Copa and Cogeca’s preliminary contributions to the policy on promoting renewable energy sources and decarbonising the transport sector for the 2020-2030 period
Copa and Cogeca’s preliminary contributions to the policy on promoting renewable energy sources and decarbonising the transport sector for the 2020-2030 period

Summary

Copa and Cogeca wish to present their preliminary contributions with a view to the revision of Directives 2009/28/EC and 2009/30/EC for the post-2020 period.

- Copa and Cogeca ask the Commission to ensure that the European target of achieving a 27% share of renewable energy sources by 2030 is accomplished by establishing a strict framework on governance, compelling the Member States to set their own targets depending on their respective situation and potential. The Commission should ensure that the share of renewable energy sources increases in all Member States between 2020 and 2030, and the overall national targets of the Member States between now and 2030 should be higher than those which apply until 2020, as should the national sectoral targets submitted to the EC in national action plans. Copa and Cogeca propose that a European target of at least 10% for conventional biofuels be established in the transport sector.

- Copa and Cogeca ask that the European target to reduce GHG emissions by unit of energy of fuel used for road transport be pursued to a greater extent than 6% from 2020 onwards thanks to the use of biofuels.

- Copa and Cogeca ask that a stable and targeted policy be pursued, which aims to continue the use of biofuels after 2020, including conventional biofuels which are certified as sustainable, if the EU wants to strengthen energy security, decarbonise road fuels and generate growth and employment in rural areas. An additional European target of at least 3.5% for advanced biofuels made from waste, residues and catch crops in transport is essential.

- Copa and Cogeca believe that the development and distribution of biofuels can be a step towards achieving an economy which is less dependent on fossil fuels. The production of mass biofuels is a pre-condition for greater investment in the bioeconomy and the deployment of solutions in the agricultural, food and forestry sectors to mitigate climate challenges.

- Copa and Cogeca reject the need for a cap on conventional biofuels because the EU has the production potential to produce biofuels without compromising food security at EU or global level.

- Copa and Cogeca ask that EU action be focussed on measures which aim to mobilise agricultural and forest biomass rather than legislating its use through the cascade principle.

- The Common Agricultural Policy ensures the highest level of environmental performance in the world. Agricultural biomass from agricultural holdings which are eligible for the CAP must be considered as complying with sustainability criteria.

- The concept of indirect land use change should not be included in sustainability criteria because there is no reliable, transparent and consensual scientific knowledge at international level which could serve as a basis to analyse the extent of this theoretical phenomenon.

- Copa and Cogeca ask the EU to encourage the introduction of effective environmental legislation in third countries in order to prevent land use change through international agreements, as is suggested by the EP Resolution of 15th March 2012 under point 44 of the Roadmap for moving to a low-carbon economy in 2050 (P7_TA(2012)0086).

1 Reserve placed by LLKC (Latvia)
Introduction

The development of renewable energy sources on agricultural holdings (biogas, solar panels, wind energy, co-generation of biomass, etc.) provides numerous advantages, for example the diversification of income streams, enhanced energy efficiency on agricultural holdings, the prevention and reduction of greenhouse gas emissions, energy security at local level, more efficient use of co-products (liquid manure, for instance), and compliance with environmental protection standards on harmful emissions. The production of bioenergy supports the transition to a bioeconomy as well as the circular economy.

The development of the arable crop-based biofuel market has made it possible to reduce imports of concentrated protein co-products from the USA and South America that are used for animal feed, to stabilise agricultural markets in the event of extreme volatility, to make better use of agricultural production capacity through crop rotation and to improve productivity, particularly in central and eastern Europe.

In the forestry sector, the promotion of renewable energy sources has enabled an increase in competition for some categories of wood residues and co-products, which has generated new investments and more dynamic forest management. In some cases, as there is no demand from other industries or the infrastructures and/or the logistics is inexistent, the energy market is the only outlet available which enables active forest management.

These developments have mostly been possible thanks to targeted policies put in place by the EU and the Member States.

For the post-2020 period, it must be ensured that EU agriculture can fulfil its role in mitigating the effects of climate change without food security being compromised. The increase in production of biomass per hectare must be promoted because it makes it possible to respond to concerns about food security, the development of the bioeconomy, and carbon storage in soils in order to tackle climate change.

