

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

2012/0288(COD) - 10/12/2014 - Council position

The Council's position takes into account the Commission's proposal and integrates a certain number of amendments proposed by Parliament in first reading.

Although the Council concurs with the Commission and the Parliament as regards the main objectives of the proposal, **the Council's approach involved modifications to the Commission proposal**, taking into account the need to reflect the current situation and uncertainties surrounding ILUC estimates and circumstances and perspectives for the production and consumption of biofuels, by redrafting it and deleting some provisions of the text.

Threshold for conventional biofuels and new installations:

- The Commission proposed to limit to 5 % the contribution of biofuels and bioliquids produced from cereals and other starch-rich crops, sugars and oil crops towards attainment of the targets of the Renewables Directive, without laying down any limits on their overall consumption. **The Council's position sets the threshold at 7%** (the Parliament also raised it to 6%).
- The Council also considers that a threshold **should not limit Member States' flexibility** by establishing that amounts of biofuels which exceed the threshold should be found to be non-sustainable and thus not have access to support in Member States. The Council thus cannot accept the European Parliament's amendment.
- The Council can in principle agree to the Commission's approach, which was also supported by Parliament, to **bring forward the 60% minimum greenhouse gas saving** threshold for biofuels/bioliquids produced in new installations (to the date of entry into force of the Directive, instead of the proposed fixed date of 1 July 2014).

ILUC estimates, reporting and review:

- The Council's text includes in the new Annexes proposed by the Commission **ranges illustrating the degree of uncertainty** surrounding modelling, assumptions and resulting ILUC estimates.
- The Council's position also includes **strengthened review provisions**, combined with a new definition of low-ILUC risk biofuels/bioliquids, as well as the consideration of certification schemes for low ILUC-risk biofuel and bioliquid production by way of project-level mitigation measures.
- The Council cannot accept the Parliament's amendment, which aims at including ILUC factors into the calculation of the lifecycle greenhouse gas emissions from biofuels from 2020 onwards in the Fuel Quality Directive.

Incentives for advanced biofuels: the Council's position contains a number of elements to **promote advanced biofuels, while leaving flexibility for Member States** according to their potential and national circumstances:

Member States are required to set national targets for advanced biofuels based on a reference value of 0.5 percentage points of the 10% target for renewable energy in transport of the Renewables Directive. They may set a lower target, based on three categories of reasons but they would have to justify any setting of a lower target than 0.5 percentage points and to report any reasons for a shortfall in achieving their national advanced biofuels target.

The Council broadly shares the Parliament's wish to strengthen the provisions **minimising possible risks of fraud** and accordingly accepts related provisions in Parliament's amendments.

Incentives for renewable electricity and energy efficiency measures:

- The Council's text raises the multiplication factors for the calculation of the contribution from electricity from renewable sources consumed by **electrified rail transport and electric road vehicles** so as to enhance their deployment and market penetration.
- The Council does not consider that measures on greater energy efficiency in general should be part of a Directive amending the Renewables Directive.

Compliance with sustainability criteria: voluntary schemes and mutual recognition:

- The Council's text invites the Commission to submit a proposal for amending the provisions of the Fuel Quality and Renewables Directives relating to voluntary schemes if appropriate, with a view to promoting best practice.
- With regard to mutual recognition of voluntary schemes and national schemes for compliance with the sustainability criteria for biofuels/bio liquids, the Council finds that the conditions under which the mutual recognition principle applies as between all schemes should be clarified in order to facilitate the smooth functioning of the internal market.

Amongst those amendments not included in the Council's position are the following:

- an obligation for fuel suppliers to ensure the placing on the market of petrol with specific maximum oxygen and ethanol content ;
- an obligation on Member States to ensure a specific share of energy from renewable sources in petrol and concerning the percentage of FAME blended in diesel ;
- suppliers of biofuels for use in aviation;
- third parties' legal rights and free prior and informed consent regarding use and tenure of land used for the production of biofuels;
- a Commission report on the impact on social sustainability of increased demand for biofuel, the impact of biofuel production on availability of vegetable protein, and foodstuffs at affordable prices;
- the conclusion and content of bilateral or multilateral agreements with third countries on biofuels sustainability.