



Copa & Cogeca' views on the implementation & review of RED II

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non food crops
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Renewable Energy (RE) – framework

- * RED I – 2020 | 20/20/20 – targets
- * RED II – 2030 | 32% RE/-40% CO₂_{eq}/14% RES T
- * Paris climate pact 2015 – 2050 | special role of agriculture
- * Green Deal 2020 | -55% CO₂_{eq}/45-50% RE ?/? RES T



Key facts

- * In 2018, **76%** of the EU consumption of sustainable biofuels were certified **crop-based biofuels**. Besides, a small amount of biogas is consumed in road transport.
- * **The transport sector is slightly below the planned share in the NREAP (8.03% actual versus 8.50% planned).**
- * In 2018, total emission savings from the use of renewables in transport in the EU amounted to 45.6 Mt CO₂_{eq}. Given the overwhelming share of biofuels in the RES-T, the **Transport emission savings result largely from the use of certified biodiesel & bioethanol.**
- * **European agriculture does contribute to transport decarbonisation and want to continue to do so after 2020 !**

Crop-based biofuels at the core of the EU protein ambition (Protein 1/3)

- * In 2018, about 41% of the feedstock used for **biodiesel** consumed in the EU came from EU feedstock, mainly European rapeseed oil (26%).
- * 1 ton rapeseed = 600 kg meal + 400 kg rapeseed oil.
- * In 2018, **Ethanol** consumed in the EU is produced mainly from EU feedstock (73%), including from wheat (34%), maize (24%) and sugar beet (14%) and only a small amount from cellulosic ethanol.
- * 1 litre of bioethanol produced in the EU = 1 to 1.2 kg of high protein by-products for animal feed

Source: COM(2020)952 & Copa-Cogeca



Crop-based biofuels at the core of the EU protein ambition (Protein 2/3)

- * The EU imports 70% of the plant protein it needs, mainly meal and soya meal for animal feed from South America.
- * The value of these imports is around 12 billion Euros.
- * The reduction of the use of crop-based biofuels resulting of its substitution by other low carbon fuels could destabilize the EU protein feed's supply markets in the long term.
- * The European Parliament recognized that and it states "In order to enable the Union to be independent of vegetable protein imports, the CAP aims to promote, in line with the Renewable Energy Directive, the use of biofuels obtained from the oilseed byproducts of protein crops" in Recital (51a) of EP Report on the Regulation on the CAP strategic Plan and .



Crop-based biofuels at the core of the EU protein ambition (protein 3/3)

High protein and feed by-products from crop-based biofuels processing (2019/2020)

- * Rapeseed 14.2 million tonne (70% EU production) 
 - * Co-Product: 8.5 million tonne (rape meal)
- * Cereals 11 million tonne (3% of EU production)
 - * Co-product: 3.5 Million tonne of DDGS
- * Sugar Beet: 12 million tonne
 - * Co-product: 0.7 million tonne of beet pulp

= 10% of the EU consumption of high protein-rich co-products

= 20% of the EU high protein co-product self-sufficiency





Crop production within the EU makes the difference!

14,2 Million tonne rapeseed for biodiesel mean

- ❑ 4 Million hectares rapeseed flowering cultivation within the EU
- ❑ 8.5 Million tonne rape meal that substitute 5.3 Million tonne soy meal equivalent
- ❑ 2.4 million hectare of soybean avoided in South America



