Remarks
4th International Conference on Biofuels Standards; Current Issues, Future Trends

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- Greetings from Kyriakos Maniatis to the participants and apologies for not being able to attend due to other commitments in Brussels.

- The "Biofuels Directive"[1] set back in 2003 an indicative target for a minimum proportion of biofuels and other renewable fuels to be placed on the markets in 2010. A subsequent step to the "Biofuels Directive" was taken in 2009 with the "Renewable Energy Directive"[2], which established a mandatory 10% target for the share of energy from renewable sources in the EU transport in 2020.

- Concerning EU road fuel policy, the following key elements have been established:
    - single market for road fuel,
    - fuels fit for purpose (enabling the correct operation of vehicles and their necessary emission control technologies to meet regulatory requirements),
    - progressive decarbonisation and,
    - security of supply.

[1] Directive 2003/30/EC, repealed by the Directive 2009/28/EC

[2] Directive 2009/28/EC

- The recently revised Fuel Quality Directive[3] implements the first three of these objectives through setting mandatory minimum fuel specifications across the EU and requiring fuel suppliers to reduce by 6% (by 2020) the greenhouse gas (GHG) intensity of energy supplied for road transport.

- Both the Renewable Energy Directive and the Fuel Quality Directive establish sustainability criteria that must be met by biofuels if they are to count towards the targets of those Directives or receive public support. At present the minimum GHG reduction is set at 35% compared to diesel and petrol. This is to be increased to 50% by 2017 and to 60% for any new plant constructed after 01/01/2018. In addition both Directives refer to the impact of indirect land-use change (ILUC) i.e. the emissions arising from the conversion of the land required to meet biofuel demand on top of existing food and feed production. I will come back later on the ILUC issue and the Commission's new proposal.

- 12 Voluntary certification schemes have been approved via Commitology by the European Commission and more are set to be approved. Some of these already operate in the market facilitating the use of sustainable biofuels in the EU market.

- The analysis of National Renewable Energy Action Plans (NREAPs) submitted by Member States (MS) to the European Commission in June 2010 reveals that MS intend to slightly overshoot the 10% target. To meet the 10% target, they intend that 8.5% comes from the first generation biofuels, 1% from the second generation biofuels and 1% from renewable electricity, most of the latter in railways rather than in cars. One Member State expects some hydrogen from renewables to be used in transport by 2020. As in

[3] Directive 2009/30/EC

their national plans, MS seem to be mostly counting on first generation biofuels, their sustainability is a key issue.

- In the light of the NREAPs submitted by MS under the Renewable Energy Directive, there could be a challenge to respect the blending limits of the Fuel Quality Directive. The Commission is keeping this under review. "Protection grade" fuels are required to be available and clearly marked at pumps so that consumers have access to blending levels compatible with the vehicle technologies represented in today's vehicle park. Any future revision of blending limits needs to be assessed in the light of vehicle compatibility, the definition of harmonised standards applied consistently across the EU and be followed by adequate industry lead times.

- Now back to ILUC.

- We want to ensure that public support is targeted towards the biofuels that save substantial GHG emissions compared to the fossil fuels they replace.

- In the field of biofuels, concerns around the greenhouse gas emissions savings offered by biofuels have been mostly linked to the issue of ILUC. We have conducted a number of analytical studies on this topic and based on our current understanding we feel confident that we can steer the markets towards the biofuels with less risk of causing ILUC emissions.

- The Commission's proposal that was issued on 17 October 2012 initiated the transition to biofuels that deliver solid GHG savings also when estimated ILUC impacts are considered while respecting existing investments.

- We propose to limit the amount of 1st gen. biofuels that can count towards the Renewable Energy Directive targets to current consumption levels (5%). The remaining growth in the biofuels' market is expected to come from advanced non-land using biofuels, for which incentives are also increased (quadruple accounting).

- In addition, we aim to increase the overall savings associated with all biofuels produced in new installations. Therefore, the GHG emissions saving requirements are increased to 60% for new installations.

- The estimated ILUC emissions are included in the MS reports in both Directives. The aim is to increase transparency of GHG savings of all biofuels, while recognising the limits of modelling in the policy design. This may also result in a price premium for low ILUC biofuels.

- Through the same modelling work that we have used to estimate ILUC emissions, we have also analysed the impact our policy has on food prices. The analysis estimates very limited impact on the typical staple crops, as cereal prices increase with only 1% to 2% associated to the predicted EU demand. This is also linked to the fact that we use very little of the global cereal market for ethanol in the EU.

- However, in order to achieve these targets significant development efforts have to be undertaken by all stakeholders across the value chains at research, demonstration and deployment stages. The European Commission has recognised this and we have been supporting advanced biofuels with high GHG reduction potential under the 7th Framework Programme and Horizon 2020 both at research and demonstration level.

- The Commission has confirmed in its Renewable Energy Communication of 6 June 2012 that biofuels will play a prominent role for both, reaching the EU 2020 targets and in achieving GHG reductions from the transport sector also in the future, beyond 2020.

- The Biofuels Flight Path in Aviation is a public private partnership initiative aiming to achieve 2 million tons of bio-kerosene by 2020. This would represent about 4% of the EU consumption of kerosene. The Commission is working with all stakeholders from the aviation and biofuels sectors in trying to overcome the key barriers related to technology development, the cost of bio-kerosene, and lack of financing for first-of-a-kind-plant producing aviation biofuels.

- The Commission welcomes the cooperation established by the Tripartite work amongst US, Brazil and the EU on Internationally Compatible Standards that issued its White Paper in December 2007 and favours similar international cooperation in the future.

- I wish you success with the proceedings of today I can ensure you that you have the support of the European Commission in your efforts to promote sustainable biofuels.