

**CEPF responds to DG TREN Biofuel consultation**

**June 2007**

**TO:**

**Energy and Transport Directorate-General  
European Commission**

[tren-biofuels-consultation@ec.europa.int](mailto:tren-biofuels-consultation@ec.europa.int)

**Consultation on “Biofuel issues in the new legislation on the promotion of renewable energy”**

CEPF – the Confederation of European Forest Owners – welcomes this initiative and approves its commitment to the objective of sustainable development as well as support for the implementation of the Commission’s “Energy Package” presented on the 10th January 2007, and the action plan “Energy Policy for Europe” adopted by the Council on the 8th-9th March 2007.

We consider this process as highly relevant and important and we are pleased to present you in the following our contribution to your open consultation on “Biofuel issues in the new legislation on the promotion of renewable energy” launched by DG TREN.

Over 60 % of the total forest area in the European Union is owned by more than 16 Million family forest owners. For generations family forest owners have managed their forests following the principle of sustainability, balancing economic, ecological and social values for themselves and to the benefit of the wider society. This traditional and responsible management of their forests resulted in a high standard of biodiversity in privately owned forests. Family forestry represents commitment to long term sustainable use of forests as renewable resource, especially in order to combat climate change.

We hope that our feedback will support the Commission in an effective way to put forward the respective initiative and remain for any further discussion.

Yours sincerely



Birte Schmetjen

CEPF Secretary General

## **BOX 1**

### **POSSIBLE ENVIRONMENTAL SUSTAINABILITY CRITERIA FOR BIOFUELS**

#### Sustainability criterion 1 – achieving a minimum level of greenhouse gas savings

Biofuels used to fulfil the requirements of the legislation should not emit more greenhouse gases in production than they save by avoiding the use of petrol or diesel – or (to give a safety margin) should achieve at least a given amount of greenhouse gas savings (for example 10%).

The directive would define 'default values' for net greenhouse gas savings from different types of biofuel. These could, for example, be based on the ranges given in the JRC/EUCAR/Concawe "well-to-wheel" study.<sup>5</sup> They would cover greenhouse gases in general, not just carbon dioxide.

Biofuel suppliers could choose to use these default values, or to provide more precise information on the savings from their particular production process.

#### Sustainability criterion 2 – avoiding major reduction in carbon stocks through land use change

Biofuels used to fulfil the requirements of the directive should not use raw material from land that was in certain land uses before a certain date (for example, the date of the Commission proposal).<sup>6</sup> These land uses would be those that are associated with high carbon stocks (for example, wetlands). IPCC guidelines<sup>7</sup> could be used to identify them.

The directive would define the land uses in question.

#### Sustainability criterion 3 – avoiding major biodiversity loss from land use change

Biofuels used to fulfil the requirements of the directive should not use raw material from land that was in certain land uses before a certain date (for example, the date of the Commission proposal). These land uses would be those that are associated with exceptional biodiversity.

The directive would define the land uses in question.

<sup>5</sup> <http://ies.jrc.cec.eu.int/wtw.html>. The study shows that the main factors influencing biofuels' greenhouse gas balances are the raw material used, the energy source used in the transformation process and (in some cases) the use made of by-products. <sup>6</sup> This wording is not meant to rule out different verification systems being used. Examples include:

- "track and trace", under which a certificate accompanies the raw material/biofuel from farm to filling station;
- "book and claim", under which raw material/biofuel producers acquire certificates and fuel sellers have to obtain them, but the certificates are not necessarily transmitted along with the biofuel;
- "mass balance", based on figures for the proportion of material meeting the sustainability criteria that is

contained in each load of raw material/biofuel.<sup>7</sup>  
Intergovernmental Panel on Climate Change

## **BOX 2**

### **POSSIBLE TYPES OF EVIDENCE TO SHOW THAT ENVIRONMENTAL SUSTAINABILITY CRITERIA ARE RESPECTED**

1. Some EU Member States and other countries are developing national schemes to measure greenhouse gas impacts. Once accredited for EU use through a comitology process, these would be evidence of greenhouse gas emissions in production (for sustainability criterion 1). The same approach could apply to international schemes that may be developed.
2. There are voluntary, international schemes setting standards for the production of agricultural and forest products. Some include requirements that would prevent land use change of the types described by criteria 2 and/or 3. Once accredited for EU use through a comitology process, these would be evidence that these criteria have been respected.
3. The European Community could negotiate bilateral or multilateral agreements with third countries, confirming that these countries have in place procedures to ensure that the types of land use change described by criteria 2 and/or 3 do not happen. The existence of such an agreement would be evidence that these criteria have been respected.
4. In the absence of these types of evidence, it would be for Member States to determine how to verify the fulfilment of the criteria. The directive could lay down minimum requirements for how this should be done.

