

Let the market decide future of biofuels

The coming weeks will be decisive for the future of renewable energy for transport in the EU, with MEPs and member states set to make crucial choices about how much biofuels should be encouraged and under what conditions.

One idea that appears to be gathering speed with some legislators is to chop the proposed 10% target for renewable energy in transport into pieces, creating quotas for biofuels, electricity and hydrogen etc. This is misguided. Hydrogen and electricity are not renewable *per se*, much less sustainable. To be labelled as "renewable" they would need to be produced using exclusively renewable energy sources and not fossil energy, as is the case for more than 80% of EU electricity and hydrogen today.

In this context, dictating that up to half of the targets be met by electricity and hydrogen would mean transferring 40-50% of the transport obligation back into fossil energy on the pretext of addressing concerns about biofuels sustainability. Those promoting such schemes are purposely confusing two very different concepts: on the one hand energy carriers such as hydrogen and electricity whose main added value is to avoid generating polluting emissions (for urban transportation only); on the other hand truly renewable energy sources such as biofuels that will help displace fossil energy use.

Against this background, we should not lose sight of the fact that the aim of the new directive is precisely to promote renewable energy sources, not electricity as an energy carrier.

A 10% binding target for renewable energy for transport - with stringent sustainability criteria - is the only way to enable industry to make the investments needed to supply a meaningful quantity of sustainable biofuels and develop new, improved technologies by 2020.

Industry fully understands the need to be able to demonstrate biofuels' economic and environmental credentials. It is entirely committed to the development of a sustainability certification scheme that will enable biofuels to play a useful role in reducing fossil fuel dependence and tackling climate change.

The reality is that, by 2020, the 10% target will be mostly met by biofuels. But there will of course also be room for other technologies and it is the market that should decide how these develop within the framework of the EU's renewable energy policy.

Bernard Nicol
President of the European
Biofuels Board

DIFFICULT, YES. IMPOSSIBLE, NO.

50 YEARS AGO SHELL INVESTED IN THE ATHABASCA OIL SANDS IN CANADA WITHOUT KNOWING WHEN IT COULD VIABLY EXTRACT THE OIL.

FIVE DECADES LATER, PRODUCTION FROM THE OIL SANDS IS MAKING CANADA A GLOBAL PROVIDER OF OIL.

SOMETIMES IT PAYS TO PERSEVERE (AND TO HAVE A LEAP OF IMAGINATION IN THE FIRST PLACE).

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