

Consultation on Biofuel issues In the New Legislation on the Promotion of Renewable Energy ALTRAN Contribution

Question 1.1:

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

The proposal of the European Commission that consists in defining a list of "sustainability criteria" is feasible. Nevertheless, this incentive/support system for biofuels might lead to a situation where non-sustainable produced biofuels are still put on the market at competitive prices, making it difficult to stop regular consumers using them. Therefore financial support for sustainable produced biofuels would be needed in order to guarantee their competitive advantage. At the moment the price difference is not clear enough between the two kinds of biofuels and it would be safer, even if difficult, to forbid non-sustainable produced biofuels on the market.

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.)

The "possible way forward" suggested by the European Commission would put an administrative burden on the Member States, due to the fact that they would be responsible for ensuring that the "sustainability criteria" are respected. The only way to lessen this burden would be to place it elsewhere, which would result in a financial burden, in a situation where other entities or people would have to pay for it. The question is not what the burden would be, but how it would be dealt with. Therefore this should be one of the aspects taken into consideration when calculating the financial means necessary to achieve the 10% goal. We could consider as analogous the way of checking the compliance of companies with IFRS (International Financial Reporting Standards), by independent accountants that sign their reporting. This option would reduce the cost of such a system for the community. In any case, the biofuels producers would have to submit a file proving that the sustainability criteria are respected to request eligibility for financial benefits.

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? If you think the problem should be tackled in a different way, please say how, giving details of the procedures that would be used.

The "possible way forward" would lead to sustainable produced biofuels, without preventing from using unsustainable produced biofuels. This dimension could be ensured by legislative measures that would set the sustainability criteria of the fuels. This option would be more difficult, but would give more success. Important aspects have to be mentioned, such as traceability, which gives confidence in the guarantee for biodiversity, as well as biofuels production. Sustainability also includes the welfare and prosperity of local communities, as well as the pollution of the local environment.

Therefore extra criteria might be as follows:

- Mass production of biofuels should not endanger the local food (and maybe medicine) supply
- Production of biofuels should not endanger the local employment levels
- The amount of pesticides and artificial manure should be limited

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?

Taking carbon stock differences between land uses into account under criterion 2 is enough and keeps the criteria feasible to deal with. In addition, the reference carbon stock should be based on the land use before being used to produce raw materials for biofuels.

Question 1.5

As described in the "possible way forward", criterion 3 focuses on land uses associated with exceptional biodiversity. Should? If so, why? How could this land be defined?

It is not necessary to extend the criterion to apply to land that is adjacent to land uses associated with exceptional biodiversity. There should be an overall diversity requirement that should be well defined by bio-diversity specialists. An extension could nevertheless be considered if the land also qualifies for 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?

It is probably not necessary to (re)define the term "exceptional biodiversity", since a legislation already exists for this and applies for other uses of land. Extra legislation would probably be counterproductive.

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.

The land use has effectively to be followed in order to assure biodiversity. Nevertheless, the "possible way forward" seems not very clear and only states the evident. An additional proposal could consist in submitting every new plantation for raw materials for the production of biofuels to a survey, including the following questions:

1. Is this necessary to fulfill the needs in biofuels?
2. What is the current land use (and do we have to keep this)?
3. What are the alternative evolutions of land use?

In addition, this "possible way forward" should actually be defined also for projects in which the land is going to be used for other purposes, for instance the building of houses or offices. It is assumed this is not defined yet and it raises the question on how much effect it would have when done with land used for biofuels. This should then be implemented for all land. Lastly, the suggestion of setting up such a database is welcome, keeping in mind the need to be very cautious on what is published and to use it as a database - not as a sustainability reference, which would have severe implications.

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.

It seems possible to link indirect land use effects to individual consignments of biofuels only if a very concise registration is set up. This being so, we do not believe this element would help to produce more sustainable sound fuels.

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")?

No

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")?

No

c) other criteria (please give details)?

Second-generation biofuels should be defined based on their LCA, which should give a maximum of CO₂ emitted (and other GHG), performance (energy content and usage, other emissions (air quality), etc. per generation of fuel. For instance it could be stated that first generation fuels are 10-20% more CO₂ effective than fossil fuels, while second generation fuels have to be at least 50% more effective. Lastly, another possible reason to develop new biofuels that do not perform better would be to guarantee biodiversity.

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.

If the second-generation biofuels are defined according to a definition based on the LCA, we could plan to define obligations in terms of biofuel performance criteria (energy and GHG savings). In the same perspective, subsidies should be related to the performance of biofuels.

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?

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?

The legislation could 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, if the existing petrol and diesel engines can cope with this blended fuel. This should be checked with vehicle manufacturers. Nevertheless, it is more important to phase out normal diesel and phase in biodiesel than it is to do this in a certain way (e.g. focusing on B10), if it is easier to comply with normal diesel and 10% B100 than that is preferred over B10.

Question 4.2:

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

The legislation should - if possible - include measures to encourage the use of ethanol and biodiesel in high blends, since eventually these have to gain a large market share. It could be done via stating not only how much biofuel has to be put on the market, but also how much high blends there should be. However, we must be sure that the vehicle market can follow.

Question 4.3:

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

All biofuels should be encouraged: High bioethanol and biodiesel blends must be encouraged for specialized use, as well as biomethane, biomethanol or bio-DME. We could imagine a use for local or regional transport of passengers or of goods as well as for agricultural or mining activities and long range trucking with fixed filling stations or railways. The promotion of every kind of biofuels could be done by not specifying the fuel itself, but by setting the right criteria. The benefits should take into account the complete life cycle and be related to the sustainability criteria that are defined.

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:
If so, what should the date be?**

The legislation should ask the Commission to review, first by the beginning of 2010, then every 3 years, whether it is possible to be confident that the 10% target can be achieved.

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

If the review were to conclude that the target is unlikely to be met, the action the Commission should take would depend on the reasons why the targets are not met. Actions could consist then in increasing the system funding, or in spending the funding differently, or in placing responsibilities in a better place.

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)?

Since taxation is tackled at Member States level, it is hard to reach a level playing field through taxation. If this option is chosen, it should be determined on a basis of performance and of sustainability parameters: the principle of the polluter pays should then apply.