

# International Herald Tribune

## EU legislators call for more modest biofuels goal

By James Kanter - Thursday, September 11, 2008

**PARIS:** European legislators said Thursday that ambitious targets for using crop-based biofuels should be pared back dramatically, prompting the fledgling industry to fire back with a campaign warning that alternatives might be no cleaner.

European Union governments pledged last year to increase the use of biofuels in transport to 10 percent by 2020, from a negligible amount currently, amid optimism that energy derived from crops would provide a low-carbon way to power vehicles.

On Thursday, the European Parliament's influential Industry Committee endorsed the general 10 percent target but added a number of modifications meant to move away from traditional biofuels made from grains or other crops toward other, renewable energy sources.

It called for having 5 percent of transport fuels be from renewable sources by 2015, with at least a fifth of that amount from "new alternatives that do not compete with food production." That could include sources like hydrogen or electricity from renewable sources, or biofuels made from waste, algae or nonfood vegetation.

The lawmakers stuck to the 10 percent target for 2020, but said at least 40 percent of that should be made up of such "second-generation" renewables. But that target would have to be reviewed in 2014.

The lawmakers were reacting to waning enthusiasm for biofuels. Over the past year, scientists and environmentalists have warned that some biofuels may be more polluting than fossil fuels and that the diversion of crops to fuel production may be a factor in rising food prices.

The full Parliament and EU governments still must reach an agreement on any targets before they become law.

But biofuels manufacturers, worried that their industry is coming under threat, now are seeking to ensure they have a future.

They are stepping up a publicity campaign, warning that alternatives to biofuels like hydrogen and electricity - while they might help to reduce tailpipe pollution - still would require burning of fossil fuels to manufacture.

"Renewable electric cars do not exist," said Raffaello Garofalo, the secretary general of the European Biodiesel Board. "People are going to charge the batteries of their cars at home with normal electricity that is predominately of a fossil fuel base. So there is no incentive given to renewables that way - instead you are just increasing the use of electricity full stop."

Cars running on hydrogen produced from renewable sources are not yet commercially available, said Garofalo.

Other representatives from the biofuels industry called on lawmakers to maintain a higher target for biofuel use of up to 10 percent by 2020.

"We should be supporting the original target," said Simo Honkanen, vice president at the renewable fuels division of Neste Oil, a Finnish company that sells biodiesel produced from palm oil, rapeseed and animal fat.

"It's important for the European biodiesel industry as a whole to have stability over one or two decades so that the industry can grow," Honkanen said.

Biofuels producers in Europe already feel under threat from subsidized U.S. exports. EU trade officials complained in June about a tax credit that is granted to American exporters, and they launched a formal investigation that could lead to the imposition of punitive tariffs.

Garofalo said the industry already had built substantial capacity based on an earlier, voluntary target of 5.75 percent biofuels by 2010, and he accused legislators of showing bad faith by calling for even weaker targets.

Analysts agree that Europe may have little hope of reducing emissions by using electricity, hydrogen or biofuels in the near term.

"Probably the best option is encouraging fuel efficiency and developing engines that consume less fuel," said Juan Delgado, a research fellow specializing in energy and climate change at Bruegel, a research organization in Brussels. "In fact it may be more efficient to try and reduce more emissions in other sectors of the economy besides transport, like electricity," said Delgado.

But environmentalists praised lawmakers for reducing the target.

"The vote by the European Parliament recognizes the serious problems associated with the large-scale use of biofuels," said Adrian Bebb, the biofuels campaign coordinator for Friends of the Earth Europe.

European legislators started backpedaling on biofuels in July, when the Parliament's Environment Committee called for a slightly lower medium-term target - 4 percent rather than 10 percent - and also said the measures should be reviewed in 2015 before any decision to ratchet further upward.

The legislators also stressed the importance of using transport fuels that come from feedstocks that do not compete with food for cropland.