

PRESS RELEASE

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Time to decide – What’s at stake as European energy ministers vote on Biofuels?

This Thursday, 12 December, will see a crucial vote on one of the most controversial issues on Europe’s climate and energy agenda – the future of biofuels. Biofuels in Europe are derived largely from food crops and their future impact on land use is a cause of serious concern.

Decisions have been long deferred but now the Council of Ministers are set to agree their position on revisions to the EU Renewable Energy Directive (RED)² and the Fuel Quality Directive (FQD)³ to take into account the indirect land use change impacts⁴ triggered by EU biofuel use.

IEEP Executive Director David Baldock said: ‘Much is at stake on Thursday’s vote as energy ministers have the chance to set future EU biofuels policy on a more sustainable trajectory – or fail utterly to do so’. Recent discussions between senior officials have highlighted a real risk that the Council will indeed fail to take the necessary steps towards a better and more effective policy framework for biofuels⁵. This would need to ensure that only those biofuels that actually reduce greenhouse gas (GHG) emissions count towards national renewable energy targets and are supported by public money.

Whether the Council’s position continues to progress or not hinges primarily on three key issues:

1. How far does it recognise certain types of biofuels cause more indirect land use change than others and their use should be capped? Without a cap on the proportion of land-based biofuels, there will be higher ILUC risk and associated impacts on global agricultural markets. The draft Council position proposing a 7% cap is weaker than that of the Commission and the Parliament as it is less stringent and does not cover energy crops⁶. *Ben Allen, IEEP Senior Biofuels Analyst notes that ‘all land-based biofuels cause ILUC in most cases and their use must be capped’.*

2. Does it propose the use of ILUC factors as a way to account for ILUC associated GHG emissions and to distinguish between more or less sustainable biofuels? These “factors” are a device for assessing whether biofuels meet required minimum GHG saving requirements, without which there would be no assurance of the climate benefits of producing them. The draft Council position would see a requirement only for the Commission to report on likely ILUC emission ranges without any obligation for Member States to actually account for ILUC. The Council should agree that binding ILUC factors are included in both the RED and the FQD.

3. Does it address the need to rebalance the current biofuel portfolio? Under the current policy framework, around 90% of the growing volume of biofuels that Europe will consume in 2020 are projected to come from food and animal feed crops. Without significant policy changes, EU policy will continue to drive ILUC. The Council should seek to find ways of promoting those biofuels that do not rely on land, such as advanced biofuels from wastes and residues. Their promotion would need to be accompanied by strict sustainability safeguards⁷. The Council should also ensure that incentives to promote certain feedstocks, such as double counting, do not weaken the overall renewable energy target. *‘Counting advanced biofuels double towards the overall renewable energy target for each country, as the UK government is pushing for, opens the door to a tide of “exceptions” ’*, emphasises IEEP Senior Biofuels Analyst Bettina Kretschmer.

Detailed analysis by IEEP of the outcome of the Council vote and what it means for future EU biofuel policy will follow on Friday this week, 13 December.

Contact:

Please contact in Brussels Bettina Kretschmer (bkretschmer@ieep.eu), Tel: +32 (0)2 738 7478, or in London Ben Allen (ballen@ieep.eu), Tel: +44 (0)207 340 2682

Notes to the editor:

1. IEEP (the Institute for European Environmental Policy) is an independent research organisation concerned with policies affecting the environment in Europe and beyond. Visit our website: www.ieep.eu; or our Biofuel ExChange website for more information on biofuels: <http://www.ieep.eu/minisites/pursuing-change-in-biofuels-policy-developing-alternatives/news-and-events/>
2. Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC, OJ L140/16, 05/06/09.
3. Directive 2009/30/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 98/70/EC as regards the specification of petrol, diesel and gas-oil and introducing a mechanism to monitor and reduce greenhouse gas emissions and amending Council Directive 1999/32/EC as regards the specification of fuel used by inland waterway vessels and repealing Directive 93/12/EEC, OJ L140/88, 05/06/09.
4. The Commission’s proposal can be found here: http://ec.europa.eu/clima/policies/transport/fuel/docs/com_2012_595_en.pdf. *Indirect Land Use Change (ILUC)* is generated by the elevated demand for agricultural commodities as a consequence of biofuel consumption. In response there will be an expansion of the total area required for growing arable crops, for example at the expense of grassland or forest. Feedstocks for biofuels are often grown on land that is already arable. However, if total food and feed production is to be maintained this is likely to result in the displacement of food or feed production to new areas. The expansion in the area of cultivation leads to land use change, which is associated with GHG emissions as a consequence of the release of carbon locked up in soils and biomass. Moreover the expansion in cultivated area and more intensive use of agricultural land can pose a potentially significant threat to biodiversity globally.

5. Discussions have been held within COREPER, the Council's Committee of Permanent Member State Representatives, who have been negotiating the detailed amendments prior to a ministerial vote.
6. The Commission proposed a 5% cap on conventional biofuels from food crops, ie not including energy crops in that cap; the Parliament subsequently adopted a position including a 6% cap which is proposed to cover also (non-food) energy crops; in COREPER it has been discussed that the cap should be raised to 7% cap and cover only biofuels from food crops.
7. IEEP elaborated on the danger of diverting wastes and residues away from existing uses and the need for environmental safeguards to mitigate potential negative impacts: http://www.ieep.eu/assets/1173/IEEP_2013_The_sustainability_of_advanced_biofuels_in_the_EU.pdf.
8. While the biofuels that will benefit from double or quadruple counting are low-ILUC biofuels, IEEP is concerned about other environmental risks that remain unaddressed in the proposals, such as the removal of too much biomass for energy purposes from existing ecosystems without adequate sustainability safeguards. This is important for a variety of reasons. For example straw is a potentially useful resource for bioenergy but if extracted from fields as a response to the proposed legislative changes on too large a scale could affect soil structure. Energy and woody crops are incentivised through double counting; while these crops typically have higher energy yields per hectare, they would nevertheless cause ILUC if grown on cropland. The proposal could be improved by requiring or at least incentivising their cultivation on truly degraded and unused land (which would have to be carefully defined in environmental terms).