In October 2014, the EU agreed on a binding greenhouse gas emission reduction target of 40%, a target of achieving a share of 27% renewable energy sources in the energy mix by 2030, as well as a target to improve energy efficiency by 27%. The European Council has invited the Commission to carry out a further examination of the instruments and measures needed for a comprehensive and technology neutral approach for the promotion of emission reduction and energy efficiency in transport, for electric transport and renewable energy sources in transport after 2020. It has also called for the examination of the best means of encouraging the sustainable intensification of food production while encouraging the optimal contribution of the sector to greenhouse gas mitigation and carbon sequestration.

The European Commission had stated that it will propose a new package on renewable energies in 2016-2017. This package will include a new policy for sustainable biomass and biofuel production chains, as well as providing a legislative framework which aims to ensure that the target set for 2030 is achieved at a lower cost.

That is why Copa and Cogeca would like to present their preliminary contributions concerning the policy on promoting agricultural and forest biomass and decarbonising the transport sector for 2020-2030.

---

2 European Council conclusions on climate and energy policy framework 23rd October 2014
3 COM(2015)80 final
A binding European renewable energy target for the Member States of 27% by 2030.

The EU and the vast majority of Member States are on track to achieve their renewable energy targets in the energy mix by 2020 thanks to significant deployment of the agricultural and forest biomass-based heating sector in most Member States.

Copa and Cogeca have noted the position of the EC and the European Council to remove mandatory national objectives in 2030 related to the share of energy produced from renewable sources in the final consumption of energy, even though this instrument seems to be proving itself in achieving the 20% target by 2020.

There is a risk that scrapping mandatory national targets for renewable energy sources will deprive the European Commission of a legally binding instrument which allows the EU

- to achieve its ambitious target of reducing greenhouse gas emissions by 40% by 2030. Copa and Cogeca consider that on the one hand, the EU’s credibility in international climate negotiations could be weakened, as could the technological leadership of the EU in this sector at world level on the one hand, and
- on the other hand to generate greater mobilisation of agricultural and forest biomass in the majority of Member States, creating jobs and value in the EU’s rural areas.

Besides this, Copa and Cogeca wish to point out that the non-binding target of a 20% improvement in energy efficiency by 2020 seems more difficult to achieve. As a result, the efforts to be agreed on in order to achieve the indicative mandatory 27% target, or even a binding 30% target by 2030, will have to be even greater.

Position:

Copa and Cogeca ask the Commission to ensure that the European target of achieving a 27% share of renewable energy sources by 2030 is accomplished by establishing a strict framework on governance, compelling the Member States to set their own targets depending on their respective situation and potential. The Commission should ensure that the share of renewable energy sources increases in all Member States between 2020 and 2030, and the overall national targets of the Member States between now and 2030 should be higher than those which apply until 2020 (see: Annex I of Directive 2009/28/EC), as should the national sectoral targets submitted to the EC in national action plans.

Copa and Cogeca also underline the importance of promoting agricultural and forest biomass in the heating/cooling sectors. This approach would ensure consistency between EU energy, climate and agricultural policies and would support investments in the bioeconomy; one of the difficulties the bioeconomy has is establishing mass supply chains.

---

4 COM(2015)293 final
5 COM(2014)15 final
6 European Council conclusions 20/21 March 2014
7 The sectorial turnover and employment contribution were respectively: 27.679 €M and 282,095 jobs in the solid biomass; 5,698 €M and 68,895 jobs in biogas; and 23,935 jobs in wastes (turnover N/A).

Source: Euroobserver (2013), The state of renewable energies in Europe.
A mandatory European target to reduce GHG emissions from fuels used in road transport

The European target to reduce greenhouse gas emissions by 40% by 2030 will be divided between the sectors covered by the Directive on the greenhouse gas emission allowance trading scheme (ETS) and those which are covered by decision 406/2009/EC on effort sharing between the Member States. The transport sector is the second biggest GHG emitter, behind the energy sector. Whereas all the other sectors cut their GHG emissions by 15% between 1990 and 2007, emissions from the transport sector increased by 36% during the same period. Agriculture has reduced its emissions by 23% in comparison with 1990.

The combustion of fossils fuels used for road transport is responsible for the largest share of GHG emissions, a great deal more those of other sectors that are not covered by the ETS such as households, agriculture or industries not covered by the ETS.

According to the information that Copa and Cogeca have gleaned, the vast majority of Member States have not transposed Directive 2009/30/EC on the monitoring and reduction of GHG emissions from road fuel.

