

Fuels and energy from renewable sources: transition to biofuels to deliver greenhouse gas savings

2012/0288(COD) - 17/10/2012 - Legislative proposal

PURPOSE: to start the transition to biofuels that deliver substantial greenhouse gas savings.

PROPOSED ACT: Directive of the European Parliament and of the Council.

BACKGROUND: Directive 2009/28/EC (the "Renewable Energy Directive") established mandatory targets of 20% overall share of renewable energy in the EU by 2020 and a 10% share for renewable energy in the transport sector. At the same time, an amendment to Directive 98/70/EC ("the Fuel Quality Directive") introduced a mandatory target of a 6% reduction by 2020 in the greenhouse gas intensity of fuels used in road transport and non-road mobile machinery.

The contribution of biofuels towards these targets is expected to be **significant**.

Whilst both Directives include sustainability criteria including minimum greenhouse gas saving thresholds, the greenhouse gas emissions associated with changes in the carbon stock of land resulting from indirect changes in land use (ILUC) are not subject to reporting requirements under the current legislation.

The Commission was invited to **review the impact of indirect land-use change on greenhouse gas emissions** and, if appropriate, propose ways to minimise it whilst respecting existing investments made in biofuels production.

The [Commission Communication of 2010](#) identified a number of uncertainties and limitations associated with the available numerical models used to quantify indirect land-use change, whilst acknowledging that indirect land-use change can reduce the greenhouse gas emissions savings associated with biofuels and bioliquids, and as such, recommended that this issue was to be addressed **under a precautionary approach**.

Scientific work indicates that emissions from indirect land-use change can vary substantially between feedstocks and **can negate some or all of the greenhouse gas savings of individual biofuels relative to the fossil fuels they replace**.

Accordingly, the Commission is proposing to amend the existing legislation with a view to **limiting the contribution that conventional biofuels (with a risk of ILUC emissions) make towards attainment of the targets in the Renewable Energy Directive**.

IMPACT ASSESSMENT: this Commission proposal is accompanied by an [impact assessment](#).

LEGAL BASIS: Article 192(1), in conjunction with Article 114 of the Treaty on the Functioning of the European Union.

CONTENT: in order to ensure an increased use of sustainable biofuels to meet the necessary targets, the Commission is proposing to amend the Renewable Energy Directive and the Fuel Quality Directive.

1. Introduction of limits on the contribution that conventional biofuels and bioliquids produced from food crops, such as those based on cereals and other starch rich crops, sugars and oil crops, to the Renewable Energy Directive targets to current consumption levels, without foreseeing any limits on their overall consumption.

The Commission is proposing to limit to the current level of consumption, i.e. 5%, the volume of biofuels and bioliquids produced from crops used for food and feed that can be included in the EU's 10% target for renewable energy target for 2020 for the transport sector, while maintaining the overall renewable energy and carbon intensity reduction targets.

2. An increase to 60% of the minimum greenhouse gas saving threshold for biofuels and bioliquids produced in **new installations**, with effect from 1st July 2014 in order to improve the EU's overall greenhouse gas balance, as well as discouraging further investments in installations with low greenhouse gas savings performance.

3. The introduction of the reporting of estimated emissions from carbon stock changes caused by indirect land-use change, based on the best available scientific evidence, for the purposes of the calculation of the life cycle greenhouse gas emission savings from biofuels and bioliquids, in the reports required to be provided by fuel suppliers and the Member States on greenhouse gas emission saving from the use of biofuels and bioliquids.

4. A strengthened incentive mechanism to further promote sustainable and advanced biofuels from feedstocks that do not create an additional demand for land.

5. The simplification of the calculation of greenhouse gas savings for European biofuel producers, levelling the playing field between EU producers and producers in third countries.

The proposal also seeks to **protect existing investments until 2020**. The Commission is of the view that, in the period after 2020, biofuels which do not lead to substantial greenhouse gas savings (when emissions from indirect land-use change are included) and are produced from crops used for food and feed should not be subsidised.

BUDGETARY IMPLICATIONS: the proposal has no budgetary implication for the Union budget.

DELEGATED ACTS: in order to permit adaptation to technical and scientific progress, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union will be delegated to the Commission.