This option is put forward as a starting point for discussion and to give an indication of how a system could work in practice.

### *General questions*

#### *Question 1.1:*

**Do you think the "possible way forward" described above is feasible?**

There is a need for a system to assure the sustainability and energy efficiency in the use of bio-fuels. It is important that the EU, together with the member states, takes full responsibility for such a system.

In such a system it is important that technical development is being encouraged in order to increase energy efficiency in the use of bio-fuels. It is vital that the whole production chain of the fuel is taken into consideration when valuing the energy efficiency in different biofuels. The enhancement and development of so called second generation biofuels is vital. For the best

possible efficiency it is important to focus on greenhouse gas savings.

A remarkable number of household wood fuels are locally, sustainably procured. Traceability requirements would disqualify many small scale operators of the European biomass market. A "possible way forward" has to respect this aspect.

### *Question 1.2*

**What do you think the administrative burden of an approach like the "possible way forward" would be? (If possible, please quantify your answer.)**

There are existing criteria and indicators (C&I) for sustainable forest management (SFM) decided on in regional intergovernmental processes (MCPFE – Ministerial Conference of the Protection of Forests in Europe). Those could serve as basis for the EU-system. Since the national forest acts of the member states or existing certification schemes (e.g. PEFC - Programme for the Endorsement of Forest Certification schemes) are already in line with the C&I, the administrative burden could be limited.

### *Question 1.3*

**Please give your general comments on the "possible way forward", and on how it could be implemented. Does it give an adequate level of assurance that biofuels will be sustainably produced?**

**If you think the problem should be tackled in a different way, please say how, giving details of the procedures that would be used.**

The EU Commission should prepare a proposal on how to ensure that wood/biomass originates from sustainable forest management in close cooperation with the Members States. The EU should be responsible for deciding on the common set of rules and Members States for the implementation on a national level. A system for the approval and control of the origin of biofuels being from sustainable management is a common responsibility for the EU and its Member States.

Existing international forest certification schemes are market driven, voluntary tools proving that wood/biomass is produced in accordance with sustainable forest management rules as defined at the Rio-conference (UNCED) 1992.

Such a proposed system/model should be characterised as follows:

- be based on the MCPFE C&I
- concentrate entirely on certification of SFM (sustainable forest management)
- use the experience of international certification organizations
- be easy to implement and if possible, based on already existing national policies and controlling functions
- be cost effective

Such a step could lead to a globally accepted solution for the international trade with wood/biomass and also a harmonization of green public procurement processes.

However, the listed criteria are not yet reflecting all angles of a sustainable system. Currently, only the environmental sustainability is reflected.

Biofuels should be valued in a Life Cycle Assessment-approach where energy inputs from the whole production process are taken into consideration.

Some biofuels (some techniques) are not very energy efficient. It is actually always more energy efficient to use the biomass for heat and power production directly, instead of making biofuels. Therefore it is important to have a safety margin of greenhouse gas savings to assure the energy efficiency. The margin should be at least 10 percent.

### *Questions relating to individual criteria in box 1*

#### *Question 1.4*

**Carbon stock differences between land uses would be taken into account under criterion 2. Should they also be taken into account under criterion 1? If so, what method should be used to determine how the land in question would have been used if it had not been used to produce raw material for biofuels?**

Active and sustainable forest management is in general a guarantee of carbon sink in forests, i.e. it increases the carbon stock. And in comparison to other renewable materials, wood has the largest carbon stock. Therefore CEPF do not see a reason why this should be taken into account under criterion 1.

#### *Question 1.5*

**As described in the "possible way forward", criterion 3 focusses on land uses associated with exceptional biodiversity. Should the criterion be extended to apply to land that is adjacent to land uses associated with exceptional biodiversity? If so, why? How could this land be defined?**

No, it should not be extended as sustainably harvesting of a limited amount of wood from buffer zones usually does not represent a sustainability problem.