Position:

Copa and Cogeca ask that the European target to reduce GHG emissions by unit of energy of fuel used for road transport be pursued to a greater extent than 6% from 2020 onwards thanks to the use of biofuels. The EU must not give up on the progress that has already been obtained in terms of GHG emission reductions of fossil fuels used in the transport sector after 2020. Copa and Cogeca cannot accept any other exemptions that have been obtained for the transport sector. There is a risk that the burden for the other sectors that are not covered by the EU ETS such as agriculture and the land use, land use change and forestry sector (LULUCF) could be even higher because these sectors will have to make a bigger contribution to the effort sharing target from now until 2030.

Biofuels: safeguarding existing production capacity and developing advanced biofuels

94% of transport is reliant on oil products, of which 90% are imported, which has an effect on Member States’ trade balances. In 2012, emissions caused by transport were still 20.5% higher than 1990 levels and they should fall by 67% by 2050 in order to comply with the 60% reduction target with 1990 as the baseline, which is stated in the 2011 white paper on transport.

The EU already boasts biofuel product capacity which enables it to achieve the target of 10% biofuels in the transport sector by 2020. The closure of biofuel production units in the Member States should be avoided if the EU’s aim is to reindustrialise its economy, in particular through investments in the bioeconomy.

The need for a single market for road fuel as well as the high cost of reducing greenhouse gas emissions in the road transport sector requires the establishment of a specific target on the use of renewable energy sources in the transport sector.

Position:

Copa and Cogeca reject the European Commission’s position to scrap the target to promote renewable energy sources in transport. Copa and Cogeca ask that a stable and targeted policy be pursued, which aims to support biofuels after 2020, including conventional biofuels which are certified as sustainable, if the EU wants to strengthen energy security, decarbonise road fuels and generate growth and employment in rural areas.

---

8 JRC Technical Reports: An economic assessment of GHG mitigation policy options for EU agriculture, 2015
9 COM(2015)80 final
10 COM(2011) 144 final
Copa and Cogeca reject the need for a cap on conventional biofuels because the EU has the production potential to produce biofuels without compromising food security at EU or global level. Any cap which includes conventional biofuels that are certified as sustainable risks undermining the strengthening of energy security, the decarbonisation of road fuels and green growth in rural areas.

From 2020 onwards, the inclusion of 7% or more FAME in diesel (B7 or B8 or more) and 10% ethanol in petrol (E10) should be widespread among fuels in the EU Member States.

For the post-2020 period, the EU must not remove the target on the promotion of renewable energy sources in transport. Copa and Cogeca ask that a target of at least 10% for conventional biofuels in final energy consumption in the transport sector be defined. This target should be accompanied by effective measures in order to enable investments and stimulate the commercial development of advanced biofuels as part of an additional target of at least 3.5%, in addition to conventional biofuels certified as sustainable.

For the post 2020 period, the incorporation rates of biofuels in petrol and diesel (B 10, B 30, E 20) should be increased thanks to new standards in the Fuel Quality Directive.

In parallel with the deployment of electric and natural gas vehicles, the EU should establish a strategy which allows the deployment of flexible-fuel vehicles and petrol which contain up to 85% ethanol (E 85).

Copa and Cogeca invite the Commission to look at the specifications for the blend of biomethane in natural gas resulting from the work of CEN TC 408 and to introduce less restrictive parameters for biomethane produced from agricultural biomass.

♦ Launching the transition to the bioeconomy

We often forget that investments in biofuels (including conventional biofuels) are also investments in the bioeconomy and the bio-based products of tomorrow. Today, the European bioeconomy sector is worth 2,000 billion euros in terms of annual turnover and it employs more than 22 million people in the EU, which equates to 9% of the European workforce. However, according to the European Commission, in order to remain competitive and address major societal challenges and the emergence of new markets in the developing world, the European bioeconomy sectors must be innovative and continue to diversify. Advanced bioefineries are cited as one of the main ways to stimulate and develop the bioeconomy in the Commission’s 2012 Bioeconomy Strategy.

These biorefineries do not just provide energy; they also provide the basis for bio-sourced products such as bio-plastics, bio-based chemical products, etc. The transition to a green and prosperous Europe, which is less dependent on fossil fuels, should be based on the renewable carbon stock of agricultural and forest biomass.

It is principally rural areas which are confronted with sluggish economic growth, low incomes and population decline. Continuing to invest in biofuels and the production of advanced biofuels will make it possible to support rural areas in Europe, to create optimism and boost innovation, reversing rural exodus, poverty and social decline.

