

ESBF POSITION ON 2020-2030 EU ENERGY POLICY

The European Sustainable Biofuels Forum (ESBF) is a platform grouping the European biofuels producers and their respective associations into one single organisation in order to address common issues and promote the development of renewable fuels. Under the umbrella of DG ENER, ESBF aims at building consensus among the EU biofuels stakeholders, creating synergies between conventional and advanced generation biofuels producers and advanced technology providers, as well as spreading extensive information on the state of play of European biofuels.

On January 22nd 2014, the European Commission released the long awaited Communication on Energy and Climate framework for the period from 2020 to 2030¹. The document proposes a 40% domestic reduction of greenhouse gas (GHG) emissions and an increase to 27% of renewable energy sources in final consumption by 2030. The Commission further opens the possibility of increasing energy efficiency in the review of the current legislation.

While ESBF acknowledges the effort made by the Commission to reach a prompt agreement, the Forum regrets that the proposed *White Paper* does not meet the ambitious leadership that Europe is known to represent. In order to prevent global temperatures increasing above the 2°C limit, experts have demonstrated that EU should agree on at least 55% carbon emissions cuts within the EU, a 45% renewable energy share and 40% energy savings by 2030².

A significant decarbonisation of the EU economy should tackle each sector of the economy with a particular emphasis on transport. Transport emissions represent close to a quarter of EU GHG emissions, with road accounting for a fifth of total transport emissions. While other sectors have decreased the volume of CO₂ released, transport emissions have increased by 36% compared to 1990. In this context, the Commission itself acknowledges that "significant reductions in greenhouse gas emissions from transport are required if the EU is to achieve its long-term goals³."

Against this background, ESBF calls for the Council of the European Union to consider the following points:

Renewable transport fuels specific targets are needed as the only instrument to decarbonise the EU transport post-2020

There is a strong need to reduce GHG emissions from transport. The sector is a major source of emissions as well as being 95% dependent on imports and 94% dependent on fossil energy. The only way to reduce GHG emissions, beyond increasing fuel efficiency (which can per se only cover part of the increase in fuel consumption), is to use renewable transport fuel. In this context, ESBF strongly calls upon Member States to restore European Energy policy consistency by allocating specific renewable energy targets for transport and specific GHG reduction targets for fuels. This would safeguard current and future investments made in the EU, while also tackling decarbonisation of transport, including air transport where consumption and GHG emissions are increasing exponentially. Europe is at a crossroads and should show its leadership in promoting ambitious targets.

¹ The Commission Communication (2014) 15 is available < <u>here</u> >

² European Renewable Energy Council (May 2011), Ecofys 2012, UK Department of Energy and Climate Change (2013

³ European Commission DG CLIMA, < <u>here</u> >

EU binding targets in favour of renewable energy need to be more ambitious than the proposed 27%. Also the position of the European Parliament (own initiative report (2013/2135 (INI)) should be supported by the Council of the European Union. On February, 5th, Members of European Parliament recognised the positive effects of the Fuel Quality Directive (FQD 2009/30) and pushed for the continuation of GHG reduction post 2020.

A long-term consistent Energy and Climate Policy beyond the 20-20-20 Package

Policy consistency is a key signal for investors to promote the use of alternative energy sources. The European biofuels industry has invested heavily in order to meet the 2020 binding targets set in the Renewable Energy and Fuel Quality Directives (RED and FQD). Should no specific targets be set from 2020, it could simply mean the destruction of the sector, wiping out its investments, employment, technological excellence, and world-wide industrial leadership.

Energy security through diversification of supply

Furthermore, the European energy bill is forecasted to reach around €500bn and €600bn in 2030 and 2050⁴ respectively. While the International Energy Agency⁵ regrets that global fossil fuel subsidies remain 15 times larger than renewable energy, the biofuels will remain central in fostering EU security of supply⁶. Alternatives to fossil fuels in transport are not only possible but necessary to decrease Europe's energy dependence on third countries. In addition, biofuels production is central to European feed self-sufficiency by providing valuable protein-meal, otherwise imported from third countries, and provides an important contribution to bio-economy.

An ambitious increase of renewable energy use by 2030

In order to meet the 2050 targets and ensure that policy is on track to actually decarbonise energy intensive sectors, Europe should commit to a long-term path towards use of renewable energy sources especially in transport, i.e. continuing to include substantial supports for biofuels. Research and Development in advanced biofuels and in the improvement of GHG reduction from existing biofuels, supported by current production facilities, would ensure sustainable mobility in Europe and create valuable employment opportunities in various parts of the economy. This can only be achieved through a strong political signal in favour of a higher share of renewable energy use in EU transport.

We would like to thank you for the time you will take to consider our views,

Mario Tredici

ESBF Chairperson,

⁴ Trends to 2050, december 2013 update based on 2010€

⁵ World Energy Outlook 2012, IEA (2012)

⁶ Op. Cit, p. 50