

Brussels  
5 December, 2016

## RE: Commission's proposed phase out of conventional biofuels

Dear Minister for Energy,

Ahead of the Council's orientation debate on the proposal for a revised Renewable Energy Directive, the European renewable ethanol association (ePURE), representing both conventional and advanced ethanol producers in Europe, calls on Member States to question the direction and rationale of the Commission's proposal – which would reduce EU conventional biofuels from a maximum share of 7% of transport energy in 2021 to 3.8% in 2030. The European Commission's proposal to phase out EU conventional biofuels by 2030 threatens a valuable tool for reducing greenhouse gases in transport and for achieving Europe's energy and environmental goals. The Commission has now proposed four different changes to the targets for renewable energy use in transport since the first EU biofuel policy in 2003, creating regulatory instability for Member States and an impossible investment environment for companies.

- **A one-size-fits-all phase out is not in line with Commission's mandate:** in 2015, the Council and European Parliament adopted the "ILUC Directive", a compromise agreement on biofuels that introduced a cap of 7% on the use of conventional biofuels. In addition, the co-legislators called for a policy framework that '*would promote sustainable biofuels after 2020*' and '*create a long-term perspective for investment in sustainable biofuels with a low risk of causing indirect land use change*'. This call is not reflected in the Commission's approach, which incorrectly treats all conventional biofuels the same; it considers ethanol produced from sustainable, low ILUC feedstock grown in Europe, such as cereals and beets, on equal par with imported palm oil biofuel, which has high ILUC risk and is linked to deforestation. Any phase out should only apply to high ILUC risk biofuels.
- **Unsound rationale for phasing out conventional ethanol:** the Commission's rationale for its proposal to effectively halve the contribution of conventional biofuels between 2021 and 2030 is not supported by scientific evidence because many conventional biofuels, particularly European ethanol, achieve high GHG savings and have low ILUC risk - phasing them out will simply rob Member States of a useful tool to help them meet their own national contributions to the EU climate and energy targets. Furthermore, it jeopardises the €16 billion investments in biofuel production facilities that have been made in good faith on the basis of previous and current EU policy. The current EU biofuel policy has driven investments in biofuel feedstock, which has helped stabilized price volatility in commodity markets and facilitated millions of tonnes of EU-grown feedstock purchases each year that provide a valuable revenue stream for European farmers. The proposal threatens to unravel a market currently worth €6.6 billion each year in feedstock revenue for European farmers<sup>1</sup>.
- **Council should ensure policy continuity and the contribution of conventional biofuels post-2020:** the Staff Working Document accompanying the Commission's Low Emission Mobility Communication confirms that conventional biofuels have been, and will be by 2030, the main tool for delivering GHG emission reduction in transport. Given the need to achieve 18-20% emission reduction in transport to reach Europe's overall 40% decarbonisation goal by 2030, the use of conventional biofuels should therefore not be lowered. Dedicated policy support for advanced biofuels is welcome but this support should come in addition to, not at the expense of, policy support for conventional biofuels. The EU should learn from the experience of the USA, where ambitious policy support for both conventional biofuels and advanced biofuels has created investment synergies in the sector and realized

<sup>1</sup> Revenue data for EU-grown oilseeds, cereals and sugar beet, ePURE (2016)

breakthroughs in the commercialization of advanced biofuels. A blanket phase out of conventional biofuels will jeopardise investments in both conventional and advanced biofuels. It is unrealistic for the Commission to expect biofuel investors to now fully invest in advanced biofuels given that advanced biofuels are part of same investment community as conventional biofuels and the Commission's persistent u-turns on conventional biofuels have already stung most of these same investors.

**ePURE therefore calls on the Council to:**

- Ensure the future biofuel policy is science-based by rejecting the incorrect and unscientific rationale behind the Commission's proposal to phase out conventional biofuels;
- Reiterate the need for the Commission to deliver on its mandate to establish a biofuel policy which promotes high GHG saving biofuels with low ILUC risk, irrespective of whether such biofuels are produced from conventional or advanced feedstock;
- Restore biofuel investor confidence in the EU and protect the existing investments made in good faith by not lowering the contribution of conventional biofuels from the levels already foreseen in existing legislation. Any support for advanced biofuels should come in addition to support for sustainable conventional biofuels with low ILUC risk;
- Support the flexibility of Member States to utilize conventional biofuels unrestricted towards their individual contributions to the 2030 climate and energy targets;
- Recognise low ILUC conventional biofuels, like European ethanol, through certification and promote them through EU policy;
- Apply any phase out only to conventional biofuels that have a high risk of ILUC.

Yours sincerely,

Emmanuel Desplechin  
Director Government Affairs

**Further information:**

- Position Paper: [Ethanol industry's views on the EC Communication 'A European Strategy for Low-Emissions Mobility' and the preparation of the 'Renewable Energy Package'](#)
- Press Release: [Commission's proposal to phase out conventional biofuels ignores science and jeopardises biofuel investments](#)