

# Policy developments on liquid biofuels

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To take effect:

Before 2020

Post 2020

Before 2020

#### Introduction

- BioGrace GHG calculation tool (or "BioGrace-I" tool) is on GHG calculations for biofuels
- o The has been recognised by the European Commission as a voluntary scheme
- o The BioGrace GHG calculation tool consists of:
  - The BioGrace Excel tool
  - 2. The BioGrace calculation rules
  - 3. The BioGrace user manual
  - 4. The BioGrace additional standard values

#### Introduction

#### **Recognised Voluntary Schemes**

Since 19 July 2011, the EC has recognised voluntary schemes that applies directly in 27 EU Member States. Schemes include the Assessment report and the Commission Implementing Decision.

- 1. ISCC (International Sustainability and Carbon Certification)
  - <u>Decision</u>
  - ▶ <u>Scheme</u> 🧐[5 MB]
- 2. Bonsucro EU
  - Decision
  - <u>Scheme</u> <sup>■</sup>[5 MB]
- 3. RTRS EU RED (Round Table on Responsible Soy EU RED)
  - Decision
  - Scheme ♀[3 MB]
- 4. RSB EU RED (Roundtable of Sustainable Biofuels EU RED)
  - <u>Decision</u>
  - Scheme <sup>□</sup> [2 MB]
- 5. 2BSvs (Biomass Biofuels voluntary scheme)
  - Decision
  - Scheme 🖣[3 MB]
- 6. RBSA (Abengoa RED Bioenergy Sustainability Assurance)
  - <u>Decision</u>
  - Scheme ♥[2 MB]
- 7. Greenergy (Greenergy Brazilian Bioethanol verification programme)
  - <u>Decision</u>
  - Scheme [2 MB]

- **8. Ensus** voluntary scheme under RED for Ensus bioethanol production
  - Decision (OJ p. 42)
  - <u>Scheme</u> <sup>■</sup>[235 KB]
- 9. Red Tractor (Red Tractor Farm Assurance Combinable Crops & Sugar Beet Scheme)
  - Decision
  - <u>Scheme</u> <sup>■</sup>[8 MB]
- 10. SQC (Scottish Quality Farm Assured Combinable Crops (SQC) scheme)
  - Decision
- 11. Red Cert
  - <u>Decision</u>
  - Scheme <sup>■</sup>[3 MB]
- 12. NTA 8080
  - Decision
  - Scheme 🖳[2 MB]
- 13. RSPO RED (Roundtable on Sustainable Palm Oil RED)
  - Decision
  - Scheme ♥[2 MB]
- 14. Biograce GHG calculation tool
  - <u>Decision</u>
  - Scheme <sup>□</sup>[7 MB]



#### The BioGrace-II GHG calculation tool

BIOGRACE

Harmonised Calculations of
Biofuel Greenhouse Gas Emissions in Europe

www.biograce.net

Intelligent Energy 🔯 Europ

**About** 

Directory

Production of Ethanol from Sugarbeet (steam from NG boiler)

**Version 4c for Compliance** 

#### **Overview Results**

All results in g CO <sub>2.eg</sub> / MJ <sub>Ethanol</sub>	Non- allocated results	Allocation factor	Allocated results	Total	Actual/ Default	Default values RED Annex V.D	
Cultivation e <sub>ec</sub>	results	idotoi	rodito	11,5	A	12	
Cultivation of sugarbeet	16,08	71,3%	11,46			11,54	
Processing e <sub>p</sub>				26,3	Α	26	
Ethanol plant	36,82	71,3%	26,26			26,42	
Transport e <sub>td</sub>				2,3	Α	2	
Transport of sugarbeet Transport of ethanol to deporant to filling station	1,11 0,60 0,93	71,3% 100,0% 100,0%	0,79 0,60 0,93			0,84 1,10 0,44	
Land use change e <sub>l</sub>	0,0	71,3%	0,0	0,0		0	
Bonus or e <sub>sca</sub>	0,0	100,0%	0,0	0,0		0	
e <sub>ccr</sub> + e <sub>ccs</sub>	0,0	100,0%	0,0	0,0		0	
Totals	55,6			40,1		40	
				When using this CHC calculation tool, the RioGra			

## Allocation factors Ethanol plant 71,3% to ethanol 28,7% to Sugar beet pulp

Emission reduction
Fossil fuel reference (petrol)
83,8 g CO<sub>2,eq</sub>/MJ
GHG emission reduction
52%

#### Calculations in this Excel sheet.....

strictly follow the methodology as given in Directives 2009/28/EC and 2009/30/EC

values 25 for CH4 and 298 for N2O

As explained in About under inconsistent use of GVVP's'

#### Calculation per phase

Track changes: ON

When using this GHG calculation tool, the BioGrace calculation rules must be respected.