Position:

Copa and Cogeca believe that the development and distribution of biofuels can be a step towards achieving an economy which is less dependent on fossil fuels. The production of mass biofuels is a pre-condition for greater investment in the bioeconomy and the deployment of solutions in the agricultural, food and forestry sectors to mitigate climate change.
**Sustainability**

**Gaseous and solid biomass**

- Forest biomass

Wood makes up almost 80% of biomass used for renewable energy. There is clear potential to intensify the use of forests for energy purposes in the EU since only 60 to 70% of the annual increment of European forests is harvested. Out of this total biomass, wood, and wood residues provide the lion’s share of energy from organic and non-fossil bio-based materials, which accounts for almost half (47%) of consumption of internal gross energy produced using renewable sources from the EU 28 (Eurostat, 2012 figures).

There is significant potential to produce additional biomass from small-scale private forest holdings; this applies to forest residues and additional fellings, such as first thinnings. Recent projections for 2030 have assessed the sustainable potential of wood for energy purposes which comes from European forests at 675 million cubic metres (146 million tonnes of oil equivalent) per year, as long as measures to boost wood mobilisation are implemented.

European forests are already managed in accordance with sustainability principles that are based on criteria and indicators from the Ministerial Conference on the Protection of Forests in Europe (MCPFE). The EU Member States have adopted the principles of the MCPFE into their national law; these regulate the sustainable use of forests very effectively and also take account of both the production of biomass for energy purposes and matters related to the sustainable use of forests. The existing audit procedures, based on legislation in force, should also be used as part of biomass sustainability. These tools can be supplemented by voluntary forest certification systems.

In addition, the report of the ad hoc working group on “Sustainable Forest Management Criteria” of the Standing Committee on Forestry underscored the fact that the legislation in force in the Member States in order to ensure sustainable management of forests and biomass production was effective.

The main problem is still the use of non-sustainable biomass imported into the EU. This cannot be resolved by imposing new administrative burden or by increasing costs for primary producers.

**Position:**

The sustainable management of forests concerns all European forest products and has already been implemented and put into practice by forest owners and foresters for generations. The sustainability of biomass is an issue which cannot be addressed according to the specific use of the biomass. Establishing new or additional sustainability criteria for specific qualities of trees or parts of trees depending on their use makes absolutely no sense. Biomass is plentiful in most EU regions. Copa and Cogeca ask that EU action be focussed on measures which aim to mobilise forest biomass rather than legislating its use through the cascade principle. Cascade use should be regulated by market conditions.

The EU should support the pan-European MCPFE process, as it is a vital reference for the sustainable use of forest resources as well as being part of the production of renewable energy sources.

The principle of carbon neutrality of forest biomass must be maintained in line with existing international rules.

- Agricultural biomass

The Common Agricultural Policy ensures a high level of environmental performance. Agricultural biomass from agricultural holdings which are eligible for the CAP should be considered as complying with sustainability criteria. The use of agricultural commodities for energy purposes should not be outlawed by legislation.
Biofuels/bioliquids

Verification of sustainability criteria

Given how important trade in biofuels within the EU and with third countries is, it must be ensured that compliance with sustainability criteria can be trusted, in particular those for imported biofuels.

Position:

Copa and Cogeca propose that an additional audit of voluntary and national verification sustainability criteria be set up by a competent European authority. Additionally, a European database should be established in which the certificates (documents provided by the scheme to the business) and the sustainability tests (documents provided by the biofuel producer to his client) will be recorded.

Indirect land use change

Position:

The concept of indirect land use change should not be included in the methodology to calculate greenhouse gas emissions of biofuels because there is no reliable, transparent and consensual scientific knowledge at international level which could serve as a basis to analyse the extent of this theoretical phenomenon. In addition, the ILUC approach could be transposed to all political measures which cause a decrease in yields. It is necessary to draft a report at international level on the causes of deforestation.

There is a risk that including greenhouse gas emissions related to land use change in sustainability criteria for biofuels/bioliquids, may be circumvented, i.e. feedstocks to produce biofuels for the European market may be grown in third countries on existing agricultural land and additional agricultural raw materials for human consumption may be grown on non-agricultural land, converted into agricultural land. That is why Copa and Cogeca ask the EU to encourage the introduction of effective environmental legislation in third countries in order to prevent land use change through international agreements, as is suggested by the EP Resolution of 15th March 2012 under point 44 of the Roadmap for moving to a low-carbon economy in 2050 (P7_TA(2012)0086).

