



Advanced Biofuels industry calls EU institutions to agree on a binding sub-target for advanced biofuels

Comments to the EP ENVI-report and to the Council Position in 2nd reading on ILUC February 2015

Advanced biofuels industry welcomes the beginning of negotiations on the final ILUC directive. Reaching a compromise on ILUC in 2nd reading is critical to restore the confidence in a sector that has been subject to an uncertain policy framework for several years.

The ENVI-report includes positive elements especially with regards to the promotion of advanced biofuels pre- and post- 2020. We call upon the negotiating parties to reach a constructive compromise during trilogue that will promote advanced biofuels with high GHG savings.

The assessment below of both the EP and the Council position make concrete proposals for reaching compromises on key issues including the sub-target for advanced biofuels and the list of feedstock eligible for extra support.

Advanced biofuels target

The inclusion of a dedicated, binding and meaningful target for advanced biofuels in 2020 and beyond is critical for securing investments and commercial deployment of advanced biofuels in Europe:

- The EP calls for a binding target of 1.25% in real volumes (double counted, i.e. 2.5%) by 2020 and calls upon the Commission to continue their promotion beyond 2020.
- The Council agreed on a 0.5% indicative target with 3 easy opt-out clauses.
- ➔ **We strongly recommend the negotiating parties to agree on a compromise that will trigger investments in the advanced biofuels industry through a binding target. The Council position is clearly not good enough while we consider the EP-Position as a good basis for negotiation.**
- ➔ **We strongly support measures that will enable continuation of the sub-target post 2020.**

Advanced biofuels feedstock (Annex IX and grandfathering)

Feedstock eligible for counting towards the target must promote innovative technologies and not distort the market through over-incentivization.

- We support the Council position on Annex IX which draws up a right choice of sustainable eligible feedstocks and would effectively promote advanced Biofuels. We therefore object to the Council position which would allow feedstocks that are

currently eligible for double counting in Member States but not listed in Annex IX to count towards the advanced biofuels target.

- We support the EP-position on the grandfathering that would allow feedstocks that are currently double counted to continue to double count as Annex IX part B.
- ➔ **We strongly recommend the negotiating parties to agree on a compromise that combines the Feedstock list of the Council with the grandfathering of the EP.**

Additional sustainability and cascading use requirements

Advanced biofuels already today have to comply with the same stringent sustainability criteria. While we understand that specific additional sustainability criteria might be adequate in the future this discussion must not impede investor's confidence in the sector.

- We therefore object the EP-Position to leave the EU legislation open for new or altered sustainability criteria for advanced biofuels between 2016 and 2017. Mandating the Commission to study and potentially propose additional sustainability criteria for advanced biofuels in such a short time frame leads to counterproductive uncertainty.
- **While advanced biofuels are ready to prove that they are sustainable, an unclear application of the principle of cascading use and the waste hierarchy to the biofuels sector may discourage investors and lead to uncertain legal manoeuvring.**
- ➔ We strongly recommend the negotiating parties to agree on a pragmatic compromise that will increase investor confidence and support investment in production capacity.

Advanced biofuels industry developments depend on decisions taken by the institutions. Technologies exist, some commercial scale investments have been made but the real growth of the industry requires a stable regulatory frame.

Advanced biofuels can strengthen EU's energy security, create investments in high-tech industries, provide source of income in rural areas and boost EU's leadership in renewable energy.

On behalf of Leaders of Sustainable Biofuels



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