

Response of the Mythen Group to the EC Consultation on Indirect Land Use Change impacts of biofuels

The Mythen Group is a European biodiesel producer, with production facilities in Italy and a trading dependence in Spain. The company is committed to a leading role in quality and sustainability and therefore supports a swift implementation of the Renewables Directive. However, at the current state and with the current knowledge we do not see it possible to evaluate the effect of biofuels promotion on Indirect Land Use Change and strongly oppose any regulatory action. There is a strong need for further information collection and analysis first. Moreover, the biofuels sector will undergo large structural changes with the implementation of the already existing framework of the Renewables Directive as sustainability moves at the core of business. This might also influence Indirect Land Use Change and consequently acting now would be premature. Below you find our responses to the consultation in more detail.

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?

No, the work currently available does not present a sufficient basis to determine indirect land use change resulting from the production of biofuels. The main reason is the great uncertainty and variance in the results of the analysis which together with the complexity of the problem do not allow to draw realistic results and to do a simple fix.

The following points underline the unreliability of the analysis:

- Model and study limitations: None of the models applied is really 100% suitable to analyse ILUC and many times important parameters of the studies are unknown. Therefore it is not possible to compare the models and results and find out which are the drivers for the variety of predicted outcomes. This makes it impossible to evaluate which of the results are realistic.
- Variations of parameters: there is no clear scientific agreement on sources and magnitude of many of the parameters of studies and models, such as land use data bases or yields. It comes therefore as no surprise that the results differ to a large extent. Before analysing the results there should be reached an agreement on the parameters, especially if changes in the parameters have such large impacts.
- Not all of the models analysed take into account the possible development path of biofuels, with regards to increased efficiency in first generation biofuel or second generation biofuel.
- The models do not analyse the shock that the new sustainability legislation will have on the market and on land use change, which makes the results of the models highly unrealistic.

2) On the basis of the available evidence, do you think that EU action is needed to address indirect land use change?

There is currently **no need for regulatory action to address indirect land use change**; however there should be an increase of activities to better understand and evaluate indirect land use change which could result from increased biofuels production.

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 the analytical work. As such, do you think it is possible to draw sufficiently reliable conclusions on whether indirect land use change impacts of biofuels vary according to:

- feedstock type?
- geographical location?
- land management?

If so, please say which, and indicate the evidence used to reach your conclusion.

The sustainability criteria of the Renewable Energy Directive are already sufficiently differentiating and discriminating between different feedstock type, location and land management. To extent such differentiation to the application of ILUC factors would open the door to discrimination and protectionist tendencies, as there is no sufficient scientific basis.

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

- A. Take no action for the time being, while monitoring impacts including trends in certain key parameters and, if appropriate, proposing corrective action at a later date.
- B. Take action by encouraging greater use of some categories of biofuels.
- C. Take action by discouraging the use of some categories of biofuel.
- D. Take some other form of action.

The course of action should clearly be in line with option A: Take no action for the time being, while monitoring impacts including trends in certain key parameters and, if appropriate, proposing corrective action at a later stage.

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