Sustainability criteria for waste and residues

At present, only straw and agricultural, aquaculture, fisheries and forestry residues are subject to sustainability criteria as defined from Article 17.3 to 17.7 of Directive 2009/28/EC, while these criteria do not apply to the majority of wastes and residues listed in Annex IX of Directive (EU) 2015/1513. Due to this, the protection of primary forests, natural grassland, wetlands and peat lands is excluded.
It is therefore hard to understand how biodiesel derived from palm oil produced on holdings made possible because of deforestation can benefit from double counting in incorporation obligations without any sustainability requirements. In the United States of America, it is not possible to use biofuels made from palm oil because they do not meet sustainability requirements.

That is why the European Commission should ensure that sustainability criteria are the same for all kinds of biofuels/bioliquids.

**Particular remarks**

♦ **Removing energy content multipliers**

When calculating the contribution of electricity produced from renewable sources in electrified railway transport and in electrified road vehicles, the values are multiplied by 2.5 and 5 respectively. The contribution of advanced biofuels is multiplied by 2.11

Copa and Cogeca hold the view that energy content multipliers amount to statistical trickery, constituting a kind of virtual inclusion of renewable energy and advanced biofuels, and thus the contribution to the domestic greenhouse gas emissions reduction target is an illusion, only made possible thanks to mathematical manoeuvres. In reality, energy content multipliers lead to greater use of fossil fuels. They threaten the development of renewable energies and advanced biofuels because they do not form a reliable basis on which to stimulate investments. Besides this, there cannot be a return on the amount of investment required to develop this technology commercially with reduced volumes.

**Position:**

Copa and Cogeca ask that all energy content multipliers be removed post 2020. Under no circumstances should the Member States be allowed to resort to them, as they mislead consumers about the real level of renewable energy sources in the energy mix. Multipliers reduce the competitiveness of advanced biofuels on the market by reducing the size of the market, which results in additional costs to reduce CO2 emissions from transport.

♦ **Improving the calculation of the share of agricultural and forest biomass in transport for the post-2020 period**

The calculation method proposed under Article 3 §4 of Directive, 2009/28/EC, amended by Directive 2015/1513, defines the level of renewable energies in transport as the ratio between the numerator - the energy produced from renewable sources consumed in all forms of transport - and the denominator, the final consumption of energy in transport. The denominator, in the directive, is composed of “the petrol, diesel, and biofuels consumed in road and rail transport, and electricity, including electricity used for the production of renewable liquid and gaseous fuels of non-biological origin for the transport sector”, i.e. the energy consumption of road and rail transport. This definition is even more limiting in terms of energy because it does not take natural gas vehicles into account.

Meanwhile, the numerator comprises renewable energy of all kinds of transport, which means it also includes non-road, maritime and air transport.

This definitions means that the transport sector target, defined as road and rail transport, also counts renewable energies which come from other forms of transport which are neither road nor rail. This is false counting, tantamount to virtual incorporation, which Copa and Cogeca are opposed to as multipliers.

11 Directive (UE) No 2015/1513
**Position:**
For the post-2020 period, the transport sector, which is subject to a minimum target on the use of all forest and agricultural biomass, should include all fossil fuels and biofuels consumed in road and rail transport, and electricity, including electricity used for the production of renewable liquid and gaseous fuels intended for the transport sector, which are of non-biological origin. The level of renewable energies is the ratio between the numerator, the energy produced from renewable sources in the sector subject to the target, and the denominator, the final consumption of energy of the same sector.

♦ **Revision of Annex V**

**Position:**
The calculation of the greenhouse gas values at agricultural production level should be overhauled because, with the current method, it is impossible to discern the effects of crop rotation.

♦ **Comparative fossil value for biofuels**
To calculate the reduction in greenhouse gas emissions, the comparative reference value used for biofuels is set at 83.8g CO2eq/MJ (item 19 of Annex V of Directive 2009/28/EC), whereas to calculate the reduction of greenhouse gas emissions in fossil fuels, the comparative reference value is 94.1 g CO2eq/MJ (Annex II of Directive (EU) 2015/652).

**Position:**
Copa and Cogeca ask for the same comparative value for biofuels and fossil fuels to be established in order to calculate greenhouse gas emission reductions so as to ensure greater consistency between the directives.

♦ **Consistency of definitions**
Catch crops are supplementary to main crops. Besides this, introducing an additional crop is an opportunity to improve the sustainability of the holding and to increase biomass production.

**Position:**
Catch crops, regardless of their nature, must be considered outside of the cap on conventional biofuels.