

18.06.2007

## **FEFAC's answer to the public consultation on biofuel policy**

### **1. How should a biofuel sustainability system be designed?**

#### General questions:

#### **Question 1.1: Do you think the "possible way forward" described above is feasible?**

The conditions for the "possible way forward" to be feasible are:

- the political willingness of Member States to implement the law in a fair manner.
- the ability to agree on clear, not disputable methodology to assess the sustainability of the biofuel production processes.
- the same criteria should apply to both EU produced and imported biofuels on a non-discriminative way.
- considerations must also be given to the total demand for raw materials on a global level. The EU may source from sustainable origins but this may not be beneficial in terms of sustainability if, on a global scale the increased demand on a global scale may only be met through a greater production from "non" sustainable sources, which would be bought for food use by less wealthy countries.

Considering that a number of studies have been conducted on the impact of biofuel production on the environment which give contrasting, if not sometimes opposite results in terms of GHG emissions, this essential aspect looks quite challenging.

If these two conditions are met, the "possible way forward" is feasible.

#### **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.)**

FEFAC is not competent to answer this question.

**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.**

FEFAC supports the establishment of a EU harmonised legal framework for incentives / supports to biofuel production. FEFAC holds the view that the primary objective of this legal framework should be that incentives & supports should not jeopardise the ability of the food & feed chains to source sufficient raw materials, i.e. an essential part of their sustainability. In other words, any incentive should be indexed on the balance sheets of common feedstocks for food/feed and biofuel production, i.e. grains, oilseeds, sugar beet, etc.

The second objective should be to establish sustainability criteria which would take also into account the side effects of the EU biofuel promotion policy on other sectors and other EU policies. This means that the criteria to assess the sustainability of a biofuel production process should include economic and social consideration and should integrate more environmental criteria than biodiversity or GHG emissions.

The third objective should be to ensure a level playing field across Europe among biofuel operators and between biofuel and feed/food operators.

In terms of evidence that sustainability criteria are met, we believe that the most critical issue is with imported biofuels. The EU Commission could build on experience gained in international non governmental platforms aiming at developing sustainability criteria (Roundtable on Sustainable Palm Oil, Round Table on Responsible Soy).

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

As regards criterion 1, the "well-to-wheel" study that is mentioned as a basis for the establishment of the target is too restrictive. In particular, this study concludes that using sugar beet pulp for heat generation is better in terms of GHG emissions than animal feed use but fails to integrate in their calculation the GHG emissions that would be linked to the production of the feed material that would have to be used to replace the sugar beet pulps to meet the livestock demand. And it is not only a matter of GHG but also a matter of waste of resources: nowadays, certain countries provide incentives for burning rapeseed meal, which is a clear waste of highly valuable protein source and should therefore not be regarded as sustainable.

**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?**

FEFAC is not competent to answer this question.

**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?**

We see a risk that the land which is used today for food/feed production would be dedicated to biofuel production, whereas non-cultivated areas would be used for food production, thus avoiding the restrictions put on biofuels without any specific environmental benefit.

**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?**

FEFAC is not competent to answer this question.

## **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 development of biofuel will not only have an impact on the overall land use but also on the land used up to now for feed/food production. Therefore, the monitoring should also pay attention to these secondary effects. In this sense, indicators in our opinion should be the development of areas depending on the destination, the commodities quotations and the balance sheets. It is also important to pay attention to local impact, in particular nearby biofuel production facilities.

**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.**

See above

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

**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")?
- 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")?
- c) other criteria (please give details)?

Considering that the purpose of the proposal for a legal framework is to promote the most sustainable systems and that second-generation biofuels are commonly regarded as the most promising in that regards, it would make sense that the definition of second-generation biofuel would integrate both the feedstock (and thereby its environmental footprint) and the technology itself (and thereby its efficiency).

**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.**

The approach sounds logical.

**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?**

We consider that, once the production of second generation biofuels is operational, there should no longer be any monetary incentive to first generation biofuels.

**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?**

Not competent.

**Question 4.2: Should the legislation include measures to encourage the use of ethanol and biodiesel in high blends? If so, what?**

Not competent.

**Question 4.3: Should the legislation include measures to encourage the use of biomethane, methanol and DME in transport? If so, what?**

Not competent.

**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?**

There should not be a fixed % of renewable fuel requirement. In years of poor harvests, the price of commodities increases. Demand has to be reduced. If there is a fixed demand for renewable energy, it means that food and feed has to adjust, which is not acceptable. There should be a mechanism for renewable fuels production to be reduced in years of poor crops

**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>**

Not competent.