#### *Question 1.6*

**How could the term "exceptional biodiversity" (in criterion 3) be defined in a way that is scientifically based, transparent and non-discriminatory?**

From a forestry point of view there is no need to define a new term called exceptional biodiversity since the MCPFE criteria on sustainable forest management already cover biodiversity matters. SFM criteria also cover energy wood as there is no difference in producing timber for forest-based industry use or bioenergy use. Also national forest regulations generally

define areas with special application to biodiversity adapted to regional circumstances, a new definition would only cause an additional administrative burden.

## **2. How should overall effects on land use be monitored?**

### *Question 2.1:*

**Please give your comments on the "possible way forward" described above. If you think the problem should be tackled in a different way, please say how.**

The major potential of the forest based bio-mass can be found at presently forested land. In many EU member states, there is a need to develop innovative measures to improve the economical viability of activities and support rational use of wood biomass: like precommercial thinnings, cutting residues, but also appropriate political framework conditions etc.

But there is also a big potential in afforestation on agricultural land. In order to achieve the goal of the EU of 20 percent energy from renewable sources by 2020, large-scale afforestation on agricultural land will probably be necessary.

Incentives will be needed for the afforestation, especially when the Common Agricultural Policy has similar incentives for agricultural crops.

In case of afforestation on agricultural land CEPF doesn't see any need of reporting on or monitoring how the land has or would have been developed.

Concerning criterion 3 (biodiversity) there are no intentions of changing the land use on present forested land, e.g. into pure bio-energy plantations.

All activities have to be considered under the general principle of subsidiary in EU forestry policy matters.

### *Question 2.2*

**Do you think it is possible to link indirect land use effects to individual consignments of biofuel? If so, please say how.**

It could be difficult as the market and the actors are very diverse.

## **3. How should the use of second-generation biofuels be encouraged?**

Trough increased funding of R&D in this field. It is reasonable that the second generation biofuels receive higher incentives than the first generation biofuels.

The Commission intends to bring forward a proposal to encourage the production and use of second-generation biofuels.

### *Question 3.1:*

**How should second-generation biofuels be defined? Should the definition be based on:**

- a) the type of raw materials from which biofuels are made (for example, "biofuel from cellulosic material")?

No

- b) the type of technology used to produce the biofuel (for example, "biofuels produced using a production technique that is capable of handling cellulosic material")?

No

- c) other criteria (please give details)?

The definition should be based on the energy efficiency, i.e. related to the share of energy input that is being used in the biofuel.

*Question 3.2:*

**Please give your comments on the "possible way forward" described above. If you think the problem should be tackled in a different way, please say how.**

CEPF supports the idea of having better incentives for the development and use of biofuels with high energy efficiency (second generation biofuels).

CEPF also strongly believes that second-generation biofuels would count extra under national biofuel obligations.

There could be problems though in defining whether a certain biofuel should be benefited or not.

*Question 3.3*

**Should second-generation biofuels only be able to benefit from these advantages if they also achieve a defined level of greenhouse gas savings?**

Yes, if the definition is based on energy efficiency this will be the case.

- 4. What further action is needed to make it possible to achieve a 10% biofuel share?**

*Question 4.1:*

**Should the legislation include measures to ensure that diesel containing 10% biodiesel (by volume) can be placed on the market, and is in fact placed on the market?**



Yes.

*Question 4.2:*

**Should the legislation include measures to encourage the use of ethanol and biodiesel in high blends? If so, what?**

Yes.

*Question 4.3:*

**Should the legislation include measures to encourage the use of biomethane, methanol and DME in transport? If so, what?**

Yes.

*Question 4.5:*

**Should the legislation ask the Commission to review, by a given date, whether it is possible to be confident that the 10% target can be achieved through:**

- a) rules that allow 10% blending by volume of ethanol in ordinary petrol, plus
- b) rules that allow 10% blending by volume of biodiesel in ordinary diesel, plus
- c) the four options listed under 'other options for solving the problem';

**If so, what should the date be?**

**If the review were to conclude that the target is unlikely to be met, what action should the Commission take?**

No strong opinion about the date and additional actions.

*Question 4.6*

**More generally, what role should taxation play in the promotion of biofuels (considering different situations such as low blends, high blends and second-generation biofuels)?<sup>9</sup>**

To enter these as early as possible to the market with second-generation biofuels, as fiscal incentives should be used to drive the process.

<sup>9</sup> See also the Green Paper on market-based instruments for environment and related policy purposes, COM (2007) 140