

# **Submission of BioX Group b.v. on proposals by the European Commission (DG TREN) for 'Biofuel issues in the new legislation on the promotion of renewable energy'**

## **1. General**

BioX supports the general principle of establishing sustainability criteria for biofuels that are used to fulfil the biofuels target. The current proposal has a very limited scope of sustainability criteria, with important environmental and socio-economic criteria missing. Consequently, meeting the proposed criteria does not (necessarily) mean that a certain biofuel has been produced (fully) 'sustainable'. It is therefore important that once biofuel producers solely adhere to the Commission's currently proposed criteria, no claims of '(fully) sustainable production' shall be made. BioX would encourage a (future) extension of the set of sustainability criteria with other relevant aspects. We feel that the frameworks drafted in countries such as the Netherlands and the UK would provide useful templates. We understand that the Commission is seeking –as much as possible- harmonisation with existing industry biomass certification schemes. BioX support the concept of 'equivalence', whereby an industry scheme certificate would be sufficient to prove fulfilment of the Commission's proposed criteria. Developing an additional 'EU' certification scheme would unnecessarily increase administrative burden on individual market players, and reduce support of the system both with European market players and production countries outside the EU.

## **2. Scope of the proposal**

The intended sustainability criteria will solely apply to biomass for biofuels applications. We would encourage the Commission to investigate the feasibility of extending the criteria to other applications of biomass, e.g. electricity and heat generatio, food and feed. For most biomass streams potentially suitable for application as biofuel, the demand for food and feed is significantly larger, and will remain so even when 2020 biofuel targets are met. Application of sustainability criteria to biofuels solely will create an uneven playing field, and will also slow down the process of moving production sectors as a whole towards more sustainable practices.

## **3. Greenhouse gas balance**

The greenhouse gas balance shall include greenhouse gases in general, not just carbon dioxide, and include the complete biomass chain. Default values shall, in addition to data in JRC/EUCAR/Concave 'well-to-wheel' study, also be based on the data gathered in the framework of the UK/Netherlands tool which is currently being developed. We suggest to carefully consider including CO<sub>2</sub>-effects of land use change in the greenhouse gas balance, for the following reasons. First of all, proposed sustainability Criterion 2 and Criterion 3 prohibit that *new lands* containing high carbon stocks or areas of high biodiversity value be converted to biomass plantations, thus avoiding associated CO<sub>2</sub>-effects (which makes including this element irrelevant in these cases). For *existing* biomass plantations, including CO<sub>2</sub>-effects will simply cause a displacement effect. If for example for palm oil, emissions from peat lands have to be taken into account, palm oil for biodiesel will solely come from non-peat land (which is >80% of total acreage) while at the same time plantations on peat land will only produce palm oil for other applications, e.g. food or feed (they will not stop producing), so that overall no net CO<sub>2</sub>- benefits have been

achieved in the production sector as a whole. A way to deal with this is to give an incentive to existing palm plantations on peatland which apply best practice to conserve peat as much as possible. In other words if the standard default for the CO<sub>2</sub>- emissions from peat is set at X, a producer which can prove that he is applying best practice (e.g. water management and restoration activities) may get a default value of for example 0.5 X.

#### **4. Encouraging the use of second-generation biofuels**

To our understanding 'Second-generation biofuels' is an arbitrary wording generally used to distinguish between biofuels based on either the nature of their feedstock or the production technology applied. The proposal should avoid the use of such vaguely defined terminology, as this might focus the discussion on the 'buzz-word' rather than its objective. We propose to use the CO<sub>2</sub>-balance as the primary criterion to distinguish between good and better biofuels, as this better relates to the primary (environmental) objective of these fuels. Biofuels which have a CO<sub>2</sub>-efficiency above a certain threshold may classify as second generation, where as others classify as first generation.

#### **5. Indirect land use change effects**

Various recent reports, including the UN-Energy report 'Sustainable bio-energy: a framework for decision makers' suggest that more research is required to acquire adequate insight in positive and negative effects of large scale production of biomass for bio-energy applications, including land use change effects. We suggest that, in addition to the proposed reporting requirements on land use developments the Commission undertakes in-depth research on indirect land use change effects, in particular in relation to potential food versus feed versus fuel competition issues. The comments and suggestions given above are not intended to be exhaustive. BioX is eager to engage in future discussions to further fine tune a framework that will be effective in meeting its objectives. On BioX The BioX Group b.v. is a leading market player for the application of vegetable oils, including palm oil and jatropha oil, as liquid biomass for electricity generation. BioX develops bio-energy facilities in a number of European countries. BioX aims further vertical integration in the chain by developing green field biomass plantations with local partners and acquiring a share in sustainable biomass plantations. BioX believes that she can only generate long – term success in this market if the biomass chains in which she operates are sustainable.