

## ePURE's view on the EP own initiative report on the 2015 Renewable Energy Progress Report

In light of the preparation of the European Parliament's own initiative report on the Commission's Renewable Energy Progress Report, the European renewable ethanol industry association (ePURE), representing the European renewable ethanol producers, from both conventional and advanced feedstocks, calls on the Parliament to **recognise the role of European ethanol in achieving the Renewable Energy Directive's (RED) 10% sub-target for the use of renewable energy sources in transport (RES-T). Increasing the use of European ethanol in transport can be done in a sustainable and effective manner, enabling the EU to meet its 2020 targets and put it on track towards its 2030 objective of at least 27% RES and a 40% reduction in greenhouse gas emissions.**

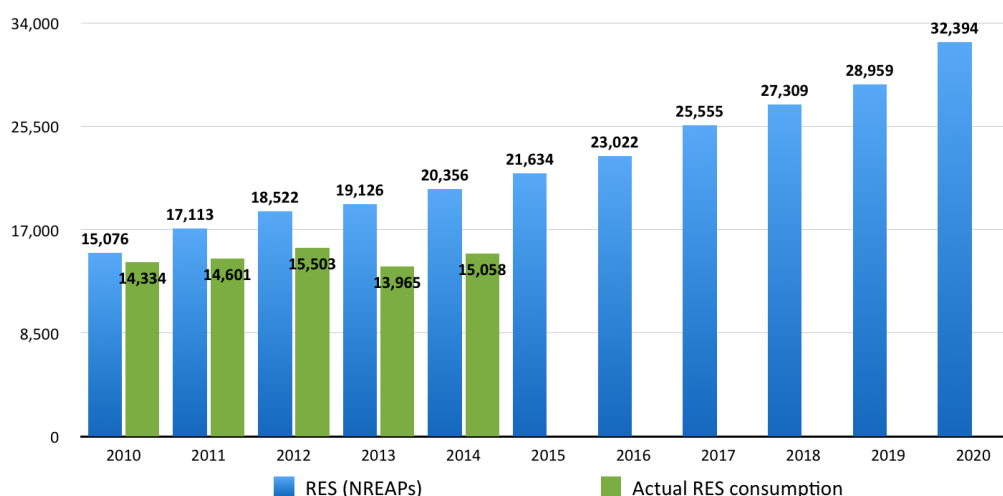
The RED is a central pillar of the European Union's 2009 climate and energy package and, depending on its implementation at national level, could have a significant beneficial impact on increasing the use of renewable energy and reducing emissions in transport. Europe's transport is 95% reliant on oil, meaning that full implementation of the RED, including its transport sub-target, is not only necessary, but also urgent.

ePURE welcomes that fact that EU is on track to meet its 20% renewable targets but has concerns about the ability of the Member States to achieve the required 10% sub-target for the use of renewable energy sources in transport by 2020.

### The EU is not on track to meet its 10% RED target

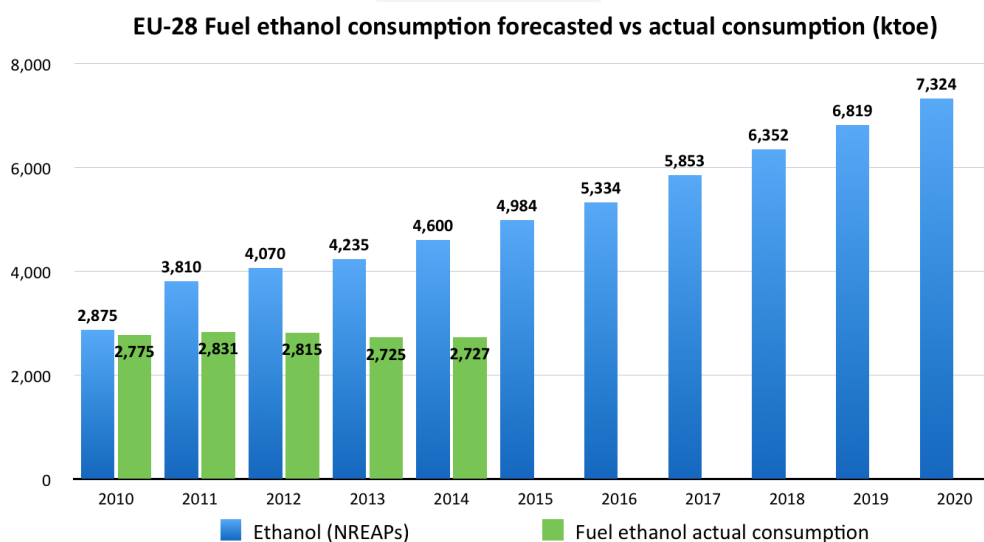
- **Progress towards the 10% target has been very slow in the past five years.** RES use in transport accounted only for 5.4% of energy in 2013, compared to 4.8 % in 2010 when Member States had to transpose the RED. A 0.6% increase in the use of renewable energy in transport over a period three years is not sufficient enough progress and there must be significant improvement. The Commission has recognised that meeting the 10% target is now "challenging";
- The main reason behind the slow progress was the uncertainty caused by the indirect land use change (ILUC) debate and insufficient progress by Member States in deploying higher blends of biofuels, such as E10 (a petrol-ethanol blend containing about 10% ethanol and 90% petrol);
- **The gap between EU-28 forecasted RES-T consumption and actual RES-T consumption has widened:** since 2010 the gap between the forecasted renewable energy in transport and the actual consumption has widened. In 2014 it amounted to 5,298 kilo tonnes of oil equivalent (ktoe), that is 26% less than the levels projected by Member States in their National Renewable Energy Action Plans (NREAPs).