The rules are included in the zip file in which you downloaded this tool. The rules are also available at www.BioGrace.net

Cultivation of sugarbeet		Quantity of product	Calculate	Calculated emissions				
Yield		Yield	Emissions	Emissions per MJ ethanol			per kg sugarbeet	per ha, year
Sugar beet	68.860 kg ha <sup>-1</sup> year <sup>-1</sup>	280.605 MJ <sub>Sugar beet</sub> ha <sup>-1</sup> year <sup>-1</sup>	g CO <sub>2</sub>	g CH₄	g N <sub>2</sub> O	g CO <sub>2, eq</sub>	g CO <sub>2, eq</sub>	kg CO <sub>2, eq</sub>
Moisture content	75,0%	1,000 MJ / MJ <sub>Sugarbeet</sub> , input						
		0,451 kg <sub>Sugarbeet</sub> /MJ <sub>ethanol</sub>						
Energy consumption								
Diesel	6.331 MJ ha <sup>-1</sup> year <sup>-1</sup>		3,64	0,00	0,00	3,64	8,06	554,8
Agro chemicals								
Agro chemicais								
N-fertiliser (kg N)	119,7 kg N ha <sup>-1</sup> year <sup>-1</sup>		2,22	0,01	0,01	4,61	10,22	703,6

Slide 5

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#### **Update of RED Annex V**

- Commission is preparing update of RED Annex V (based on RED article 19.7)
- o DG ENER is in the lead (with JRC giving input)
- o Update will include:
  - new pathways
  - updated input values
  - updated emission factors (for instance for natural gas, diesel etc.)
  - updated fossil fuel references
- o As a result, default values will change
- o Commission cannot tell when update is to be expected



## Current debate on "iLUC proposal"

- o EC proposal to minimise climate impact of biofuels (Oct 2012):
  - Cap of 5%
  - Double and quadruple counting
  - Threshold of 60% for all new installations
- o After discussions, in Dec. '13 negative vote in Council on proposal (incl. cap of 7%) by Lithuanian Presidency
- Part of discussions is also on (1) a subtarget for advanced biofuels and (2) include iLUC factors in FQD
- o In June new vote in Council (7% cap., 0,5% quotum advanced)
- Due to elections of EU parliament, discussions retarded (no decision until end of 2014)

#### State aid guidelines

- o Recently published, DG Competition has been in the lead
- o State aid guidelines have implications for biofuels, in two ways:
  - 1. Investment aid:
  - No investment aid for food-based production capacity (this is because of iLUC)
  - Exceptions can be made for investments to convert foodbased plants to advanced biofuel plants
    - 2. Operation aid
  - For food based biofuels operating aid can only be granted until 2020 and only to plants that started operation before 31-12-2013
  - No aid for biofuels that are subject to a supply or blending obligation, unless limited to biofuels that are too expensive to come on the market with a supply or blending obligation only

### 2030 Climate and Energy package

- o "General idea: continue pathway chosen for 2020"
- o First EC proposal:
  - 40% target on CO<sub>2</sub>
  - 27% target on RE, not broken down to MS level
  - proposal for energy efficiency will come later this year (first wait for outcome of review of Energy Efficiency Directive)
- o No subtargets for subsectors including transport
- o "After 2020 there will be no support for food-based biofuels because of indirect land use change. We should focus on other ways to decarbonise transport sector, (electricity, second, third generation biofuels, other alternatives)"
- o October: legal proposal
- o After October: discussions between Council and Parliament

### Will FQD be leading?

- o Some MS are in favour of continuing the FQD after 2020
- o Will be important discussion in 2014 and 2015
- o Most relevant: Germany will introduce GHG-based obligation for transport fuels per 1-1-2015.
- Other MS do only consider doing so (in NL strong lobby to follow German example)

## Future biofuel legislation in Germany

- Up to now mandatory quantitative quota:
  - -4.4 % biodiesel and 2.8 % bioethanol have to be added to fossil transport fuels or
  - -6.25 % biofuels in total
- From 2015 change into a greenhouse gas quota
  - Greenhouse gas emissions from transport fuels have to be reduced compared to a reference value
  - Emissions include emissions from shares of fossil fuel and biofuel
  - -Only biofuels complying with RED criteria are eligible

## Future biofuel legislation in Germany

- Mandatory emission reductions:
  - -2015:3%
  - -2017: 4.5 %
  - **-2020: 7 %**
- Consequences: the lower the emission value from biofuel the less has to be added to reach the objective
  - → Use of low emission biofuels (e.g. palm oil)
  - → Incentive for actual calculations to prove lower emissions
  - → Pressure on methodology; risk of increased cherry picking

#### **Summary**

- o At the moment, European biofuel policy is dominated by uncertainty
- o Clear position of Commission: move away from food-based biofuels
- o Tendency to move to GHG-based biofuel targets
- o Decisions in 2014 and 2015
- o No investments before decisions have been taken
- o Actual GHG calculations will become more important



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# Thank you for your attention

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