsewhere.

Sugar-based bioethanol is responsible for far fewer greenhouse gas emissions than biodiesel in this regard, according to scientific modeling exercises.

But biodiesel is currently on track to meet up to 92% of the EU's 2020 target, analysts say.

### **Roundtable**

Even so, biodiesel and bioethanol associations presented a united face at the EurActiv roundtable, which was also attended by Nathalie Lecocq, the director of the EU Vegetable Oil and Proteinmeal Industry (FEDIOL), Arnaud Petit, the director of Copa Cogeca, and Isabelle Maurizi, the project manager of the European Biodiesel Board (EBB).

A common theme was of betrayal by a European Commission that had encouraged biofuels investment four years ago and might now pull the plug.

"We have invested in good faith because there was a clear political signal and were not even half way into the game and they're changing the rules," Vierhout said. "No football player would accept that."

According to a leaked version of the EU's proposals, government subsidies to Europe's €17 billion a year biofuels industry should be ended after 2020, unless they lead to "substantial greenhouse gas savings".

Advanced second generation fuels made from algae and wood residues would also be quadruple-counted within the EU's 10 percent target, in a bid to incentivise investment.

Maurizi said that such proposals, if announced, would spell the end of the biodiesel industry in Europe.

"If you were an oil company, would you buy my product? If you were a member state would you want to foster my product" she asked. "No you wouldn't."

She also questioned Vierhout's positioning. "I'm not sure that with a cap they would buy ethanol anyway," she added. "They would find another way to meet the target."

### **"Unproven science"**

But the industry captains agreed that the European Commission was acting against biofuels based on unproven science. "Some of us have asked whether you can prove how much [ILUC emissions] are, and where it happens, " Lecocq said. "It wasn't possible to do so."

"We don't believe that the science is mature or grounded enough to put any number [to ILUC emissions]," Maurizi agreed.

More scientific research into ILUC is still needed before legislating, say scientists such as David Laborde, the author of an EU-commissioned paper on the subject.

But he also criticised the way that policy-makers had rushed to put a 'green' tag on biofuels, when more pressing reasons for adopting them had prevailed, such as energy security, and supporting European farming interests.

"You see lobbies fighting to the death in Brussels to show that what they produce is green when we have a lot of evidence to show the contrary," he told EurActiv earlier this year.

### **Indonesian palm oil**

Indigenous peoples' groups are rarely canvassed in the Brussels debate but Rahmawati Retno Winari, the director of Indonesia's Sawit Watch [Palm Oil watch] (), currently in Brussels, told EurActiv that her organisation could list 660 land conflicts currently raging over biofuels cultivation in Indonesia.

"The issue is about land tenure," she said. "The biofuels are grown in [what were] forests and forest is never empty. The forest-dependent communities live there and they are forcibly evicted from their homes so that the palm oil plantations can be developed without their consent."

The indigenous peoples were thus forced deeper into the forest to set up homes, using forest lands to grow food that they had previously farmed on terrain now given over to biofuels, Winari said.

"When they start to protest for their rights, they face violence from the police," she continued. "Seven people were killed in one case in southern Sumatra last year when forest communities demonstrated against their land being taken for biofuels use."

The crude palm oil produced in such regions could be turned into biodiesel which ultimately finds its way into the tanks of European cars. There, it would currently be counted as a greenhouse gas reducing fuel.

European companies such as Belgium's Sipef and the UK's Cargill are among the companies running palm oil plantations in Indonesia, according to Sawit Watch.