

MALAYSIA

FEEDBACK ON THE PROPOSED THE NEW LEGISLATION ON THE PROMOTION OF RENEWABLE ENERGY (IN ITALICS)

1. HOW SHOULD A BIOFUELS SUSTAINABILITY SYSTEM BE DESIGNED?

- *Sustainability to be defined according to the laws and regulations of the exporting country. There is a need to define phrases such as ‘land with high biodiversity value’ and ‘environmentally harmful systems for biofuel production’. In the absence of any agreed international convention on these definitions and since uniform internationally accredited standards are unavailable, these phrases should not be applied.*

a. Box 1

- *There should not be any discrimination between domestic and imported biofuels or raw materials for biofuel relating to environmental requirements.*
- *On sustainability criterion 1, there is a need for EU to accept greenhouse gas savings provided by the exporting countries and not to impose arbitrary standards including the need to verify the data provided by third parties.*
- *On sustainability criterion 2, the Rio Summit on Sustainable Development (Principle 2 and 3) ‘recognises the sovereign right of States to exploit their own resources pursuant to their own environmental and development policies’. As such, criterion 2 should not run contrary to agreed international conventions.*
- *On sustainability criterion 3, it should be guided by the existing forest policies which include protection of biodiversity by the exporting countries. Protection of biodiversity is normally under the purview of national forest policies and should not be linked with agriculture policies.*

b. Box 2

- *Any criteria set for importing countries raw materials should be similarly extended to biofuel and biofuel raw materials from within the EU zone.*
- *Self certification on sustainability should be encouraged as it takes into account domestic sensitivities and capacity.*

Q1.1:Do You Think The “Possible Way Forward” Described Above Is Feasible?

- *The possible feasible way:*
 - *objective definition of high biodiversity value based on international agreed conventions; and*
 - *use of words such as 'environmentally-harmful' systems should be avoided as there are no internationally accepted standards;*

Q1.2:What Do You Think The Administrative Burden Of An Approach Like The “Possible Way Forward” Would Be? (If Possible, Please Quantify Your Answer)

- *The burden of compliance will incur additional costs particularly to small farmers which could lead to blocking of market access for production from these farmers. Further, the administrative burden is likely to involve the entire supply chain. The cost of collecting data will be high considering verification and certification is required.*

Q1.3: 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?

- *Criteria such as land use change, biodiversity and CO₂ neutrality should be subjected to the environmental laws and regulations of the exporting countries.*

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 regulations should not discriminate between EU produced or imported biofuel and biofuel raw materials.*

Questions relating to individual criteria in box 1

Q1.4: 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?

- *As in paragraph 1 (a).*

Q1.5: As Described In The “Possible Way Forward”, Criterion 3 Focuses 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?

- *As in paragraph 1 (a).*

Q1.6: How Could The Term “Exceptional Biodiversity” (In Criterion 3) Be Defined In A Way That Is Scientifically Based, Transparent And Non-Discriminatory?

- *As in paragraph 1 (a).*

2. HOW SHOULD OVERALL EFFECTS ON LAND USE BE MONITORED?

Q2.1: 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.

- *It should be left to the laws and regulations of the individual country.*

Q2.2: Do You Think It Is Possible To Link Indirect Land Use Effects To Individual Consignments Of Biofuel? Is So, Please Say How.

- *This is not a viable proposal as it presents a host of implementation problems and it could mean imposing EU Laws on the Domestic laws of the exporting country on land laws.*

3. HOW SHOULD THE USE OF SECOND-GENERATION BIOFUELS BE ENCOURAGED?

Q3.1: 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)?

- *Current and new technologies must be scientifically proven and commercially viable. There is a need for further R&D to be undertaken.*
- *This is an emerging area where the related sciences and technologies changing rapidly. The type of raw materials use should not be restricted. Otherwise progress in this field would be impeded.*

Q3.2: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.

Q3.3:Should second-generation biofuels only be able to benefit from these advantages if they also achieve a defined level greenhouse gas savings?

4. WHAT FURTHER ACTION IS NEEDED TO MAKE IT POSSIBLE TO ACHIEVE A 10% BIOFUEL SHARE?

Q4.1: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 EU to mandate all petrol stations to make available biodiesel.*

Q4.2:Should the legislation include measures to encourage the use of ethanol and biodiesel in high blends? If so, what?

Q4.3:Should the legislation include measures to encourage the use of biomethane, methanol and DME in transport? If so, what?

- *The EU to mandate for all member countries.*

Q4.5: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?

Q4.6: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)?

- *Taxation should be used as an incentive (**not** subsidy) in promoting the use of biofuels and non-discriminatory with regard to the sources.*