

EN Consultation of bio fuels

**Answers given to the questions reflect the standpoint of the Institute for Transport Sciences and the Hungarian Share Company of Oil and Gas Industry.*

Question 1.1

Do you think the „possible way forward” described above is feasible?

We agree with the application of the principles of sustainability and the introduction of the minimum criteria, because the statutory provisions may not encourage the trading of such products which are more harmful to the environment than the already known and more economically producible products or fuels. The minimum criteria should be determined on directives' level, on the basis of scientifically grounded WTW principles; however they should be simple and easily applicable (on the score of raw material and technology, the institute engaged in quality attestation may rate the product). Establishment of the uniform, European system of qualification is important, in its absence no criterion, different inclusion in the national performance can be applied. Free movement in the internal market of the bio-fuels could be aggravated by the national quality ratings varying from one another. Monitoring and reduction of the emission caused by biofuels/fuels were also reflected in the draft directive on the quality of fuels. It should be avoided that the two rules – the directive on biofuels and the directive on fuels – result in the introduction of different GHG-calculation methods and inclusion principles. Therefore, primarily a uniform EU-level bio fuel qualification system is necessary that is based on a scientifically grounded GHG-emission calculation method, one of its elements being the determination of the minimum criteria. The uniform quality rating system should be used in every bio fuel related rule.

Question 1.2

What do you think the administrative burden of an approach like the "possible way forward" would be? (If possible, please quantify your answer.)

GHG qualification is a new element, therefore, by all means, the administrative burden increases, and this has a sense only if it stimulates the efficient GHG avoidance and the trading of the products causing less environment harms than the fossil fuels. A useless administrative burden is generated if the same indicator, the GHG emission, sustainability of fuels are also regulated in several and different ways. The administrative burden can be decreased significantly if a uniform, EU GHG quantification method, documentation are introduced (standard procedure, standard documents) according to which accredited institutions may attest the bio fuels. Consequently, on the basis of the three criteria, besides the confirmation of the quality indicators, the sustainability „class” would also be indicated in the quality certification. Later on, this document would "track and trace" the bio-components up to their free trading in clean form (B100, E85) or blended in some standard fuel (E5, B5).

Question 1.3

Please give your general comments on the "possible way forward", and on how it could be implemented. Does it give an adequate level of assurance that biofuels will be sustainably produced?

The qualification of biofuels can be functioning if based on a uniform rule (in the „Emission Trading Scheme” a Commission Resolution determines the quantification methodology of the CO₂ emission); an institute accredited to this aim implements the process of qualification and in meeting the obligations, products supplied with uniform document can only be considered in the different incentive systems. In our opinion it is acceptable that some national methods get also accreditation, however the approval must be mutual, the quality assurance of an EU-certified product must be accepted in every member state. (See: smooth transport of the bioethanol within the EU is almost impossible due to problems related to bioethanol denaturants.) Further on, the directive on fuel emission monitoring already mentioned under point 1.1.

Question 1.4

Carbon stock differences between land uses would be taken into account under criterion 2. Should they also be taken into account under criterion 1? If so, what method should be used to determine how the land in question would have been used if it had not been used to produce raw material for biofuels?

In any case, the decrease or increase of the capacity of the carbon stock in the given country, resulting from the plants used as raw materials is suggested to be taken somehow into consideration in the qualification process of the biofuels, since the entire carbon stock capacity of the world has a key importance from the point of view of climate changing. If plants raised for biofuel production take up the land from other plants with higher carbon fixing capacity, then, the carbon dioxide decreasing balance of the biofuel gained from that produce is deteriorated. Prior to planting the plant to be used as raw material for biofuel in a land which was uncultivated before, the carbon-fixing capacity of the vegetation of the given land should be surveyed. In practice, no exact quantitative indicator can be obtained on the basis of determining what growing culture would have been in the land in question where the raw material is produced, had it not been used to this aim. This question could only be regulated by indirect methods.

Question 1.5

As described in the "possible way forward", criterion 3 focusses on land uses associated with exceptional biodiversity. Should the criterion be extended to apply to land that is adjacent to land uses associated with exceptional biodiversity? If so, why? How could this land be defined?

The extension of the criterion's application is necessary in any case, because in the absence of appropriate research, the effect of some agricultural vegetation to the adjacent environment with exceptional biodiversity cannot be precisely assessed. Many European research institutions are engaged in the investigation of these interactions. Anyhow, eventual harmful impacts should be analysed before the use of such land, and an adequate „puffer-zone” developed between the agricultural land and the land with exceptional biodiversity.