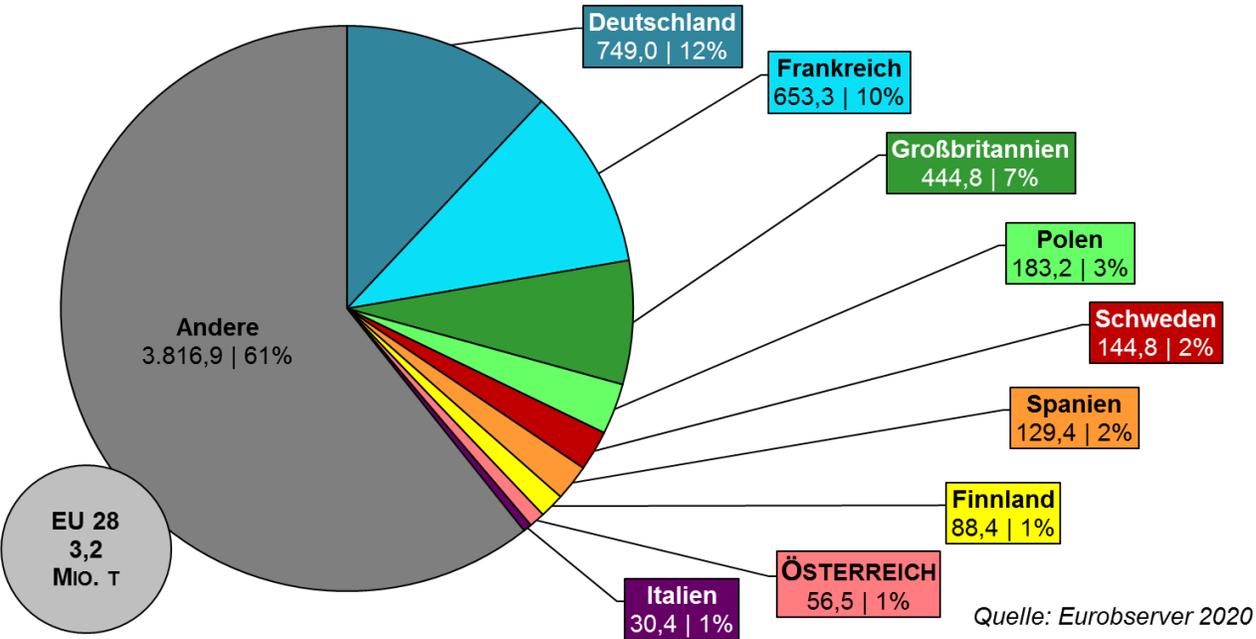
GM Free labelling dairy products are produced with rape meal from processing biodiesel „what if“? ... no future G1 biodiesel

That is existing bioeconomy and carbon recycling under sustainable requirements based on the EU Common Agricultural Policy and REDII.

