

ePURE's position on the European Commission proposal for a revised Renewable Energy Directive

Decarbonising the EU transport sector requires concrete and realistic policies. The European Commission's proposal for a revised Renewable Energy Directive does not deliver in this regard. Post-2020, an effective policy requires increased energy efficiency and the gradual reduction in carbon intensity of all fuels put on the market. But the latter, one of the most cost-effective solutions for carbon abatement, was not retained in the Commission's proposal, for the sole and incorrect reason that only one Member State has implemented it. Increasing the ambitions levels for renewables in transport and continuing the approach of the Fuel Quality Directive (Art. 7a) beyond 2020 is crucial and in line with the European Council conclusions of October 2014.

Instead of delivering on the EU's climate and energy goals, the RED II proposal will: hinder decarbonisation in transport and place a higher burden on other non-ETS sectors; have a devastating impact on Europe's struggling agriculture sector; put at risk thousands of direct and indirect jobs, in particular in rural areas; further undermine investor confidence; and work against EU energy security and biobased economy goals.

As the process of deciding on the Renewable Energy Directive for the period 2020-2030 begins, ePURE -- representing European renewable ethanol producers from conventional and advanced feedstock -- calls on the co-legislators to consider the following key policy recommendations:

1. **Increasing ambitions for renewable energy use in transport to deliver on energy and climate goals**
2. **Ensuring policy continuity**
3. **Strengthening sustainability criteria and traceability requirements for all biomass and uses**
4. **Promoting sustainable conventional biofuels beyond the current and proposed caps**
5. **Promoting the progressive deployment of advanced biofuels on top of conventional biofuels**
6. **Facilitating the deployment of higher biofuels blends**

Doing so would maximise the contribution of agriculture and our industry to the EU's climate and energy objectives, in particular their role in:

- Reducing GHG savings by 64% on average compared to fossil petrol, and on a trajectory to reach 80% savings by 2020 while also improving urban air quality;
- Improving energy security by replacing imported fossil petrol with EU grown domestic ethanol;
- Supporting rural development by sustaining 50,000 EU jobs, most of which are in rural areas and not on farms; diversifying farmer incomes by providing a market for regional non-tradeable surplus production (e.g. low quality feed wheat); supporting the competitiveness of food production (sugar and starch) in the context of quotas ending;
- Reducing the EU's protein deficit thanks to the production of protein-rich feed co-products, thereby contributing substantially to food production;
- Supporting innovation and the transition towards the circular bioeconomy with real biorefineries in Europe.

1. **Increased ambitions for renewable energy use in transport to deliver on energy and climate goals**

- In order to meet the EU's overall decarbonisation goal of 30% in non-ETS sectors including transport and reach at least 27% renewables use by 2030, the EU must not roll back its 2020 ambitions for transport¹.
- **Consistent with growth ambitions in other sectors, each Member State shall endeavor to gradually increase its share of renewable energy in transport to a minimum of 15% by 2030.** A homogeneous policy across the EU is key to prevent a fragmented fuel market and allow the deployment of biofuel blends and greener vehicles running on alternative low carbon energy. Otherwise the EU will fail on its climate and energy policy objectives.

2. **Ensuring policy continuity**

- Policy continuity requires preservation of the RED acquis by ensuring that the 2020 targets are met and that the amount of renewable energy in transport does not fall below that level afterwards.

¹ [SWD\(2014\) 15](#) final, p. 70 and 139

- **The 7% contribution of biofuels from arable crops to the renewables objectives must be maintained**, and expressed in absolute terms. The figure was the result of a three-year policy debate. The compromise sufficiently addresses concerns over the alleged impact of the EU's biofuels policy on the availability of biomass, as biofuels volumes pre-2009 are produced from feedstocks grown on set-aside land that did not result in additional demand for land.

3. Strengthening sustainability criteria and traceability requirements for all biomass and uses

- Sustainability is a precondition for any form of renewable energy to be able to contribute to decarbonisation objectives. **Sustainability criteria and traceability requirements equivalent to those of crop based biofuels should be introduced for all biomass**, irrespective of the end use or feedstock. This would ensure their environmental performance and a level playing field between energy sources.
- Implementation of the waste hierarchy is necessary to mobilise the sustainable potential of waste feedstock. It also prevents non-waste feedstock from contributing to renewables targets reserved for waste, and avoids the generation of waste which contradicts the objective of waste prevention.
- The contribution of transport fuels from palm oil and its derivatives to the share of renewables in transport should be limited until global peatland conversion is halted.
- **In relation to the GHG methodology calculation**, the update of the Fossil Fuel Comparator is welcome, albeit long overdue. However, the proposed changes to the methodology to calculate GHG savings would, hinder, instead of promote, carbon capture and use, and also result in a failure to account for the efficiency benefits of fuel ethanol. The power to amend Annex V should not be delegated to the European Commission

4. Promoting sustainable conventional biofuels beyond the current and proposed caps

- As required by the ILUC Directive, the EU should provide a long-term perspective for investment in all sustainable biofuels with a low risk of causing indirect land use change, by ensuring that these can contribute towards the blending obligation introduced by Article 25. This is valid for biofuels from arable crops as well as waste and residues, because there is no environmental, climate, cost or social argument to disallow such fuels.
- **Sustainable biofuels that can contribute to the low-emission fuels blending obligation beyond the cap should be defined as biofuels that:**
 - **Save at least 70% GHG emissions compared to fossil fuel; and**
 - **Are produced from feedstock that comply with mandatory sustainability requirements in relation to air, soil or water protection as defined in the EU agricultural policy.**

5. Promoting the progressive deployment of advanced biofuels on top of conventional biofuels

- Dedicated support is needed to foster investment in commercial production of advanced biofuels. ePURE therefore welcomes the blending obligation introduced by Article 25.
- However, highly sustainable established and advanced technologies are both needed to achieve Europe's climate goals and require public policy support to fully deliver ethanol's low emissions potential. The EU cannot expect that an advanced biofuels industry is built on the ashes of an existing industry. A policy that seeks to play biofuels off against each other will only protect the market share of fossil fuel, favour oil imports from unstable regions over renewable fuels which are locally produced from domestic biomass.
- Therefore the deployment of advanced biofuels should build on existing legislation and industry, to secure investor's confidence, which is a prerequisite for any new investment into renewable fuels projects. **Advanced biofuels must be established as an additional instrument to further reduce fossil fuel use and GHG emissions, and be supported through a dedicated sub-target as per the Commission's proposed trajectory.**

6. Facilitating the deployment of higher biofuels blends

To harness the CO₂ reduction and air quality benefits of ethanol blended in petrol, higher ethanol blends (i.e. E20 /E25, E85, ED95) should be incentivised across the fuels value chain. Higher petrol-ethanol blends would allow for advanced and crop-based ethanol to grow simultaneously.