Position of the German biofuel value chain on the European Commission's proposal for a recast of the Renewable Energy Directive (RED II)

Represented by the
Federal Association of the German Bioethanol Industry (BDBe)
German Farmers' Union (DBV)
Union for the Promotion of Oilseeds and Protein Crops (UFOP)
Association of the German Biofuel Industry (VDB)
Association of the Oilseed Processing Industry in Germany (OVID)











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Basic principle: For sustainable biofuels from agriculture

Today, biofuels contribute 5 per cent of the energy consumed in the transport sector (2015: 31.6 billion Kilowatt hours). This prevents 6.7 million tonnes of CO₂ emissions annually. Today, biofuels are the most important renewable energy source in transport; the contribution of renewable electricity is around one ninth of the contribution of biofuels (3.7 billion KWh annually). In 2015, 2.1 million tonnes of biodiesel, 1.2 million tonnes of bioethanol, 50 million cubic metres of biomethane as well as 2,000 tonnes of plant oil were used as biofuels.

The German agricultural and biofuels sectors are committed to <u>sustainability</u> and to the constant <u>improvement of the greenhouse gas (GHG) balance</u> of biofuels. In 2015, it was possible to reduce GHG emissions by an average of more than 70% in comparison to diesel and petrol. Through the <u>cascade</u> use and the use of <u>co-products</u>, food, the provision of bioenergy and material use can be best combined. Chains involving rapeseed-biodiesel-rapeseed meal or sugar beet/cereal-ethanol-dried distillery grains are exemplary. The co-products which result from the processing of agricultural biomass into biofuel make a significant contribution to the domestic supply of <u>protein feed</u> and thereby also contribute to <u>the creation of value</u> in rural areas. The <u>increased use of residues</u> and by-products can complement this, but not replace it.

The European Commission's proposal

The proposed directive of 30/11/2016 proposes a shift to advanced renewable fuels in transport, with a minimum quota for these fuels. Biofuels from agricultural biomass (conventional biofuels) <u>cannot</u> be included in this quota. Instead, they can only account for up to 3.8% of the energy used in transport in the EU's overall target for renewable energies. There

is no proposal to continue the technologically open obligation to reduce GHG emissions in the mobility sector, which is practised in Germany (according to the Fuel Quality Directive).

Assessment of the Commission proposal

- The associations listed above are in favour of greater support for advanced biofuels, but they strictly reject the phasing-out of support for biofuels from agricultural biomass. The proposal leads to an increase in the share of fossil fuels, because neither advanced biofuels not electromobility can fill this gap by 2030. The European Commission's proposal jeopardises the achievement of the EU's climate goals.
- In 2015, after difficult discussions, a decision was made to cap at 7% the contribution biofuels from agricultural biomass can make to the 2020 targets. To forego such quantities of conventional biofuels, without an equivalent replacement, is an error. The Commission proposal does not guarantee an increase in the share of renewable energies or decarbonisation by 2030.
- After 2020, advanced biofuels (RED II, Annex IX part A and B as well as further options) can build on the contribution of biofuels from agricultural biomass, but not replace them.
- Until 2030, biofuels from agricultural biomass will remain the most cost-effective alternative to fossil fuel.

Joints requests

The following changes must urgently be made to the RED II proposal:

- 1. Continue to have a target quota for <u>all</u> renewable energies until 2030, which includes all biofuels.
- 2. There can be no regression to a share lower than the 10% renewable energy share set for 2020 in the transport sector. With a target of 6.8% advanced biofuels <u>alone</u>, the EU cannot achieve its 2030 climate goals for the transport sector; sustainable biofuels from agricultural biomass remain necessary.
- 3. The compromise reached in 2015 to have a 7% cap on biofuels from agricultural biomass should remain unchanged until the year 2030. Biofuels which provide protein and other high-quality feed co-products should be given preference. There should be special safeguard measures which apply to biomass imports from third countries which have proven sustainability problems, in particular illegal land use changes.
- 4. The obligation introduced in Germany in 2015 to reduce greenhouse gas emissions in transport has proven to be an effective instrument in terms of ensuring greater climate efficiency. This should be developed beyond 2020 and combined with RED II.