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An ambitious EU-wide renewable energy target by 2030

FuelsEurope welcomes the Commission's proposal on the Renewable Energy Directive II (RED II) as the policy instrument to promote the use of renewable energy in the electricity, heating & cooling and the transport sector and recognises that the deployment of renewable energy is one of the main measures to tackle security of supply and climate change. FuelsEurope considers that transport can play an important role in achieving the EU-wide renewable energy target of at least 27% renewables in 2030. Homogeneous policy across the EU will be key in creating conditions that remain predictable and stable over the long term and that prevent fragmentation of the EU single energy market.

Renewable energy in transport: the role of liquid fuels of biological origin

Blends of sustainable biofuels with petroleum fuels contribute to the achievement of the EU-wide renewable energy target as well as to the reduction of greenhouse gas (GHG) emissions from transport. FuelsEurope welcomes the proposal to use RED II to promote the use of renewable transport fuels as well as focusing on incentivising developments in advanced biofuels.

However, it is important that RED II also recognises the role that sustainable first-generation biofuels can play in meeting GHG reduction targets for the road transport sector in a cost effective way.

One big advantage of biofuels with respect to other low carbon transport alternatives is that they do not need new fuelling infrastructure. The current extremely flexible, reliable and wide network of terminals, depots, pipelines, rail and road tankers and petrol stations can be readily used to distribute biofuels blended with petroleum fuels without further significant investment.

Moreover, the benefits of biofuels in terms of lower GHG emissions can be delivered immediately by the current fleet of 250 million cars and 38 million trucks rather than to be limited to new vehicle technologies.

The combination of high quality petroleum fuels, sustainable biofuels and innovations in internal combustion engines offers great potential at comparatively low cost for the progressive reduction of GHG emissions in transport.

The case for biofuels: investors need certainty

The objective to develop sustainable, "advanced" biofuels requires extraordinary efforts in R&D and the commitment of significant and long-term investments.

Regulatory certainty and predictability are essential conditions for investments in high risk projects. The advanced biofuels mandate provides a strong investment signal.

Moreover, in some cases the development of advanced biofuels may be underpinned by and stem from the evolution of the production facilities currently dedicated to first-generation biofuels.

Where mandates are used, particular care is required in setting targets that should be realistically achievable. The legislation should also leave sufficient flexibility to achieve overall objectives in the most effective way.

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All biofuels – both first-generation and advanced – must count provided they meet robust and science-based sustainability criteria

Sustainability criteria are necessary conditions for any form of renewable energy to contribute to the GHG reduction efforts.

Once a biofuel, whether first-generation or advanced, meets the applicable sustainability criteria, it should qualify for meeting regulatory renewable energy targets, independent of its origin or production process¹. The sustainability criteria must be defined based on the best available scientific evidence, be transparent and simple to use, and not be changed once adopted. They must take into consideration the GHG emissions associated with the entire life-cycle of the biofuels and, where sound data are not available, the best available assumptions must be used based on objective and scientific criteria.

The threshold in terms of GHG savings must be fixed appropriately to make the necessary selection.

A progressive, cost-effective increase in the use of advanced biofuels could be achieved by promoting the use of diversified sustainable biofuel technologies and a broad range of waste-based raw materials.

FuelsEurope considers the list of feedstocks included in Annex IX² of the proposal as too restrictive and not suitable for supporting the best innovation or the most cost-effective development of advanced biofuels. We propose complementing the Annex IX list with the following definition of advanced biofuels:

- Advanced biofuels are those produced from biomass (1) other than as food/feed crops and that meet the EU sustainability criteria (2) under legislation in force.
 - o (1) biomass as defined under the renewables energy directive or any amendment to it
 - o (2) sustainability criteria defined under EU legislation

Applying this definition as an alternative qualification for advanced biofuels, in addition to the list in Annex IX should allow the promotion of diversified raw materials and advanced biofuel technologies.

