

BIOFUEL ISSUES IN THE NEW LEGISLATION ON THE PROMOTION OF RENEWABLE ENERGY

Public Consultation exercise

Views of the Alliance of Synthetic Fuels in Europe (ASFE)

Question 1: How should a biofuel sustainability system be designed?

ASFE agrees on the need to make a distinction among different fuels depending on the environmental and other benefits they bring. The system should be simple, transparent, non-bureaucratic and WTO compliant and should address all aspects of sustainability: ecologic (eg sustainable bio-component sourcing with supporting traceability and certification systems, and CO₂ performance of biofuel using internationally recognised WTW methodology), social (e.g. security of supply) and economic aspects (e.g. cost effectiveness). It is therefore of high importance that biofuels receive support that is proportionate to the specific contribution they make to a policy objective by e.g. fiscal or other mechanisms that lead to security of investments over a long-term perspective. A simple and not too ambitious threshold, as proposed in the consultation paper, could seriously harm the effectiveness of the scheme as it fails to take into account any differences in performance beyond the threshold level. Whatever the mechanism chosen, it is important to define the rules in a consistent and harmonized way across the EU market. Biomass to liquids (BTL) meet all three sustainability criteria as defined in the consultation document. Second generation biofuels are made from non-food feedstocks such as residues from agriculture and forestry. In addition, other environmental benefits also need to be taken into account as part of these criteria. Synthetic fuels, for example, reduce significantly local emissions and could make a contribution to the policy objectives on air quality.

Question 3: How should the use of second-generation biofuels be encouraged?

ASFE fully agrees that second-generation biofuels need specific support. In particular synthetic diesel fuel from biomass (BTL) has the additional benefit to make the EU less dependent on diesel imports and should get extra support. To justify investments in this technology a long-term strategy is important that should be implemented as soon as possible. This strategy should be accompanied by a R&D and fiscal framework in the EU. Legislation should recognise that not all bio-fuels generate the same CO₂ benefits. Appropriate mechanisms should be considered to encourage biofuels, including fiscal incentives proportional to their life-cycle CO₂ emissions and special measures during the market introduction phase of new, superior fuel options. The sustainability criteria mentioned above must be consistently applied. In addition, synthetic fuels from other feedstocks can also play a role in the development of second-generation biofuels, such as Gas to liquids (GTL). As a large part of the production technology is shared between GTL and BTL, any development in the production of GTL will also benefit BTL technology. Thanks to their unique properties, GTL could also enable advanced combustion technology such as homogenous combustion. Therefore, promoting the demand for GTL will accelerate the development of BTL.

Question 4: What further action is needed to make it possible to achieve a 10% biofuel share?

ASFEE wants to underline that the unique properties of Synthetic Fuels give them a key role to play in mitigating compatibility and blending problems. Synthetic Fuels can be used neat or blend in any percentage to conventional diesel fuels without compatibility problems with engines and infrastructure and, for that specific reason, they do not require specific labeling.