Energy policy: renewable sources, biomass action plan

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PURPOSE: to present an EU strategy for the promotion of biofuels based on a series of legislative measures as well as stimulating research into the extraction of biofuels from agricultural sources.

CONTENT: this Commission Communication, which supports the "Biomass Action Plan" published in December 2005, sets out an EU Strategy for Biofuels. It has three specific aims. They are: a) the promotion of biofuels in the EU and developing countries; b) to prepare for the large-scale use of biofuels by improving their cost-competitiveness and through the optimised cultivation of dedicated feedstock through research into "second generation" biofuels; and c) to support developing countries who have the potential to harvest biofuels by stimulating long-term economic growth.

Processed from biomass, a renewable energy source, biofuels are a direct substitute for fossil fuels in transport and can readily be integrated into fuel supply systems. Biofuels can be sued as an alternative fuel for transport and thus help prepare the way for further advanced developments, such as hydrogen. The increasing use of biofuels offers a number of advantages, notably Europe's reduced dependence on the import of fossil fuels, a reduction in green house gas emissions, agricultural rewards as well as economic opportunities for developing countries.

The EU Strategy on Biofuels centres on seven priority policy axes, that together, from a body of measures which the Commission will adopt in order to encourage the production and use of biofuels.

1) Stimulate the demand for biofuels: the European Commission will publish, in the course of 2006 a report on the possible revision of the Biofuels Directive. This report will, *inter alia*, address the issues of setting national targets for the market share of biofuels, using biofuel obligations and ensuring sustainable production. It will also encourage Member States to give favourable treatment to second-generation biofuels in biofuel obligations. The Commission will seek a speedy approval of its recently adopted legislative proposal to promote public procurement of clean and efficient vehicles.

2) Capturing environmental benefits: the European Commission will examine how biofuel use can count towards the CO2 emission reduction targets for car fleets. In addition, it will work towards the sustainability of biofuel feedstock cultivation in the EU and third countries as well as examine the issues of limits in the content of ethanol, ether and other oxygenates in petrol; limits of vapour content of petrol and limits on the biodiesel content of diesel.

3) Developing the production and distribution of biofuels: the Commission will encourage Member States and regions to take account of biofuels and other bio-energy options within the context of the EU's Cohesion policy and Rural Development policy. In addition, the Commission proposes the setting up of a specific *ad hoc* group to consider biomass including biofuels opportunities within national rural development programmes. It will look into practices that act as barriers to the introduction of biofuels and monitor any that may lead to a discrimination against biofuels.

4) Expanding feedstock supplies: under this measure the Commission proposes including the production of sugar for biofuels as eligible for financial support under the CAP. Within this context the following measures will be applied: make sugar production for bioethanol eligible for both the non-food regime on set-aside land and the energy crop premium; assess the opportunities for additional processing cereals from existing intervention stock into biofuels; finance a campaign to inform farmers and forest

holders about the properties of energy crops and the opportunities they offer; bring forward a Forestry Action Plan and review how animal by-products legislation could be amended to facilitate the authorisation and approval of alternative processes for the production of biofuels.

5) Enhancing trade opportunities: the Commission will consider whether or not to present a proposal for separate nomenclature codes for biofuels; maintain market access conditions for imported bioethanol that are not less favourable that those provided by the trade agreements currently in force; and pursue a balanced approach in ongoing and future trade negotiations with ethanol-producing countries and regions and propose amendments to the biodiesel standard.

6) Supporting developing countries: the Commission will ensure that measures under the Sugar Protocol affected by the sugar reform can be used to support the development of bioethanol production; it will also develop a "Biofuels Assistance Package" for those developing countries with the potential to produce biofuels; and it examine how the EU can best assist the development of national biofuel platforms that are both environmentally and economically sustainable.

7) Supporting research and development: within the framework of the EU's 7th research programme, the Commission will continue to offer support for the development of biofuels and the strengthening of a competitive biofuel industry. In other measures, it will give priority to research into the bio-refinery concept, continue to encourage an industry led "Bio-fuel technology platform" and support the implementation of the "Strategic Research Agenda" prepared by these technology platforms.