
**Public Consultation on
Indirect Land Use Change and
Biofuels**

A Response from Green2Go Ltd

1. Introduction

This paper sets out Green2Go's response to the European Commission's public consultation on the impact of biofuels in creating Indirect Land Use Change, which has been published in order to meet the requirements of the Renewable Energy Directive and Fuel Quality Directive that the Commission submit a report to the European Parliament and Council considering the impact of ILUC on greenhouse gas emissions and suggesting ways to minimise that impact.

2. About Green2Go

Green2Go was established in 2007 to provide renewable and sustainable heat and power solutions to its public sector and private sector partners. Green2Go is a subsidiary of Equity Solutions and Partners Limited, a well established investment organisation in the United Kingdom which invests in Public Private Partnerships. The Equity Solutions Group has invested, procured or acted as principal lender on over £4b of infrastructure transactions.

Green2Go actively encourages and implements low carbon, alternative energy options and associated infrastructure solutions. One of its key areas of expertise is the design and installation of Combined Heat and Power (CHP) systems that use filtered Used Cooking Oil (UCO), or UCO blended with a bioliquid manufactured from UCO and elements of recycled methanol. These fuels are widely considered to be amongst the most sustainable of biofuels and deliver a reduction in carbon emissions of approximately 90% compared to standard grid electricity and mains supply gas.

The creation of sustainable fuels from UCO ensures a waste product is diverted from landfill or from being poured down the drain, thus contributing to a wider reduction in carbon emissions as well as waste minimisation. These fuels are currently being used to provide environmentally friendly CHP solutions for a range of public and private sector clients.

Green2Go believes that sustainable fuels produced in this way have a key role to play in enabling the UK and the EU to meet its challenging targets for a reduction in carbon emissions and a significant increase in the amount of energy generated from renewable sources.

3. UCO as a biofuel feedstock

A key part of any strategy to reduce emissions and increase the amount of energy and transport fuel generated from renewable sources is the use of bioliquids and biofuels. UCO is considered to be one of the most sustainable forms of renewable energy. It is a waste product that is often disposed of illegally. It costs utility companies in the United Kingdom £15m a year to unblock drains and sewers where cold oil has been illegally dumped, and then congealed and solidified. Prior to technical developments that allowed UCO to be used as a biofuel, much of the UK's UCO was poured down the drain, although it is now recognised in legislation that this is no longer acceptable or sustainable.

Biofuels refined from UCO offer far greater carbon efficiencies than traditional fossil fuels. Green2Go powers all its processing and logistics from biofuels and waste products used in bio-digestion. The

use of this fuel reduces life cycle carbon emissions by over 75% against normal mineral diesel and can be used for transport fuel, electricity, or in CHP systems. CHP is more efficient than the separate energy systems it replaces. It can be used in any type of building to make efficient use of resources and minimise waste, and can achieve significant carbon footprint reductions of 70% or more.

Most significantly, the use of a recycled biomass product as a feedstock means that UCO avoids a host of contentious issues and negative trends traditionally associated with biofuels. Using UCO as a biofuel does not cause Indirect Land Use Change. UCO does not require the growth of food crops, the displacement of agriculture land for fuel production, the destruction of natural habitats, or any other phenomenon linked to the 'food vs. fuel' debate.

4. Questions

Q1. Do you consider that the analytical work referred to above [in the consultation], 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?

Although the Commission has assembled a comprehensive literature review looking at the impact of food crop derived biofuels on ILUC, we are disappointed that there is little mention of biofuels produced from UCO or other forms of waste. The literature review does cite the UK's Renewable Fuels Agency's figure that biodiesel produced from UCO can deliver around 85% greenhouse gas savings, and mention is made of the Gallagher Review which recommended that biofuels policy incentivise those produced from wastes and residues. However, there is no attempt to distinguish waste derived biofuels and those produced from UCO from other, less sustainable biofuels, and no recognition of the sustainability benefits of such fuels.

Green2Go recommends the European Commission consult 'A Comparison of the Greenhouse Gas Benefits Resulting from the Use of Vegetable Oils for Electricity, Heat, Transport and Industrial Purposes', prepared for the UK's Department of Energy and Climate Change by NNFCC in early 2010.

We would stress that no policy decisions should be made relating to ILUC and biofuels until proper research is carried out into the sustainability benefits offered by biofuels produced from UCO and other waste streams. The likely impact of any policy decisions on the sustainable bioliquid and biodiesel sector should also be considered, and the fact that biofuels produced from UCO do not contribute to ILUC acknowledged.

Q2. On the basis of the available evidence, do you think that EU action is needed to address Indirect Land Use Change?

As explained above, biofuels produced from UCO and other wastes and residues not only deliver greater greenhouse gas savings than traditional fossil fuels and other biofuels, but do not result in ILUC. Green2Go would therefore emphasise to the Commission that should a decision be taken to address ILUC, the impact on the sustainable biofuels industry be reviewed and no additional regulatory or financial burden placed on companies which produce bioliquids or biodiesel from UCO.

Q2. 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 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 may vary according to feedstock type, geographical location or land management?

Green2Go believes the most effective way for the Commission to address ILUC would be to identify separate categories of biofuels according to feedstock or sustainability, and create a formal category of waste biofuels for those produced mainly from UCO. This could be done by classifying as a sustainable waste biofuel any bioliquid or biodiesel which meets the minimum greenhouse gas savings set out in the Renewable Energy Directive (RED), does not impact on land with high biodiversity or cause ILUC, and is produced using UCO or other feedstocks defined as a 'waste' or 'End of Waste' in the revised Waste Framework Directive.

Should this exercise conclude that action is needed to prevent ILUC arising from the production of biofuels from virgin crops, we would welcome further consultation on any measures the Commission might propose to take. However, any policy prescriptions must make sure that biofuels produced from waste are not unfairly penalised for a phenomenon which they do not contribute towards.

Q4. Based on your responses to the above questions, what course of action do you think should be appropriate?

Of the various options listed in the Commission's consultation paper, Green2Go's view is that the best course of action would be to encourage a greater use of UCO and waste derived biofuels at the expense of those produced from virgin crops. As explained in this response, biofuels produced from UCO enjoy the significant advantage of not contributing to ILUC or any of the other problems associated with the 'food vs. fuel' debate. The sustainable bioliquids sector is a fast growing industry which is not only helping EU member states to meet their targets for emissions reductions and an increase in the amount of energy generated from renewable sources, but is also contributing to the development of a 'green skills' base and driving innovation in new technology.

At the national level, Green2Go has been lobbying for a number of changes which would further encourage a move to more sustainable forms of biofuel. These include:-

- Introducing proportional ROCs in the UK's Renewables Obligation for the non-fossil fuel element of bioliquids produced using UCO and methanol (FAME).
- Permitting the eligibility of bioliquids produced from UCO in commercial generating sessions in incentivisation schemes such as the Renewable Heat Incentive and Feed-in-Tariffs.
- Including electricity generated from bioliquids produced using UCO within the scope of proposals to 'grandfather' support for renewable energy schemes under the Renewables Obligation.
- Ensuring fuel duty incentives favour biodiesel produced from sustainable feedstocks, for example, by extending the current 20p duty differential for UCO derived biodiesel in the UK.

- Considering additional ways of maximising the volume of UCO available for recycling, by limiting the export of UCO, requiring local authorities to introduce UCO collection schemes, recycling waste collectors to sell UCO only to authorised biofuel producers, and by moving the burning of UCO that was previously utilised to cook meat or fish outside the scope of the Waste Incineration Directive.

5. Contact

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