

**EU understates emissions from oil -biodiesel lobby**  
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BRUSSELS, March 18 (Reuters) - The European Union is not taking full account of the environmental impact of oil-based road transport fuels, which could undermine the bloc's renewable energy goals, European biodiesel producers said on Thursday.

The EU uses greenhouse gas emissions from fossil-based road fuels as a basis for calculating the climate benefits of crop-based biofuels.

But biodiesel producers argue the EU's reference values for emissions from diesel and petrol are set too low. That's because they fail to take account of the rising use of unconventional fossil fuels such as Canadian tar sands and extra heavy oil.

"Fossil fuels and renewable fuels would therefore not be treated on an equal footing," the European Biodiesel Board (EBB) said in a statement.

"The most polluting sources of crude oil would be artificially incentivised, while biofuels would be penalised and limited in their use."

Emissions from unconventional oil are up to two-and-a-half times higher than ordinary crude, the EBB said, as more energy is used to extract it.

Unconventional oil currently accounts for about 5 percent of global petroleum production, a share that is set to rise as extraction of conventional crude reaches its peak, the EBB said.

The EU's executive, the European Commission, is currently drafting new emission reference values for oil-based diesel and petrol, and a proposal for EU governments could be tabled as early as next week, the EBB said.

Under the EU's renewable energy directive, biofuels must deliver emissions savings of at least 35 percent compared to fossil-based fuels to count towards the bloc's target of sourcing 10 percent of road transport fuels from renewables in 2020.

EBB said that unless the reference values for emissions from oil-based fuels are accurate, it could badly damage the Europe's 5 billion euros-per-year (\$6.83 billion) biofuel industry.

"Action must be taken to prevent the renewable directive... from being knocked off course and stripped of its principle objective, which is to encourage the use of cleaner fuels," EBB said.

Environmental campaigners argue that biofuels -- like fossil fuels -- are part of the problem, not the solution.

"The biofuels industry is shooting itself in the foot. They should come clean about the real impact of producing biofuels," said Adrian Bebb, biofuels campaigner at Friends of the Earth.

"All the evidence suggests that Europe's demand for biofuels is causing untold deforestation, increased food prices, land conflicts and greenhouse gas emissions."

The EU is the world's leading producer and consumer of biodiesel, accounting for about 70 percent of global production and between 80 and 85 per cent of worldwide consumption. Biodiesel is made from vegetable oils such as rapeseed and palm oil.

(Reporting by Charlie Dunmore, editing by Anthony Barker)

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