



EFAEP Seminar  
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## Biofuels- Threat or Opportunity?



## Biofuels: Threat or Opportunity?

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## **The EU Strategy on Biofuels**

- 2003: Biofuels directive
- 2006: Action Plan for Biofuels and Biomass
- 2007: European Council decision
- 2007: Modification of the Fuel Quality draft directive
- 2008: Draft directive on promotion and use of energy from renewable sources

### **The EU Directive on the promotion of the use of biofuels and other renewable fuels for transport of 8 May 2003**

Goal: minimum share of biofuels of:

- 2% by 31 December 2005
- and 5.75% by December 2010

## What counts as biofuel ?

- Bioethanol
- Biodiesel
- ETBE (etherised bioethanol)
- Biogas
- Biomethanol
- Bio-oil

## Biofuels directive: a success?

What was achieved until 2005?

- 1% market share of biofuels (reference value for 2005 was 2%)
- Only Sweden (2,2%) and Germany (3,8%) reached the reference value
- Biodiesel achieved a share of 1,6% of the diesel market
- Bioethanol achieved a share of 0,4% of the petrol market

The EU hoped for positive effects:

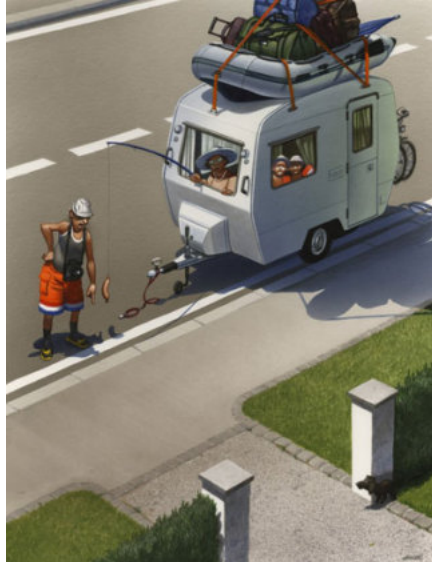
- Reduction of CO<sub>2</sub> emissions from transport
- Sustainable use of otherwise problematic waste products
- Stimulus for the rural economy by creating new sources of income for farmers

European Council Decision in March 2007:

- 20% more energy efficiency
- 20% renewable energies
- 20% less emissions of CO<sub>2</sub>
- 10% biofuels

→ all until 2020, all mandatory

## Energy: the search for sustainable solutions



## What progress have we made so far?



**“VW-Käfer” 1948**  
**Consumption:?**

**“VW-New Beetle” 2008**  
**Consumption:?**

## A campaign to influence MEPs

**1948:** 7.5 litres/100km



**2008:** 7.5 litres/100km



# 60 years of progress?

## What progress have we made so far?

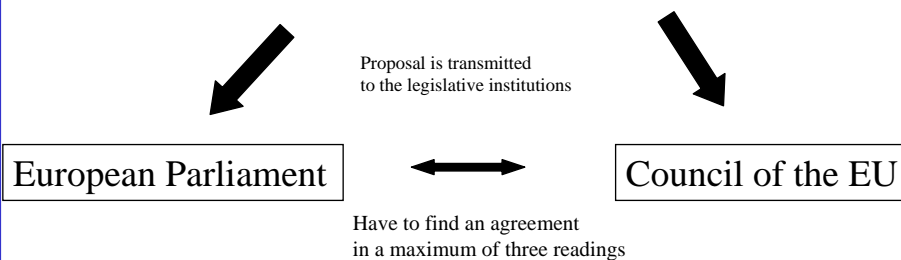


The situation in March 2007:

- Bio fuels seen as part of the solution
- Discussions on the disadvantages of bio fuels was limited
- Hike of petrol and diesel prices make bio fuels more profitable
- Climate change

➔ Mandatory goal of 10% bio fuels until 2020

Proposal by the Commission



Current stage: First reading in the European Parliament foreseen for 08.10.2008

- The transport sector is the most rapidly economic sector
- Oil supply get increasingly difficult due to political circumstances and price hikes
- Bio fuels are currently more expensive to produce than other alternative energies, therefore strong incentives are needed

### Goals:

- 10% minimum share of biofuels until 2020
- Reduction of CO<sub>2</sub>
- Less dependency on imports
- Technological leadership of the EU in the “energy revolution”
- More and better jobs in rural areas



- Raise the share of biofuels in transport from currently 2% to 10% in 2020
- Introduce a common definition of sustainability criteria to allow free trade within the internal market
- The Commission wants a mixture of domestic production and imports without giving numbers

- Only biofuels which fulfil the sustainability criteria shall count for the 10% target
- Emission gas savings shall be at least 35%

Biofuels shall not be made from:

- raw material obtained from land with recognised high biodiversity value

- Forest undisturbed by significant human activity
- Areas designated for nature protection purposes
- Land with high carbon stock
- Wetlands
- Continuously forested areas

- Member States shall not establish other grounds of sustainability for biofuel
- A sustainability scheme for energy uses of biomass, other than biofuels and other bioliquids, shall be adopted by 2010.

- Do biofuels cause hikes in fuel prices?
- Sustainability criteria not sufficient: what about pesticides, fertilizers and transport?
- Second generation biofuels not commercially available yet

- ITRE Committee decision taken today!
- The 10% target could be abandoned
- Suggestions for biofuel targets range from no target to 10%
- It is likely that a target below 10% will be set
- Stricter sustainability criteria like higher emission savings

French Council Presidency close to compromise on sustainability criteria:

- 35% emission savings until 2017
- From 2017 50% emission savings
- Social sustainability criteria shall be introduced
- No solution yet for target, many member states demand lower target

### Article 3-3

“Each Member State shall ensure that the share of energy from **renewable sources** in transport in 2020 is at least 10% of final consumption of energy in transport in that Member State.”

- New biofuels strategy will set less ambitious target and introduce stricter sustainability criteria
- Council and Parliament might reach a compromise before end 2008
- When 2<sup>nd</sup> generation fuels will be commercially available a new biofuels approach with tougher targets can be expected

Thank you!