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EBA Position paper on the proposed iLUC legislation

European Biogas Association (EBA) strongly supports the European Commission's aims to promote biofuels enabling a clear net reduction of CO₂ emissions when compared to fossil fuels. However, there are some aspects in the current proposal that should be amended in order to effectively advance the decarbonisation of the European transport sector while maintaining the competitiveness of European industries.

Therefore, EBA recommends the EU institutions to take the following suggestions into account.

Stable policy environment must be ensured It is crucial that the European Union creates a reliable policy environment for biogas producers and equipment providers. Investors require production stability for more than a decade. As long as there is no level playing field with the EU's European trading partners (Russia, Belarus, etc.) in terms of iLUC criteria for biofuels, producers may easily bypass the European Union. The negative iLUC effects could be better tackled through bi-regional approaches. In the EU, the fuel production does not threaten food production: there is enough surplus land to produce both which is also acknowledged by the Commission's proposal for the new Common Agricultural Policy (CAP). According to the proposal, a mandatory set-aside land (7%) should be reserved for ecological focus areas where non-food crops are cultivated¹. Crops grown for biogas can also be integrated into crop rotations which improve the overall productivity of the farm, including subsequent food crops, while reducing emissions from agriculture.² It should therefore not be assumed that crops for biogas take land out of food production – the Commission's proposals need to recognise models and technology which use land efficiently to produce food and fuel, and the wider environmental benefits which more sustainable farming practices can bring, such as improved biodiversity and soil quality.

Robust and comprehensive modelling and impact assessment required Before introducing any new legislative proposals, it should always be ensured that the EU's modelling work is scientifically sound and that it takes all concerned industries into account. Biomethane, i.e. upgraded biogas that can substitute / be blended with natural gas at any proportion, was mentioned neither in the IPFRI study, the basis of the proposal, nor in the impact assessment. EBA in general questions the results of the IPFRI study which do not give any incentive to protect soils with high carbon content and which indicate a better GHG balance for a biofuel produced outside the EU - where most the iLUC takes place anyway - than for a European biofuel, i.e. Indonesian palm oil-based biodiesel vs. European rapeseed-based biodiesel. As suggested above in the first paragraph, modelling should also take into account the interaction between crops grown for biogas and the whole farm system. For example, integrating maize as a rotational crop for biogas with an existing cereal crop can help control black grass, reducing the need for expensive, environmentally harmful pesticides. Moreover, when

¹ COM(2011) 625 final/2, Article 32

² <http://www.adbiogas.co.uk/wp-content/uploads/2012/09/120730-PGC-Briefing-Doc.pdf>

calculating the GHG emissions caused by biomethane production, the positive effect of digestate, the by-product of anaerobic digestion, should be taken into account: the digestate is a high value bio-fertiliser substituting fossil fertilisers and helping to reduce emissions during storage and land application of untreated manure.

Before the iLUC legislation is revised the next time, EBA strongly recommends the Commission to properly consult the affected industries and various scientific bodies.

Strict sustainability criteria should be adopted as the main policy driver EBA strongly believes that sustainability criteria should be the main driver of the European biofuels policy. The increased criteria from 35% to 50%/60% would eliminate the unsustainable fuels in an equal manner. If an extra push is needed to boost the advanced biofuels, a sub-target, gradually increasing over the years, could be introduced to contribute to a *real* share of advanced biofuels. The quadruple counting merely re-increases the use of fossil fuels and should be replaced by stronger financial incentives for advanced biofuels such as EU subsidies, tax incentives, etc. Deployment and commercialisation of advanced biofuels should be gradually developed by means of pilot and demonstration units.

The 5% cap on crop-based biofuels should be abandoned The cap that groups all crop-based biofuels under the same umbrella is strongly questioned by EBA. There are huge differences in the GHG balances between different fuels, demonstrated also in the existing Renewable Energy Directive³.

Competition for biowaste streams should be avoided An unintended consequence of applying iLUC criteria could be plants looking for well-separated biowaste streams, also in a long distance from the site. This may create a feedstock competition between biomethane plants and in effect, lead to waste tourism, where suitable waste is imported from other countries.

Current investments should be safeguarded also beyond 2020 Although biogas can be produced from almost all organic substrates, biogas plants cannot be fed with whichever substrate: different feedstocks require different technologies. Most of the central European countries have invested in biogas plants designed for energy crops as feedstock. Member States should be allowed to guarantee prices for production at existing installations that comply with the sustainability criteria also beyond 2020. This is necessary in order to pay-back investments and finance further developments within the industry.

Biomethane's strong contribution to EU targets should be acknowledged Biomethane produced from any substrates contributes to the Commission's energy and environment targets. Agricultural biomethane from energy crops and manure (co-digestion) has been proved to be the most energy-efficient biofuel: one hectare of land used for biomethane production allows a running distance of a gas vehicle longer than then with the production of any other biofuel including advanced biofuels⁴. Furthermore, there is no need for developing new costly technologies since biomethane-fuelled vehicles, unlike electric vehicles, can fully profit from existing facilities provided by natural gas infrastructure.

³ 2009/28/EC: Annex V

⁴ <http://mediathek.fnr.de/grafiken/pressegrafiken/biokraftstoffe-im-vergleich.html>

Biomethane as an advanced biofuel Biogas produced in new agricultural plants should be considered as an advanced biofuel: the methods of mechanical-physical and/or chemical-biological treatment allow increases in gas production by 20-50% with ligneous material included in the feedstock. Perennial/catch crops etc. should also be excluded from the scope of the iLUC legislation as they provide several environmental benefits preventing nitrogen being washed out of the soil, increasing carbon storage in the soil and preventing soil erosion.

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About European Biogas Association (EBA)

European Biogas Association asbl (EBA) was founded 3 February 2009 as a Belgium non-profit organization aiming at promoting sustainable biogas production and use in Europe. EBA's membership comprises currently national biogas associations, institutes and companies from 24 countries all across Europe. EBA unites a large number of the most experienced biogas experts in Europe and has highly experienced and skilled staff providing policy advice, know-how and information to promote beneficial legislation and framework conditions in the field of biogas. For further information please visit: www.european-biogas.eu