The cap on Annex IX part B of 1.7% energy is not justified. All waste and residue feedstocks are considered to deliver high GHG emission savings for biofuels made from them. The cap should therefore be removed³. If the reason for the Commission's proposal is to introduce a cap in part B so as to limit possible fraud, then clear and easily enforceable measures (e.g. an EU-wide tracking system and database) suitable for preventing and sanctioning abuses should be designed.

Achievability of targets

All biofuel targets must be realistically achievable. It is not clear (especially when referring to the proposed targets for advanced biofuels) whether this is the case. The level of the targets should undergo a thorough "reality check" and, if necessary, be reviewed.

¹ Article 7(1)

² Article 2(ee)

³ Article 25 (1) (b)

Preservation of the single market

The regulatory measures on biofuels and the fuel specifications must be laid-down and implemented across the entire EU in a consistent way. Giving excessive discretion to individual Member States with regard to this respect may lead to fragmentation of the single market.

Biofuel use in the aviation and maritime sector

In at least the short to medium term, the aviation and marine sectors do not have many realistic alternatives to using lower carbon fuels. The international aviation sector has taken initiatives to combine the use of cost-effective and sustainable alternative fuels with a market-based mechanism to reduce progressively GHG emissions.

FuelsEurope welcomes the Commission's proposal to assign a multiplier factor to support the use of renewable fuels in the aviation and maritime sector. The Commission's proposal must state more clearly that the multiplying factor is applicable to the entire Annex IX⁴.

Permitting the use of alternative measures to provide flexibility to obligated parties in achieving the renewable energy target

The RED II focusses on the use of renewable energy in the EU energy mix. The current construction of the RED II is not able to include benefits (in terms of GHG emissions reduction) of certain technologies, such as the development of very efficient non-renewable liquid fuels or the use of sustainable renewable hydrogen in the fuels production process. Solutions should be sought to allow such developments to be captured under the RED II as an alternative compliance mechanism, expressed for example as an equivalent renewable advanced fuels.

The development of such EU-wide alternative compliance mechanisms will have to be introduced and monitored to ensure that alternative measures are not covered by EU legislation that is already adopted to avoid any misuse. Such alternative mechanisms will provide compliance flexibility for the obligated parties in achieving the renewable energy target and will stimulate innovation.

Avoid restrictions in the deployment of advanced renewable energies

The Commission's proposal restricts the use of renewable electricity for the production of renewable liquid and gaseous transport fuels of non-biological origin to those installations that are new and only connected to the user without passing through the electricity grid⁵. FuelsEurope is of the opinion that no distinction should be made based on the newness or direct connectivity to the user. The proposed certificate of origin system must be used to prove that the electricity used for the production of renewable liquid and gaseous transport fuels comes from renewable sources.

⁴ Article 25 (1) (b)

⁵ Article 25 (3)

A progressive integration of renewable energy in the heating and cooling sector

FuelsEurope supports the main elements of the proposed recast of the Renewable Energy Directive with respect to the heating and cooling sector with regard to a progressive integration of renewable energy in this sector.

- The flexibility granted regarding the definition of the obligated parties⁶ creates the ability to take into account Member States' specific situations and can contribute to cost-effective implementation.
- Implementation of renewable energy in the heating and cooling sector should allow fair competition amongst all existing technologies so as to contribute to the objective of a progressive increase of renewable energy in this sector.

FuelsEurope, the voice of the European petroleum refining industry

FuelsEurope represents with the EU institutions the interest of 40 companies operating refineries in the EU. Members account for almost 100% of EU petroleum refining capacity and more than 75% of EU motor fuel retail sales.

FuelsEurope aims to promote economically and environmentally sustainable refining, supply and use of petroleum products in the EU, by providing input and expert advice to the EU institutions, Member State Governments and the wider community and thus contributing in a constructive and pro-active way to the development and implementation of EU policies and regulations.

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⁶ Article 23