

Summary

On 28 April 2015, the European Parliament is expected to adopt a final compromise for the reform of EU biofuels policy that will then be endorsed by the Council of the EU. Following several years of difficult discussions, this compromise lacks the necessary ambition to tackle properly the issue of indirect land-use change (ILUC). However, it sets some key principles for the phase-out of first-generation biofuels, recognises the problem of ILUC emissions and introduces new measures for other alternatives such as advanced biofuels and renewable electricity. These elements will need to be captured in the 2030 transport fuels policies.

1. A 7% cap, including energy crops, will prevent increase of up to 320 million tonnes of CO₂, potentially more

Before: 8.6% first-generation biofuels expected to be used at EU level to reach renewable energy directive (RED) target

After: maximum 7% first-generation biofuels used at EU level to reach RED target

According to the renewable energy action plans prepared by the member states in the framework of the RED, biofuels were expected to reach 8.6% in 2020 at EU level. The cap introduced by the reform **limits to 7% the maximum level of land-based biofuels** that can be used in the EU to achieve the 10% target. This decision reduces the pressure on food prices, land and future emissions. A rough calculation, [based on figures of a previous IEEP study](#), shows that by putting this policy in place, Europe is preventing emissions of up to 320 million tonnes of CO₂ that would otherwise have been caused by crop-based biofuels.

In addition, some **member states might decide to set the cap at a lower level** – bringing the level of first-generation biofuels down compared to what they initially planned in their national renewable energy action plans – thus leading to additional GHG emissions reductions.

2. ILUC emissions recognised, quantified and reported under the RED and the FQD

Before: ILUC not recognised and not quantified; no accurate picture of the negative climate impacts that first-generation biofuels can have

After: ILUC emissions are recognised as existing, quantified and reported by fuel suppliers and the European Commission

ILUC reporting by the Commission (under the RED) **and fuel suppliers** (under the FQD) is a step in the right direction. This will increase the transparency of the impacts of this policy for European citizens. Even though ILUC emissions won't be taken into account in the way fuel suppliers and member states reach their EU targets, it will permit transparency on the full climate impacts of EU biofuels policies. In addition, it gives a clear signal to investors that food-based biofuels are not the way forward for the decarbonisation of transport.

3. Advanced biofuels

Before: “Advanced biofuels” are subject to a multiplier of two but no clear definition of what they can be

After: Member states have an obligation to set up a specific sub-target for advanced biofuels, a limitative list of feedstocks is introduced and the waste hierarchy is mentioned

A **reference target of 0.5%** has been adopted for advanced biofuels at EU level. Each member state will have to set up its own national sub-target – which could be lower or higher than the 0.5%. This sub-target was intended to bring more certainty to an industry eager to have a longer-term perspective.

For the first time, there is now **a list of what can be legally considered as “advanced biofuels”**. But this list includes some problematic elements, such as reference to some energy crops and effluents of palm oil production, and it hasn’t been subject to a specific impact assessment. This list will determine which projects can be financially supported as part of EU projects for advanced biofuels.

For the first time, the biofuels policy will include **a reference to the principle of waste hierarchy**, a key principle needed to ensure true sustainability of advanced biofuels. This is a step in the right direction, but unfortunately, this provision is not binding yet.

4. Lesser need for first-generation biofuels thanks to higher multipliers for renewable electricity

Before: Renewable electricity used in electric vehicles (EVs) multiplied by 2.5 but no multiplier for rail

After: Renewable electricity used in EVs multiplied by 5, and 2.5 multiplier for rail

The reform will introduce a higher multiplier for **renewable electricity used in EVs (x5)** and a new multiplier for **renewable electricity used in rail (x2.5)**. These new multipliers do not increase the production of renewable electricity in practice at national level, but will permit limiting the use of first-generation biofuels even further and shift the emphasis toward other low-carbon technologies. With higher multipliers, the RED target will indeed be achieved more easily. But this stronger “creative accounting” should not obscure the fact that additional investments are needed for innovative low-carbon technologies, such as sustainable advanced biofuels, and also to deploy more renewables for the production of renewable electricity at EU level.

Based on Eurostat data for 2013¹, the new multipliers would result in an increased share of renewable electricity contributing to the target, from 0.53% to 1.3%. This would have concrete impacts on member states’ obligations. For example, a member state like Austria would have already achieved 10% renewables in transport in 2013 thanks to the use of these new multipliers.

Further information

Pietro Caloprisco
Senior policy officer, Transport & Environment
pietro.caloprisco@transportenvironment.org
Telephone: +32 (0)2 851 02 11 / +32 (0)485 72 65 33

¹ Eurostat, *SHARES 2013 results*, http://ec.europa.eu/eurostat/c/portal/layout?p_l_id=4703568&p_v_l_s_g_id=0. With the new multipliers, Austria reached 10.77% renewables in transport in 2013. Calculations made by T&E.