

European Biofuels Legislation: Complexities and challenges

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Why complexities ?



Trade mark of EU decisionmaking & legislation

- 27 countries + European Commission + Parliament and many, many stakeholders

Making the perfect the enemy of the good


- Biofuels need to be perfect; fossil fuels not
- The EU has created the most complex sustainability scheme in the world

Some want to manage what you cannot measure: ILUC

- ILUC is about “what could be” not about “what is”

Debate has been deliberately polarized and emotionalized

- Food/fuel: unholy alliance between big food and NGOs
- Accusations on land grabbing in Africa for biofuels: not proven



Challenges (I)



- ◊ **Treat drivers equally**

- ◊ Jobs and growth in times of economic crisis (70 000)
- ◊ Opportunities for deprived rural areas (YIELD)
- ◊ Energy supply, diversity and security
- ◊ It is not ONLY about the environment



- ◊ **Address the unbalance in vehicle fleet: TAXATION**

- ◊ Europe is dieselized: we import 30 million tonnes of diesel and export gasoline
- ◊ 75% bio-diesel: requires import of feedstock; 25% ethanol: can be all home-grown feedstock
- ◊ Introduce CO2 and energy density taxation: Ethanol is the transport fuel with the highest tax of all transport fuels



- ◊ **ILUC: instead the stick (factors) use the carrot: MITIGATION**

- ◊ Yield increase, co-products, AG techniques, land zoning



Challenges (II)



- ⦿ **Create a specific target for ethanol in petrol**

- ⦿ Recognize the benefits of the higher octane resulting in higher fuel efficiency



- ⦿ **Value the food/feed production of biofuels**

- ⦿ In the EU we produce as much ethanol as animal feed. High protein, gmo-free. Results in less land-use outside the EU for protein production.



- ⦿ **Long-term investment certainty and policy stability are key**

- ⦿ Don't change the rules halfway the game (8 bln invested); EU decisionmakers are undermining their credibility; investors will walk away.



- ⦿ **A serious legal framework for promoting advanced biofuels**

- ⦿ Double counting delivered half measures

- ⦿ The EU develops the technology and the investments take place elsewhere: DSM, BP, DuPont, INEOS, Abengoa, BetaRenewables, Clariant are building or want to invest in the USA and/or Brazil; not in the EU: We are creating a new dependency

- ⦿ Needed: (growing) mandate, loan guarantees, investment support, feed-in tariffs