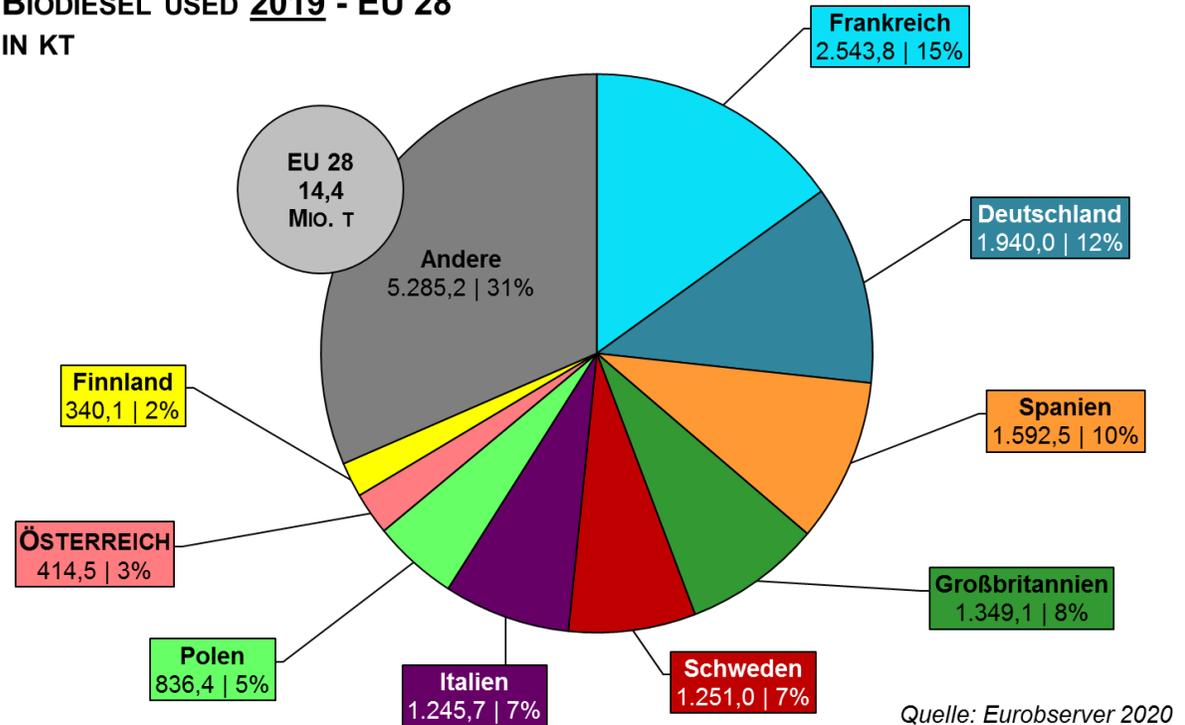


Fuels/biofuels in Europe

BIOETHANOL USED 2019 - EU 28
IN KT



BIODIESEL USED 2019 - EU 28
IN KT



Diesel used 2018
Petrol used 2018

~233 m t => 73%
~86 m t => 27%



RED II Implementation

1) Land criteria for agricultural waste and residue (1/2)

RED II Article 29. 2)

- * Biofuels, bioliquids and biomass fuels produced from waste and residues derived from agricultural land shall be taken into account only where operators or national authorities have monitoring or management plans in place in order to address the impacts on soil quality and soil carbon. Information about how those impacts are monitored and managed shall be reported pursuant to Article 30(3).



RED II Implementation

1) Land criteria for agricultural waste and residue (2/2)

Copa & Cogeca's views

- * **REDIIBIO** consortium is proposing **unnecessarily high levels** to fulfil Article 29.2 of the RED II Directive.
- * Such an approach would diminish the contribution of agricultural residues and waste, like straw, cobs and husks, to bioenergy.
- * The Common Agricultural Policy provisions, which are based on **cross-compliance & greening**, should be the baseline for verifying the Article 29.2 sustainability criteria.
- * It must be possible to submit proof via a legitimate **farmer self-declaration**. However, the content of the self-declaration in conjunction with Article 29.2 still needs to be discussed.
- * **Nothing new has to be created**, especially if this would result in a bureaucratic burden and increase costs at farm levels.

RED II: Implementation

2) Review of **annex IX** part A and B (1/2)

RED II Article 28(6)

- * The Commission is empowered to adopt delegated acts in accordance to amend the list of feedstock set out in **Parts A and B of Annex IX by adding**, but not removing, feedstock. The delegated acts shall be based on an analysis of the potential of the raw material as feedstock for the production of biofuels and biogas for transport, taking into account all of the following:
 - * (a) the principles of the circular economy and of the waste hierarchy established in Directive 2008/98/EC;
 - * (b) the Union sustainability criteria laid down in Article 29(2) to (7);
 - * (c) the need to avoid significant distortive effects on markets for (by-)products, wastes or residues;
 - * (d) the potential for delivering substantial greenhouse gas emissions savings compared to fossil fuels based on a life-cycle assessment of emissions;
 - * (e) the need to avoid negative impacts on the environment and biodiversity;
 - * (f) the need to avoid creating an additional demand for land.



RED II: Implementation

2) Review of annex IX part A and B (2/2)

Copa & Cogeca's views

- * The contribution of advanced biofuels produced from feedstock will depend on the list of feedstocks drawn up in Annex IX.
- * Animal fats classed in categories 1 and 2 in accordance with Regulation (EC) No 1069/2009 must be included in Part A and thus removed from Part B of Annex IX.
- * Molasses and starch B and C must be added to Part B of Annex IX for the production of other biofuels. Otherwise, other biofuels will only be produced from waste vegetable oil. As a result of the extension of the list of feedstock eligible for the production of other biofuels in Part B of Annex IX.
- * Bagasse (point j) of Annex IX, Part A) should be removed due to its use in cogeneration installations.
- * Residues from olive oil extraction should be included in Annex IX Part A.
- * **Palm oil** mill effluent and empty palm fruit bunches (point g) of Annex IX part A **must be removed** taken into account the High iluc –risk associated to palm. PFAD must not be added as long as sustainability problem remain with palm.

RED II Review: European Green Deal (1/2)

- * The 2030 Climate target plan: Climate neutrality by 2050, **55% reduction of GHG** emissions 2030 vs 1990
- * Energy sector, by **2030**
 - * Reduction by 1/3 of oil consumption
 - * Reduction by 1/4 of gas consumption
 - * Electrification needs to reach 30 %
 - * Double the renovation of building
 - * RES-T 24 %
- * Transport: strengthening the CO2 standards for vehicles, hydrogen, smart traffic management systems, ETS?



