

EuropaBio Position on Biofuels

September 2008

1. Fixed target for renewable energy for transportation:

EuropaBio supports a **mandatory target** for energy from renewable sources in transport to ensure predictability for investment, market and technology development. **We consider a 10% target in 2020 to be appropriate and achievable** without jeopardizing sustainability.

EuropaBio supports the setting of incentives to encourage the development of advanced biofuels. Sub-targets for such products are positive but reduce flexibility for innovation. The European Commission based its impact assessment on a scenario using 30% advanced fuels¹ in 2020 and EuropaBio believes that this is an achievable target. Though the current definition of these sub-targets does not take into account other advanced technologies such as biodiesel from non-edible oil and BTL.

2. Promotion of advanced biofuels (also called second or third generation biofuels)

2.1 Timeline to commercialisation

The enzyme technology for making ethanol from ligno-cellulosic biomass will be economically viable by 2010, and first commercialization of ligno-cellulosic biofuels looks likely to happen in 2011-2012. With adequate technological advances and support, cellulosic ethanol can represent a significant share of the biofuel market in 2020. Innovation must focus on reducing production costs to make cellulosic ethanol economically viable.

Biodiesel from non-edible oil such as jatropha or algae, or biodiesel made by Biomass to Liquid technologies (BTL) are today in early demonstration stages and it is too early to estimate precisely the time of their large scale commercialisation, though some studies estimate that they could represent a material part of the biofuel market by 2030.

2.2 Incentives for promoting advanced biofuels

Long-term political commitment and support will be crucial for the success and early commercialisation of advanced biofuels.

Therefore EuropaBio calls for funding for demonstration plants and supports the proposal to permit Member states to incorporate additional benefits in their support schemes for advanced biofuels.

To encourage investment in advanced technologies, and to provide an incentive for the continuous improvements of existing technologies, EuropaBio believes that regulatory support / incentives have to be linked to the life-cycle GHG emission performance of biofuels, rewarding / encouraging enhanced GHG emission performance that exceeds the minimum GHG emission reduction thresholds.

In addition, in order to accelerate the commercialisation of advanced biofuel technologies there needs to be additional transitional support/incentives for advanced biofuel technologies that offer the potential to support significant biofuel penetrations into road transport fuels and the potential to deliver significant cost reductions as well as energy security benefits.

3. Sustainability criteria for biofuels

EuropaBio agrees to the importance of ensuring that biofuels are produced in a sustainable way and that appropriate sustainability criteria and certification schemes are established for the production of biomass for biofuels and energy.

3.1 Greenhouse Gas (GHG) emission criteria

In order to help investment flow and infrastructure development, paving the way for advanced biofuels, EuropaBio supports a step-wise approach to greenhouse gas emission thresholds, starting at a 35% and increasing over time to 50%, and with a mechanism which allows for adjustments in view of technological development.

3.2 Land use changes – direct and indirect

EuropaBio agrees that **the impact on land use² should be taken into account for the production of biomass for biofuel and bioenergy.**

With regard to land use, EuropaBio prefers an approach to pace biofuels development at a rate consistent with food production and increased productivity through for example the setting of feedstock-specific caps for biofuels production. This coupled with enforceable sustainability criteria and promotion of advanced biofuel technologies will reduce pressure on land and food production. The challenges from agricultural requirements and competing land use claims can only be met if all options available for increasing productivity and safeguarding harvests are used responsibly. Modern crop protection and plant biotechnology have a key role to play in the quest to increase yields and quality in a sustainable way.

However EuropaBio finds it premature to include rules for calculating indirect land use changes in the GHG emission assessment. To be meaningful, this approach would imply the development of indicators depending on factors such as feedstock and regional specificities. However, we recognise that unfortunately the science has yet to develop to a stage that would allow the definitions of such specific factors.

3.3 Social sustainability criteria

EuropaBio finds that all three pillars of sustainability addressing environmental, economical and social criteria are equally important and welcomes the introduction of criteria relating to social / labour standards as well as air, water and soil conservation when deemed practical.

¹ Advanced biofuels are those biofuels that have the potential to be produced in significant quantities, deliver a significant lifecycle GHG emission saving, avoid / minimise competition for agricultural land and that have the potential to be economically viable / become cost competitive with conventional fossil fuels. This may include biofuels from agricultural residues, ligno-cellulosic biomass, waste, crops grown on marginal land and algae.

² EuropaBio points out that the spreading of urban areas; inefficient agricultural management and climate change also have an impact on the availability of arable land and land use change.