



Indirect Land Use Change Impact of Biofuels A consultation response from Agri Energy

Introduction

This is a response to the European Commission's public consultation on the impact of biofuels on Indirect Land Use Change (ILUC), which has been published in order to meet the requirements of the Renewable Energy Directive and Fuel Quality Directive that the European Commission submit a report to the European Parliament reviewing the impact of ILUC on greenhouse gas emissions and addressing ways to minimise that impact.

About Agri Energy

Agri Energy is one of the largest distributors of fresh cooking oil to the catering industry in the UK and is the largest collector of waste cooking oil in the country, collecting from over 60,000 catering establishments. It has ten depots, three bio-refineries capable of processing Used Cooking Oil (UCO) into renewable bioliquid or industrial oil, and employs 350 people. Agri Energy collects UCO from food manufacturers and the retail and catering sectors, preventing it from being dumped illegally, and turns it into bioliquid for renewable energy production.

UCO is recognised as a hugely versatile and efficient energy source that can be used across the electricity, heat, Combined Heat and Power (CHP) and transport sectors. UCO derived bioliquids generate far fewer carbon emissions than traditional fossil fuels and avoid a host of contentious issues traditionally associated with biofuels such as the "food vs. fuel" debate and the clearance of land for the production of fuel crops.

Current policy on biofuels

The European Commission places a duty on member states to generate 20% of their electricity from renewable sources and to reduce carbon emissions by 20% from 1990 levels by 2020. In addition, the Biofuels Directive obliges member states to source 5.75% of their transport fuel from biofuels by the end of 2010. In the UK, the Renewable Energy Strategy and the Low Carbon Transition Plan, both published in 2009, identified the huge potential that biofuels could make to the delivery of targets on renewable energy.

However, in recent years the use of biofuels has become more controversial, with the UK Government's Gallagher Review warning that growing biofuel production was contributing to rising food prices, accelerating deforestation, the displacement of agricultural production, and land use change leading to increased net greenhouse gas emissions. The Gallagher Review recommended a loosening of the targets for biofuel production, coupled with an approach that favours biofuels produced from idle and marginal land or wastes and residues over those produced from virgin crops.

Used Cooking Oil: A clean, sustainable and renewable feedstock for biofuels

Agri Energy produces bioliquids and biodiesel from UCO and tallow. Being waste oils and an animal by-product, neither UCO nor tallow cause ILUC, nor do they lead to the other problems

traditionally associated with biofuels. There is no need to divert land away from food crops in order to produce biofuels from UCO. The use of waste oils like UCO and residues such as tallow as a biofuel do not contribute to higher food prices or the destruction of natural habitats.

UCO in particular is widely acknowledged to be one of the most sustainable feedstocks for biofuels, generating far fewer greenhouse gas emissions than fossil fuels. Figures from the UK's Renewable Fuels Agency show that when used as a transport fuel, UCO can deliver emissions savings of around 85%, although this can vary and at collection UCO can deliver greenhouse gas savings of around 90-95% compared to a fossil fuel.

The use of UCO as a feedstock for biofuels brings additional environmental benefits by recycling a waste product that would otherwise be poured down the drains, potentially causing significant harm to the environment and human health. Dumped UCO is a major problem in the UK. It costs utility companies £15m a year to unblock drains and sewers where cold oil has been deposited and then congealed and solidified. The UK produces around 300,000 tons per annum of waste oil and tallow; equal to 3 million megawatts of energy.

The use of UCO and other waste oils as biofuels therefore brings significant advantages in terms of resource and cost efficiency, as well as a reduction in greenhouse gas emissions and fossil fuel use, that cannot be delivered by first generation biofuels and those produced from virgin crops.

Consultation response: answers to questions

1) Do you consider that the analytical work referred to above, and/or other analytical work in this field, provides a good basis for determining how significant indirect land use change resulting from the production of biofuels is?

Agri Energy is a leading company in the collection of UCO and turning it into sustainable biodiesel and biofuel for renewable energy production. We are proud to be contributing to the fight against climate change, not just by creating fuels with lower carbon emissions, but by creating them from waste and by-products which do not cause Indirect Land Use Change, and which would otherwise be sent to landfill or thrown away, creating other environmental hazards.

We believe that the European Commission has assembled a comprehensive literature review but would urge the commission to consider materials which demonstrate how biofuels produced from wastes and residues differ from first generation biofuels and do not contribute to ILUC. We would recommend that the European Commission might wish to consider the report '[A Comparison of the Greenhouse Gas Benefits Resulting from Use of Vegetable Oils for Electricity, Heat, Transport and Industrial Purposes](#)', NNFFCC 10-016, a study funded by the UK's Department for Energy and Climate Change.

2) On the basis of the available evidence, do you think that EU action is needed to address Indirect Land Use Change?

Agri Energy's vision is to reduce the United Kingdom's carbon footprint by providing our customers with an efficient, traceable service to collect their waste streams and recycle them, or convert them into biofuels for renewable energy. As biofuels produced from wastes and residues do not contribute to ILUC, we believe that any action the EU decides to take to alleviate this problem should recognise the difference between different types of biofuels and the environmental and sustainability benefits of their respective feedstocks. It is clearly not appropriate to treat biofuels produced from domestic waste in the same manner as those produced from imported palm oil, for example, when looking at the relationship between biofuels and ILUC.

3) If action is to be taken, and if it is to have the effect of encouraging greater use of some categories of biofuel and/or less use of other categories of biofuel than would otherwise be the case, it would be necessary to identify these categories of biofuel on the basis of analytical work. As such, do you think it is possible to draw sufficiently reliable conclusions on whether ILUC of biofuels vary according to feedstock type, geographical location or land management?

Agri Energy believes the best way to identify different categories of biofuels is according to feedstock or sustainability, using the same minimum requirements for greenhouse gas savings and potential impact on land with high biodiversity that are set out in the Renewable Energy Directive (RED). This could be done by classifying as 'sustainable' any bioliquids which exceed the greenhouse gas savings criteria in the RED, do not cause ILUC and are produced from a feedstock defined as a 'waste', 'by-product', or 'End of Waste' under the revised Waste Framework Directive, which is due to come into effect in the UK from December 2010.

4) Based on your responses to the above questions, what course of action do you think should be appropriate?

Agri Energy is keen to make clear to the Commission that the waste-derived biofuels industry is a fast growing sector which is not only helping the EU and its member states to meet their targets for renewable energy use, but is also contributing to the development of a green skills base and driving innovation in new technology. Biofuels produced from wastes and residues enjoy the significant advantage of not contributing to ILUC, or any other problems associated with the "food vs. fuel" debate.

Should the European Commission's consultation find that action is needed to prevent ILUC arising from the production of first generation biofuels from virgin crops, we would welcome further consultation on any measures the Commission might propose to take. However, any measures need to make sure that producers of biofuels from waste are not unfairly penalised for a phenomenon which they do not contribute towards.



Out of the options listed in the consultation paper, Agri Energy's preferred course of action would be for the European Commission to encourage greater use of some categories of biofuels over others. The European Commission could do this by encouraging member states to provide more market certainty for producers of second generation biofuels, such as 'grandfathering' incentives or double certificates for those made from wastes or residues, the promotion of tax breaks for sustainable biodiesel where its use replaces a fossil fuel, or by increasing the amount that biofuels made from waste contributes to member states' renewable energy targets.

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