

Biofuel issues in the new legislation on the promotion of renewable energy

We welcome the Commission's consultation on proposals to incorporate a renewable energy roadmap proposing a binding 10% target for the share of biofuels in petrol and diesel in each Member State in 2020, to be accompanied by the introduction of a sustainability scheme for biofuels. We have recently commented on the use of biofuels for a UK consultation and are pleased that incentives are being considered for biofuels and increasing the biofuel share. It is on this basis that we would like to emphasise just how imperative it is to offer clear signals to motor manufacturers, fuel suppliers, and the motoring community. It is critical that the Commission instils a high degree of confidence to all key stakeholders to ensure a sufficient level of investment is made in vehicle design, R&D, technology and refuelling infrastructure. The European Commission will be all too aware of the powerful and influential role tax and other fiscal incentives have been proven to play in encouraging a greater use of technology that delivers reduced vehicle emissions. However, we feel this is best determined at Member State level and the Commission's role should be to ensure legislation does not restrict the ability for tax and other fiscal incentives to be used to encourage use of the cleanest vehicles. The recently agreed legislation for EURO 5 and 6 is a good example of this.

Specific Comments

How should the use of second generation biofuels be encouraged?

The key to the development of a market for second generation bio-fuels will be the development of a refuelling infrastructure. Additional legislative support would be best used to support infrastructure development rather than in any attempt to push specific technology. It is important that in seeking to incentivise the Commission maintains a technology neutral position. Equally, we would recommend that the Commission should consider fiscal support for overall carbon reduction rather than simply focus on a single fuel type. Such an approach would also ensure a wider improvement on the environment generally.

What further action is needed to make it possible to achieve a 10% biofuel share?

We would recommend that all fuel quality issues must be resolved before additional targets are considered. It is not feasible to expect users of vehicles to be running the risk of damaging their vehicles by using fuel that does not meet the standard required for all vehicles to operate within the manufacturer's prerequisite standards. We would recommend that when it comes to targets above 5% vehicle manufacturers should be involved at an early stage to ensure that high level of testing is undertaken to ensure there are no post implementation issues. Robust carbon-saving and sustainability criteria should be built into future targets and support mechanisms to ensure the fuel sector does not fall into disrepute and buyers lose confidence of biofuel. A mechanism will need to be introduced to ensure the sustainability and source of supply for bio-fuels; this could be in the some form of certification mechanism or similar accreditation.