



## EU Biofuels Chain

### Joint position paper on the Increase of the EU Climate Ambition for 2030 in the Transport Sector

Consequent with the increased ambitions brought by the European Green Deal, and the objective to achieve carbon neutrality by 2050, the European Union (EU) ought to ensure that its 2020 energy and climate objectives are met. On top of this, the *European Green Deal* proposes that the 2030 objectives be increased. This is valid for both the minimum 32% renewable energy target and the minimum 30% greenhouse gas (GHG) emissions reduction in sectors not covered by the EU ETS (Effort Sharing).

The European Commission (EC) has recently put forward a proposal to increase the EU's 2030 target for GHG emission reductions to at least -55% compared to 1990 levels. To assess the feasibility and economic cost of this revamped target, the EC will publish a comprehensive Impact Assessment (IA) by Q3 2020, which should explain how to get to this target.

**The EU Biofuels Chain welcomes this increased ambition, and is ready to continue delivering real solutions to help decarbonise the European transport sector, progress towards a low carbon economy, strengthen the independence and revenue of European farmers, and contribute to the EU's long-term vision of achieving a carbon neutral Europe by mid-century. The Chain is also committed to support a thriving circular bioeconomy, contribute to deliver sustainable food, feed and non-food products, and reduce European dependence on imports of protein feed and fuel.**

But this ambition must be translated into concrete and practical actions to ensure an effective, sustainable and successful decarbonisation of the European transport sector. In fact, while the EU has made overall progress in renewables incorporation and emissions reduction, the picture in the transport sector is dire, with a 94% reliance on fossil fuels, and emissions 19% higher than 1990 levels<sup>1</sup>. **Going forward, the transport sector must contribute further to the *European Green Deal* objectives. Failure to do so would place a higher burden on other non-ETS sectors such as agriculture.**

The EU will be unable to do without liquid fuels post 2020. Indeed, the EC already stated clearly that the change in the composition of the EU vehicle fleet will be gradual and that at least 80% of new vehicles will run, at least partially, on an internal combustion engine. Certified sustainable crop-based biofuels should remain part of the transport fuel mix as long as liquid fuels are needed. Reducing GHG emissions in the transport sector is comparatively more difficult and costly than in any other sector. Therefore, **CO<sub>2</sub> pricing of transport fuels must be separate from the existing EU ETS to consider the specificities of the transport sector.** Including transport in the EU ETS, given the present and future levels of ETS allowances, would be very unlikely to trigger the important efforts needed to decarbonise EU transport, and weaken any real decarbonisation progress.

Against this background, the associations representing the EU Biofuels Value Chain are putting forward these key principles for revising upwards the EU Climate Ambition for 2030 in the transport sector:

#### 1. Increase ambitions for transport fuels GHG savings and renewable energy use in transport

- The minimum share of renewable energy of at least 14% in transport by 2030 (EU RES-T), set in article 25 of the Directive (EU) 2018/2001 (RED II), is not enough to allow the necessary

<sup>1</sup> UNFCCC, 2019



decarbonisation of the European transport sector, in particular considering the possibilities for Member States to lower this target and to use different multipliers to artificially inflate their RES-T achievements without really reducing GHG emissions. Therefore, the obligation put on fuel suppliers should be strengthened, and be translated into an effective incorporation of renewable energy for all fuel suppliers without exception.

- To match this increased ambition in the uptake of renewables in transport, the EU Effort Sharing Regulation (ESR) should be strengthened by setting higher GHG emissions targets for the transport sector. Failure to do so would place a higher burden on other non-ETS sectors such as agriculture and households.
- The obligation to decrease the carbon intensity of transport fuels by 6% in 2020, set by Article 7a of the EU Fuel Quality Directive, must be maintained and progressively increased to match the increased efforts of the other economic sectors.
- For these ambitious targets to be set (and updated), it is crucial for the EC to conclude the promised IA. The quality and completeness of this IA is essential for the EU to be able to prepare, alongside its higher ambition and long-term plans for the EU's decarbonisation and climate neutrality by 2050, a credible plan with concrete actions to translate these ambitions into reality in the upcoming revisions of the relevant EU legislation.

## 2. Ensure policy continuity and stability

- A successful EU decarbonisation transport policy should not reverse but rather build on what has been achieved by the RED II, which would provide investors' confidence. All sustainable biofuels together account for over 89% of renewables in transport and should continue to be promoted.
- Certified sustainable crop-based biofuels correspond to more than 60% of renewables used in transport. Their contribution to the EU RES-T target should not be lowered as they represent an immediate and cost-effective tool to reduce emissions in existing and future fleets, and contribute to the bioeconomy, namely the supply of plant rich-protein feed product to the European market.
- The cap on certified crop-based biofuels set in article 26 of the RED II should be reassessed and revised upwards, to provide each Member State with flexibility, taking into consideration the current certified sustainable crop-based biofuels market uptake, higher renewables and emissions reduction targets, and the fact that since then the delegated act on high-ILUC risk biofuels was adopted (and these biofuels should be phased-out to 0% by 2030).
- The deployment of advanced biofuels from RED II Annex IX-A feedstock should build on existing legislation and industry, to secure investor confidence, which is a prerequisite for any new investment into renewable fuels. Advanced biofuels must be established as an additional instrument, and not as a replacement for existing crop-based biofuels, to further reduce fossil fuel use and GHG emissions and remain supported through a dedicated ramping-up sub-target.