EU-28 RES-T forecast vs actual consumption (ktoe)



Source: NREAPs (2009, 2011); Member States progress reports (2011, 2013, 2016); Eurostat

- **The gap between EU-28 forecasted fuel ethanol consumption and actual fuel ethanol consumption is significant.** In the case of fuel ethanol, the actual uptake has remained relatively flat from 2010 to 2014, around 2,750 ktoe, in clear contrast with the forecast by the 28 Member States. In 2014, the gap between the actual uptake of ethanol and the forecasted by the NREAPs was 2,327 ktoe. This is 40% or 4.6 billion ethanol short of the expectations created in 2010, and is to be compared with an existing fuel ethanol market of 5.6 billion litres.



*Source: NREAPs (2009, 2011); Member States progress reports (2011, 2013, 2016); Eurostat*

- In 2014, the average incorporation rate of ethanol in the EU petrol pool was 3.3%. This level must be raised if the Member States are to reach the RES-T target

### **Ethanol can help achieve the 10% RED target by 2020 in a sustainable way**

The deviation from the trajectory marked by the NREAPs over the past few years shows that steep efforts need to be undertaken by Member States to achieve their 10% RES-T target. **Achieving the 10% renewable energy target is challenging but remains feasible if the Member States start incentivising the use of renewable fuels and ethanol in particular.**

#### **By doing so, EU Member States would maximise the benefits triggered by European Ethanol:**

- **Decarbonisation of transport fuels:** renewable ethanol is one of the major technologies that can help mitigating climate change in the transport sector where emissions have increased compared to 1990 level and now account for a quarter of the EU's emissions. European ethanol delivers certified 60% GHG savings on average compared to petrol and has low ILUC impacts. It fits with existing fuel and vehicle infrastructure and is the most cost-effective, feasible and available means to decarbonise the transport sector today and in the medium-term;
- **Technology innovation:** further deployment of ethanol will help drive investment in low carbon technologies and encourage greater agricultural productivity in Europe;
- **Green job and growth:** Europe's ethanol biorefineries create highly-skilled green jobs. Since 2003, the EU ethanol industry has created and sustained 50,000 direct and indirect jobs, mostly in rural areas;
- **Energy security:** in 2014, the EU imported over 90% of its crude oil needs, 27.5% of which came from Russia. Domestically produced ethanol helps increase Europe's energy security. In 2014, European renewable ethanol displaced 4.8% of Europe's petrol volumes, saving €1.5 billion to the EU oil bill.

## **Actions needed to meet the 10% RED target**

Full and quick implementation of the legislation and the roll out of higher biofuels blends by Member States is now urgently needed to enable Member States to attain the RES-T target. The biofuel industry needs guidance and long term, stable rules to enable it to provide the necessary volumes of conventional and advanced biofuels to meet the EU targets.

The European ethanol industry remains committed to making a significant contribution to meet the EU's transportation target. Therefore, ePURE calls on the Parliament to:

- **Call on the Member States to implement their agreed plans to meet the RED 10% RES-T, including the deployment of higher ethanol-petrol blends, such as E10;**
- **Call on the Commission to enforce the RED 10% onto all Member States;**
- **Recognise the role of the European ethanol in achieving the 10% in a sustainable manner and to put the EU on track to 2030 objective** of at least 27% RES and a 40% cut in greenhouse gas emissions compared to 1990 levels.