

ePURE's input into the Commission Consultation for the "Preparation of a new renewable energy directive for the period after 2020" and our views on the promotion of emissions reduction and renewable energy sources in transport post-2020

In light of the preparation of a new Renewable Energy Directive for the period after 2020 and the upcoming Communication on the decarbonisation of the transport sector, the European renewable ethanol industry association (ePURE) **calls for the adoption of a binding policy framework that will promote greenhouse gas emissions reduction as well as promote the production and use of sustainable renewable fuels in transport. This could take the form of a decarbonisation target for transport fuels, excluding refinery optimisation and with an obligation on fuel suppliers to meet that target.**

The EU's transport emissions have increased by 26% compared to 1990 levels and are expected to represent the single most important source of emissions in the EU by 2030. Climate and Energy policy post 2020 will not be successful unless it takes account of and effectively manages the issue of transport emissions. The European ethanol industry remains committed to making a significant contribution to meeting the EU's ambitions of decarbonising the transport sector<sup>1</sup>. With certified emissions reductions of an average 60%<sup>2</sup> compared to petrol, low ILUC sustainable ethanol is the most cost-effective, feasible and available means to decarbonise the transport sector<sup>3</sup>. Under the right policy framework, our industry can deliver the necessary volumes of sustainable ethanol by 2030, including an increasing share of advanced ethanol<sup>4</sup>.

The European Parliament has repeatedly called for a specific framework to decarbonise transport post-2020<sup>5</sup>. The October 2014 European Council also stated that there should be '*a comprehensive and technology neutral approach for the promotion of emissions reduction (...) in transport, for electric transportation and for renewable energy sources in transport also after 2020*'. The Council also committed the EU to reach targets of 27% for renewables and 40% cuts in greenhouse gas emissions by 2030. Sustainable biofuels are essential to meeting these commitments as they contribute to lowering the carbon intensity of transport fuels and their use in European vehicles.

Public policy support consistent with the EU's long term climate and environmental goals is therefore essential for the following reasons:

◊ **Binding targets are an effective way to ensure Member States meet the EU's ambitions**

- Without specific and targeted policy action on transport, the sector will not decarbonize on its own. On the contrary, with oil prices remaining low for the foreseeable future the take up for renewable fuels will remain static or decline;

<sup>1</sup> The impact assessment accompanying the definition of the 2030 Energy and Climate ambitions foresees between 12 and 14% of renewable energy in transport; [Impact Assessment, SWD\(2014\) 15 final](#)

<sup>2</sup> Using the fossil fuel comparator under RED of 83.8g CO<sub>2</sub>eq/MJ. Against an updated, more accurate fossil fuel comparator, and taking into consideration additional savings triggered by improved engine efficiency through ethanol use, these savings would be significantly higher. Study on actual GHG data for diesel, petrol, kerosene and natural gas, Exergia/COWI (2015)

<sup>3</sup> [The Role of Biofuels Beyond 2020](#), Element Energy (2013)

<sup>4</sup> [High ethanol blends - fuel ethanol demand-supply scenarios 2017-2035](#), AGRA CEAS Consulting & E4tech (2015)

<sup>5</sup> [P7\\_TA\(2014\)0094](#). In its own initiative report, the European Parliament firmly stated its support for the use of biofuels in EU transport after 2020 by calling for a 'specific framework for transport', stressing 'the importance of the Fuel Quality Directive in promoting sustainable biofuels', and calling for 'support for the development of advanced biofuels'.

- Most light duty vehicles will continue to run on internal combustion engines up to 2030 and beyond. Renewable ethanol use requires no disruption in the existing fuel infrastructure and can be easily blended with petrol in both existing and future fleets. Ethanol in petrol lowers emissions of both CO<sub>2</sub> and air pollutants, and delivers improved engine efficiency through cleaner and cooler petrol combustion thereby enabling car drivers to use less fuel and lower harmful emissions at no extra cost.
- ◊ A consistent and binding approach should be pursued in order to **prevent the fragmentation of climate and energy policies into 28 different national systems thereby undermining the EU single market for fuels.**
- ◊ **Consistency must also apply between the different pieces of legislation that regulate the biofuels sector**
  - **Fuels taxation** should be based on energy content and carbon footprint so that the petrol-diesel imbalance is addressed and there is a fairer level playing field between fossil and non-fossil fuels. Today ethanol is the most heavily taxed fuel, while fossil fuels externalities remain unaccounted for. Renewable ethanol is therefore unfairly priced against petrol, especially at a time of low oil prices and when we consider that oil receives subsidies of \$5.3 trillion at global level<sup>6</sup>.
  - The **blending limits** for ethanol into petrol under the FQD prevent the placing on the market of petrol with a higher ethanol content than 10% v/v, thereby preventing the 2020 RED and FQD targets to be achieved<sup>7</sup>. Post 2020, with petrol consumption continuous decrease, if the EU is to achieve its 2030 ambitions and reap the benefits of ethanol, it should allow and promote ethanol to be blended in higher concentration such as E20.
- ◊ **The 2030 framework must bring corrective measures to promote advanced biofuels**
  - The 2009 climate and energy policies failed to bring innovative advanced biofuels to the market. While European companies are world leaders in advanced biofuels technology their investments are being made outside the EU where policy conditions are more favourable.
  - To avoid 'innovation leakage', the EU should create the right policy conditions for commercial deployment of advanced biofuels and set a **dedicated target for advanced biofuels** (RED Annex IX-A), which should be complemented by meaningful financial support.

<sup>6</sup> IMF Report, July 2015

<sup>7</sup> EU renewable energy targets in 2020: Revised analysis of scenarios for transport fuels, JEC Biofuels programme, 2014.