### 3. Build on the strength of the existing sustainability criteria

- European certified sustainable crop-based biofuels already comply today with the most demanding sustainability criteria in the world.
- Compliance with sustainability criteria must be uniformly applied regardless of the origin of the feedstock.
- All renewable low carbon fuels should be able to contribute towards EU's climate and renewable objectives under a levelled playing field and strict sustainability criteria, such as European standards for agricultural production, waste prevention and managements standards, and strong traceability requirements to ensure that only sustainable feedstocks are used.

### 4. Facilitate the deployment of biofuels blends

- To maximise the GHG emissions reduction and air quality benefits of higher biocomponents in blends, an effective incorporation of B7 and E10 should be achieved across the EU, and higher blends such as B10 and E10+ should be progressively rolled out. Moreover, higher blends (e.g. B30, E85, ED95, B100) should be further incentivised.
- As part of the EU Alternative Fuels Infrastructure Directive, Member States should foster access to infrastructure for high blends such as E85 for compatible engines (flex-fuel and adapted vehicles), B30, B100 and ED95 for buses and trucks.

### 5. Incentivise renewable low carbon fuels by correcting the restrictive tailpipe emissions approach

- The current EU CO<sub>2</sub> standards for vehicles only account for tailpipe emissions (Tank-To-Wheel). This restrictive approach distorts competition between powertrain technologies and misleadingly labels electromobility as emissions free. It fails to incentivise biofuels and biogas with a lower GHG footprint and renewable content by not recognising their biogenic energy content.
- The EU should therefore consider an approach that accounts for the nature of the energy powering vehicles (Well-to-Wheel), distinguish between fossil and biogenic CO<sub>2</sub> and account for the production and end-of-life emissions of the vehicles. In the meantime (i.e. by 2030), an incentive to account for the renewable component of the fuel should be introduced.

### 6. A fair taxation of energy products

- An EU Energy Taxation Directive that moves away from volume-based taxation to carbon intensity. Such system would not harm motorists but would make a business case for investments in renewable low carbon fuels.
- Consistent with IPCC guidelines, CO<sub>2</sub> pricing should not apply to biofuels and biomass. Derogation for fuels used in agriculture, horticulture and forestry must be maintained.



The EU Biofuels chain includes:

Founded in 1953, **CEFS** represents European beet sugar manufacturers, cane sugar producers and refiners covering sugar production in 19 EU countries (Austria, Bulgaria, Belgium, Croatia, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Lithuania, Poland, Romania, the Netherlands, Slovakia, Spain, Sweden) plus the United Kingdom and Switzerland.

**CEPM** brings together Professional and inter-Professional organisations whose mission is to represent and defend in their respective countries the interests of all or part of the maize chain: corn, maize silage, maize seed, and sweet corn. To fulfil these objectives, CEPM carries out monitoring, lobbying and communication activities, and makes concrete proposals.

The **C.I.B.E.** is the international confederation of sugar beet growers. It represents the interests of beet growers vis-à-vis European Institutions and international organisations since 1927. CIBE is composed of national and regional associations from 18 European beet-producing countries. These include 140,000 growers from 16 EU countries (Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, the Netherlands, Poland, Romania, the Slovak Republic, Sweden, the United Kingdom) and roughly 130,000 growers from 2 non-EU countries (Turkey and Switzerland).

**COCERAL** is the European association of trade in cereals, oilseeds, pulses, olive oil, oils and fats, animal feed and agrosupply. It represents the interest of the European collectors, traders, importers, exporters, and port silo storekeepers of the above-mentioned agricultural products. COCERAL's direct members are located in 14 EU countries, with one European association, Unistock representing the professional portside storekeepers for agribulk commodities within the EU and one associated member in Switzerland. With about 3000 companies as part of COCERAL national members, the sector trades agricultural raw materials destined to the supply of the food and feed chains, as well as for technical and energy uses. Gafta is an extraordinary member of COCERAL.

**Copa and Cogeca** are the united voice of farmers and agri-cooperatives in the EU. Together, they ensure that EU agriculture is sustainable, innovative, and competitive, guaranteeing food security to half a billion people throughout Europe. Copa represents over 23 million farmers and their families whilst Cogeca represents the interests of 22,000 agricultural cooperatives. They have 66 member organisations from the EU member states. Together, they are one of the biggest and most active lobbying organisations in Brussels.

The **European Biodiesel Board (EBB)** is a non-profit organisation established in January 1997. Today, EBB gathers close to 60 members across 21 Member-States, which represents 75% of the European output. Biodiesel is the main European solution to reduce emissions from transport and dependence on imported oil. EBB aims to promote the use of biodiesel in the European Union and is committed to fulfil International standards for sustainability in GHG emissions and sustainable feedstock. EBB is constantly working towards the development of improved and greener technologies.

The **European Oilseed Alliance (EOA)** brings together the oilseed producing organizations from the main European countries (Germany, France, UK, Poland, Czech Republic, Finland, and Belgium) and represents 90% of European oilseed production.

The **European renewable ethanol association (ePURE)** represents the interests of European renewable ethanol producers to the European institutions, industry stakeholders, the media, academia, and the general public. The organisation, established in 2010, promotes the beneficial uses of ethanol throughout Europe. Based in Brussels, ePURE speaks for 35 member companies and associations (including 19 producers), with around 50 production plants in 16 member states, accounting for about 85% of the renewable ethanol production in Europe.

**FEDIOL** represents the interests of the **European vegetable oil and protein meal industry**. With over 180 facilities in Europe, the sector provides over 20.000 direct employments. Our members process approximately 55 million tonnes of basic products a year for the food and non-food markets. Oilseed crushing produces vegetable oils and protein meals as co-products. While vegetable oils are used for food and technical uses (pharmaceuticals, paints, detergents, biodiesel, etc.), protein meals are used to meet the increasing global demand for meat and protein.