

Biofuels sector warns against European targets "madness"

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Restricting the use of energy crops in making biofuels rather than under-developed technologies will make proposed European renewable fuels targets difficult, biofuels experts warn

Attempts to restrict the use of biofuels within proposed European renewable fuels targets have been denounced as "madness" by the renewable energy industry, *writes James Cartledge.*

Last week saw the European Parliament's industry committee voting to amend the proposed Renewable Energy Directive to limit the amount of first generation biofuels that can be used towards the 10% target, which is to be reached by 2020.

The MEPs said at least 40% of that target should come from second generation biofuels, electricity or hydrogen power.

They also amended the Directive proposals to set a new interim target of 5% renewable fuels by 2015. This new 2015 date should have at least 20% of the target sourced from renewable fuels other than first generation biofuels, the committee said.

The industry committee's amendments will now have to be agreed by the full Parliament on October 9, and then by EU ministers on the European Council at the end of the year before becoming European law.

"Deep disappointment"

Biodiesel producers have expressed "deep disappointment" in the amendments. They had been working towards a 5.75% target for 2010, and now face an effective reduction in that target to 4% of all European transport fuels five years later.

Doug Ward CBE, who is chairman of the Renewable Energy Association's transport fuels group, said the biggest problem for the sector at the moment in his opinion was that constant changes in biofuels targets "ruined" the climate for investment.

Mr Ward, also a director of biodiesel producer Argent Energy, was speaking after claims about the sustainability of biofuels led the UK government to downgrade previously-agreed biofuels targets this summer.

He said: "The key issue is to get some interim targets that are fixed and not altered. This government has totally ruined the investment climate as people are going to want to wait now before investing until the targets are decided."

The Argent Energy director told *New Energy Focus* that he did not believe the amendments would survive the full Parliament vote. But he said it was important to get a final decision through the system before the EU Parliament dissolves for elections next year.

The European Biodiesel Board (EBB), which represents major EU biodiesel producers including, also highlighted concerns on the impact on investment of changing the targets.

It said the economic damage to investments made in biofuels would be "dramatic" under the amended targets, while the damage to the reputation of the sector in investment circles could be even worse. The Board also said MEPs were in danger of damaging their own reputations if targets they agreed to back in 2003 are changed by the full Parliament next month.

Raffaello Garofalo, secretary-general of the EBB, said: "If this decision is confirmed in the forthcoming plenary vote, it will strongly affect the credibility of the European Parliament, especially with regard to past commitments. It is sad that legislators have been swayed by superficial arguments linking biofuels to food price rises."

Technologies

Second generation biofuels will not suffer the restrictions from counting towards the renewable fuels targets. These include biofuels made from waste, residues from other processes, or made by algae.

But renewable energy experts believe it will still be "difficult" to develop these technologies to meet the 2015 target.

Clare Wenner, head of renewable transport fuels at the Renewable Energy Association, said the chances of industry meeting the amended renewable fuels targets would depend on what ultimately is defined as a first generation biofuel.

She suggested that certain types of biofuel like that from used cooking oil or tallow, seen as second generation in the UK, could be seen as first generation biofuel under the EU Directive.

But, Ms Wenner said overall the targets set out by MEPs last week would not be commercially possible to achieve without biofuels.

She said: "I can understand that we do not want to be taking food out of the mouths of people and putting it into SUVs, but I would hope the council would have a mature view of it - they are not up for election next June."

Mr Ward said he thought it too early to back technologies like electricity and hydrogen power instead of first-generation biofuels. He said: "They are wrong at these early stages now to try and carve out technologies for things that have not yet been developed."

These views reflected that of the European Biodiesel Board, which particularly hit out at the use of electric cars.

Mr Garofalo said: "Electric cars running on renewable electricity are a chimera: cars' batteries will be charged in private places where the electricity delivered is very predominantly of fossil origin, making it impossible to segregate and choose to run on renewables."

Greenhouse gas savings

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Another aspect of the vote last week that has not been warmly received by the biofuels industry was the decision to tighten sustainability rules for biofuels that can count towards the targets.

This has included raising the threshold for greenhouse gas savings required to 45% compared to using fossil fuels.

The EBB said this could impact on 80% of biofuels produced in Europe, passing the advantage to non-European producers. It said the 45% cut-off point had resulted from a single "one-sided" study.

The Renewable Energy Association, which represents 500 renewable energy companies in the UK, is supportive of the need to save greenhouse gas emissions in biofuels production. Ms Wenner said British biofuels producers generally achieve good levels of greenhouse gas savings.

However, she said what was concerning to her was, buried in Annexe Seven of the Renewable Energy Directive proposals, a requirement for the Commission to look into penalties to cover the emissions involved in changing land-use to biofuel production.

At the moment, the Annexe states that the Commission proposal should be made by 2010 and agreed by 2011, otherwise a penalty of 40g of carbon dioxide per MJ (megajoule) of energy will be used to cover land-use change. The UK has so far proposed a 30g penalty.

Ms Wenner said this requirement was despite the fact that Europe does not have an accepted way yet to measure the emissions impact of changing land use from growing food crops to biofuel crops.

She said a company achieving a greenhouse gas saving of 71% through its biofuels, compared to using fossil fuels, was saving 25g of carbon dioxide emissions per MJ. A penalty set at 40g would wipe out those emissions savings, she added.

"Let's get the methodology right first," she said on being asked about what kind of penalty level would be appropriate. "I know 10 has been mooted, and I don't know whether that is the right level, but 30-40 is madness."