

# MEPs' biofuel vote could bring production to 'standstill'

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EUOBSERVER / BRUSSELS - European legislators in an influential parliamentary committee have voted to drastically scale back the EU's plans for the use of biofuels. In a 50 to 2 vote MEPs in the European Parliament's industry committee on Thursday (11 September) voted to maintain a target of using renewable sources for transport fuel for 10 percent of vehicles by 2020, but legislators no longer assume that renewable fuel sources automatically means traditional biofuels.



The European biofuels industry is worried they are losing the argument (Photo: Notat)

By 2020, two fifths of the 10 percent target would now have to come via cars that run on hydrogen or that use electricity from renewable sources such as solar and wind power, or from so-called second-generation biofuels.

MEPs also voted for a major review in 2014 of biofuel impact on the environment and on food prices before member states can press on to the 2020 goal.

Green campaigners and development NGOs are frustrated that original targets have not been dropped entirely.

But the European biofuel industry has been dealt a major blow, with some producers saying that if the committee proposals become EU law, they would bring European biofuels production to a "standstill."

## Sustainability criteria

Those biofuels that are used would also immediately have to provide a 45 percent greenhouse gas emissions saving compared to fossil fuels, rising to a 60 percent saving by 2015.

The entire parliament - which is to consider the issue at its October plenary - and member states must still approve the legislation before the bill is enacted, but perspectives on biofuels are beginning to align.

EU member states are close to agreement on a two-stage approach similar to that passed in the industry committee, but a provisional consensus is of an initial 35 percent saving on fossil fuels rising to 50 percent by 2017. A figure familiar with the negotiations said the likely ultimate compromise will be a 40 percent savings initially and 55 percent by 2016. "The final figures are a no-brainer," he said.

## Producers aghast

The biofuels industry has been scathing in its response to the parliament committee vote, saying the European biofuels industry, if not biofuels elsewhere, was under threat.

"The parliament puts at risk over €5 billion invested in EU biofuel production capacity and all the employment linked to it," warned the European Bioethanol Fuel Association in a statement. "The proposed intermediate target of four percent biofuels by 2015 imposes a standstill."

Producers believe the parliament's threshold for emissions savings immediately eliminates European producers of biofuels from the running, as many cannot achieve 45 percent improvements over petrol.

"[The] decision....will as a result cut off more than 80 percent of the biofuels produced in Europe, strategically favouring non-EU producers," warned the **European Biodiesel Board**.

One green campaigner told the EUobserver "There has been an enormous lobbying effort from the biofuels industry in Brussels, but now watch the gloves come off."

### **Indirect land-use change**

Environmentalists have for some time argued that whatever the savings of biofuels against fossil fuels, their very production still displaces the production of farming for food or animal feed that otherwise would have taken place. This food production still has to take place somewhere, leading to deforestation or the use of grasslands for agriculture.

This displacement effect is known as indirect land-use change (ILUC) and causes some of the greatest greenhouse gas emissions and pressures on food prices.

Although MEPs adopted the principle of including ILUC in calculations of greenhouse gas emissions, any penalties for the effect have been almost eliminated.

Environmentalists favour an ILUC-related "penalty" of 120g of CO<sub>2</sub> per megajoule in a complex formula used to compare biofuels with fossil fuels. Such a penalty would eliminate most biofuels produced from food crops from being able to be used in Europe, as it would mean they would no longer be able to deliver a 45 percent emissions savings on petrol.

A penalty of 120g would thus permit only second-generation fuels produced from material such as agricultural waste, forestry waste or algae.

But instead the industry committee voted for a penalty of 0g until 2012, at which point the penalty rises to 40g, except in the case of second-generation biofuels and "where the commission has deemed" that biofuels do not have an indirect land-use impact.

"This is the same commission that has been trying to push through the 10 percent biofuels target in the face of all scientific evidence? I'm not optimistic that their evaluation will be done properly," said Pieter de Pous of the European Environmental Bureau.

### **Binding interim targets**

The biofuels targets are one part of legislation attempting to encourage the use of renewable energy in the European Union.

The cross-party vote in the industry committee would now see binding interim renewable energy targets for each EU member between now and 2020. Previously, according to the commission's proposals, the executive would have had to wait until 2020 to evaluate whether a member state had failed to meet such targets. The commission would also be able to impose fines for not meeting these interim milestones.

Other provisions in the bill include easing access of renewable sources to electricity and gas networks and measures to encourage the use of renewable energy for the heating of new buildings.