

2023 Renewable Energy Directive factsheet

National implementation of the Renewable Energy Directive

Member states have an opportunity to prevent the uptake of unsustainable biofuels and favour better alternatives nationally

This fact sheet highlights the key T&E recommendations for the national implementation of the Renewable Energy Directive (RED). Member states have several tools at their disposal to balance their deployment of renewables and to prevent an increase in unsustainable biofuels, as the transport target in RED III was significantly increased.

Going beyond damage control: Full phase-out of crop-based biofuels

The doubling of the overall target for renewables in transport (RES-T target) risks incentivising countries to continue relying on biofuels from food and feed and intermediate crops to achieve the target and pinning too high hopes on advanced biofuels made from (limited quantities of) waste and residues. There are however some tools at the disposal of Member states to curtail these negative impacts of the dramatically increased RES-T target.

Firstly, using crop based biofuels has remained optional in RED III: **Member states can and should immediately or progressively reduce the support for food and feed based biofuels.** In doing so, they can reduce the very high 29% target for renewables in transport (RES-T target) or the 14.5% GHG savings target. Although there is still a long way to the necessary phase out of crop based biofuels at the EU level, it is essential that the member states show more ambition at the national level and some have already started that process (e.g. Belgium reduced their cap on crop based biofuels in 2023¹).

Secondly, in terms of the worst performing biofuels such as palm and soy, several member states have already shown bigger ambition than the RED and are already phasing them out. The RED III included language on the next revision of the high ILUC Delegated Act that obliges the European Commission to assess the possibility of reducing the high ILUC threshold, which would include soy as a high ILUC feedstock. It will also assess the possibility of an accelerated phase out of high ILUC feedstocks. Regardless of what happens, **member states must continue with national phase outs of palm and soy.**

¹ Belgium has introduced into [law](#) a reduction of crop-based biodiesel from current 7% in energy terms to a maximum of 6% in 2024, 5% in 2025 and 2.5% in 2030. Bioethanol will also be reduced from today's 7% to a maximum 6.5% in 2024, 5.5% in 2027, and 4.5% in 2030.

Palm and soy phase-outs in Europe



TE TRANSPORT & ENVIRONMENT    
transportenvironment.org

Thirdly, when it comes to waste biofuels in Annex IX, the RED III introduced a combined subtarget for green hydrogen and advanced biofuels (part A of Annex IX) of 5.5%, of which at least 1% needs to be supplied by Renewable Fuels of Non-Biological Origin (RFNBOs), i.e. green hydrogen and e-fuels. In addition to that, the 1.7% cap on used cooking oil & animal fats (part B of Annex IX) can increase on the basis of an assessment of the availability of feedstocks. Given that Part A and Part B feedstocks are limited in sustainable quantities at the EU level and in most cases have competing uses in other industries, **T&E strongly recommends to leave the target for Annex IX biofuels at 3.5% with double counting as agreed under 2018 RED.** As a result, T&E suggests **increasing the minimum target for RFNBOs under the combined target from 1% to 2%.**

Taking renewable electricity seriously as a transport fuel

Some member states already have a credit mechanism that allows fuel suppliers to use renewable electricity charged by EVs to meet their targets (Netherlands, Germany, France and Austria). The RED III now requires all member states to introduce this option in all EU27 member states, at least for public chargers. This requires a significant adaptation of existing biofuel blending mandates. **T&E calls on all member states to swiftly introduce such a credit mechanism.** Ideally, the credit mechanism should have **a broad scope, including both public and private recharging.** Rewarding the higher energy efficiency from charging EVs with renewable electricity needs to be recognised either by means of the energy-based multiplier of 4 or the higher fossil fuel comparator. More details on RED III and renewable electricity [here](#).

More green hydrogen and e-fuels for use in planes and ships

The outcome of the RED III negotiations was disappointing in terms of the level of ambition: Only a 1% RFNBO target, which will be significantly lowered due to double counting and the use of multipliers. **T&E advocates to increase the 1% RFNBO target to 2%.** Member states should also use the transposition of RED III to steer these fuels towards the aviation and shipping sector, where direct electrification is not technically feasible. One way to achieve this is to convert the agreed non-binding 1.2% target for RFNBOs in shipping into a binding obligation and increase the level of ambition. Member states shall not incentivise the use of e-fuels in the road transport sector: Electric vehicles offer a more efficient, cheaper to run and zero-emission alternative to blending e-fuels with fossil gasoline and diesel to be combusted in internal combustion engines.

Key recommendations

- 1** Continue with immediate phase outs of palm and soy at the national level. Progressively reduce the cap on crop biofuels at the national level & phase them out by 2030
 - 2** At the national level, keep the target on advanced biofuels to 3.5% with double counting, as agreed in the 2018 RED, while increasing the minimum target for RFNBOs to 2% under the combined 5.5% subtarget.
In addition to this, keep the limit on used cooking oil & animal fats at the 1.7% agreed in the 2018 RED
 - 3** Swiftly introduce a credit mechanism at the national level and include both private and public charging points
-

Further information: Barbara Smailagic
Fuels Policy Officer
barbara.smailagic@transportenvironment.org

Geert Decock
Electricity & Energy Manager
geert.dc@transportenvironment.org