Question 1.6

How could the term "exceptional biodiversity" (in criterion 3) be defined in a way that is scientifically based, transparent and non-discriminatory?

For example, lands with „exceptional biodiversity” already have also been determined in the network NATURA2000.

Question 2.1:

Please give your comments on the "possible way forward" described above. If you think the problem should be tackled in a different way, please say how.

This is an important viewpoint. Direct effects shall be analysed which have been caused by increased biofuel production to the land use of the given member state. However, its tracking is a difficult task. A preliminary survey should be prepared on the state of the art that could provide a basis for future comparison. What is the situation in non-member countries involved in raw material production? How and on what basis will the European Commission report on their land use ?

Question 2.2

Do you think it is possible to link indirect land use effects to individual consignments of biofuel? If so, please say how.

This needs finding an answer to question 2.1 first....

Question 3.1:

How should second-generation biofuels be defined? Should the definition be based on:

- a) the type of raw materials from which biofuels are made (for example, "biofuel from cellulosic material")?**
- b) the type of technology used to produce the biofuel (for example, "biofuels produced using a production technique that is capable of handling cellulosic material")?**
- c) other criteria (please give details)?**

It is not necessary, and it is not realistic either, to introduce special, second-generation term into the regulation, because the second-generation biofuels have to meet the same requirements (GHG emission decrease) as any other biofuels. Such a regulation is needed that independent of the type of technology used for production focuses on the efficiency of the product, namely, it stimulates the use of a product which makes possible the avoidance of immense greenhouse gas emission.

Question 3.2:

Please give your comments on the "possible way forward" described above. If you think the problem should be tackled in a different way, please say how.

We agree that a more efficient than actual research and development addressed to biofuels can be stimulated; one of the appropriate methods may be the performance bound to the product's whole lifecycle-related greenhouse gas emission.

Question 3.3

Should second-generation biofuels only be able to benefit from these advantages if they also achieve a defined level of greenhouse gas savings?

Biofuels with better performance should benefit (3.2), otherwise all biofuels have to comply with criteria mentioned under point 3.1.

Question 4.1:

Should the legislation include measures to ensure that diesel containing 10% biodiesel (by volume) can be placed on the market, and is in fact placed on the market?

Significant biofuel share can be realised on the market, if the biofuels blended in standard fuels, are marketed through the existing supply chain, the implied quality assurance system, and therefore the indicators determined in the fuel standards admitting the blending of the biofuel shall be amended. Amendment can be implemented if demands of the vehicle fleet are taken into consideration. The CEN is the proper forum for this.

Question 4.2:

Should the legislation include measures to encourage the use of ethanol and biodiesel in high blends? If so, what?

High blends may be used in dedicated motor vehicles, and converted vehicle fleets. For their fuel supply, special supplying network should be implemented, that increases the price of the fuels. The high bio content means high financing rate which may significantly burden the budget of the member states. So, the application of the high blends will be more expensive for both the consumers and the tax payers, while there are still possibilities in the field of fuel blends. For example, the application of fuels with high biocomponent content is possible in the case of vehicle fleets used in community transport.

Question 4.3:

Should the legislation include measures to encourage the use of biomethane, methanol and DME in transport? If so, what?

The spreading of the new types of the biofuels should be made possible, thus, for example, the trading of the biogas as auto-gas is feasible; the new possibilities should be encouraged, because locally economical solutions can be elaborated.

Question 4.5:

Should the legislation ask the Commission to review, by a given date, whether it is possible to be confident that the 10% target can be achieved through:

- a) rules that allow 10% blending by volume of ethanol in ordinary petrol, plus**
- b) rules that allow 10% blending by volume of biodiesel in ordinary diesel, plus**
- c) the four options listed under 'other options for solving the problem';**

If so, what should the date be?

If the review were to conclude that the target is unlikely to be met, what action should the Commission take?

The answer to every question is: yes, because the target cannot be attained, unless changing the rules regulating the blending rate of the bio-components, spreading the fuels with high bio-component content and improvement of the alternative biofuels.

Question 4.6

More generally, what role should taxation play in the promotion of biofuels (considering different situations such as low blends, high blends and second-generation biofuels)?

The ideal taxation system would not support biofuels, but it would rather increase the excise duty content of fossil fuels to such an extent as the environment damages caused by the burning of the traditional fuels be covered.