RED II Review: European Green Deal (2/2)

- * EU Biodiversity Strategy for 2030 (COM(2020)380)
 - To mitigate climate and environmental risks created by the increasing use of certain sources for bioenergy, **the revised Renewable Energy Directive includes strengthened sustainability criteria. It also promotes the shift to advanced biofuels based on residues and non-reusable and non-recyclable waste.** This approach should continue for all forms of bioenergy. The use of whole trees and food and feed crops for energy production – whether produced in the EU or imported – should be minimized.
 - It will also review in 2021 the data on biofuels with high indirect land-use change risk and establish a trajectory for their gradual phase out by 2030.



RED II Review: INCEPTION IMPACT ASSESSMENT (1/2)

- * **Option 1** - No policy change (baseline scenario)
- * **Option 2** - Non-regulatory measures
- * **Option 3** - Raising the ambition level of the REDII targets and subtargets in line with the 2030 Climate Target Plan. It would explore how to modify the level of ambition and design of the targets and subtargets set out in REDII in line with the 2030 Climate Target Plan. This would possibly involve a revision of Articles 3, 23, 24 and 25.



RED II Review: INCEPTION IMPACT ASSESSMENT (2/2)

* **Option 4** – Amend REDII to translate into legal measures the actions proposed in other energy strategies of the EGD. This could include measures to foster electrification of the end-use sectors and a better use of waste streams, increase the penetration of renewable and low carbon fuels in transport, especially renewable electricity in road transport and renewable or low carbon fuels in air, maritime and heavy duty transport, and ensure renewables are produced sustainably. This would result in potentially amending the articles of REDII related to the development of renewable energy in heating and cooling (Articles 7, 15, 23 and 24), transport (Articles 25 and 27) and buildings (Article 15); and to the sustainability and GHG gas emissions saving criteria for bioenergy (Article 29-31) as well as introducing new provisions on public procurement, and terminology and certification of fuels.

* **Option 5** – Possible combinations of Options 2, 3 and 4.



RED II Review: Copa & Cogeca's positions (1/7)

- * Copa and Cogeca recommend a **stable long-term policy** guaranteeing existing and future investment in the bioenergy sector and promoting the strategic resilience of European agriculture.
 - * In implementing the **sustainable finance directive, taxonomy and its taxonomy screening criteria (TSC)** on Manufacturing of biofuels must be in line with the sustainability criteria established by the directive RED II which includes GHG- saving thresholds.
 - * Public support for sustainable crop-based biofuels such as the guidelines 121 and 113 on **state aids in the field of energy and environment** must continue after 2020 as they are a very effective way of decarbonising transport.
 - * Financial support for bioenergy through **taxation policy** and other tools.



RED II Review: Copa & Cogeca's positions (2/7)

- * All forms of renewable energy sources have to contribute and need to be supported. Climate neutrality by 2050 to make their full contribution, Copa and Cogeca support **increasing** the European **renewable energy target** and the relative share of European sustainable agricultural biomass in the energy mix of the Member States.
 - * achieve at least a share of **35%** of renewable energy in the final energy consumption in the EU by **2030**
 - * and to set a binding target for the promotion of renewable energy sources in the transport sector at a level **above 14%** applicable to Member States
- * The revised RED II should promote **biogas and biomethane** from European agro-food feedstocks including crops to a greater extent. The priority of injecting biomethane in the infrastructure of the existing gas grid as an additional measure to allow greater flexibility and to reduce GHG emissions in farming should be considered.



RED II Review: Copa & Cogeca's positions (3/7)

- * Since at least 80% of new vehicles will contain an internal combustion engine beyond 2020, the EU will continue to rely on liquid fuels. The **obligation to reduce GHG emissions from fuels based on fuel suppliers** in the RED has proven to be an **effective tool**. Copa and Cogeca call for maintaining a European objective to decarbonize fossil fuels beyond 2020 and to link this proposal to the revised RED II and an EU strategy supporting **higher blends** such as B10 and E10+, B30, E85, ED95, B100.
- * The 7% cap on crop-based biofuels must be **maintained as a minimum baseline**. Copa and Cogeca would strongly reject a trajectory to phase out crop-based biofuels in the EU. It must be possible for Member States to include **sustainable crop-based biofuels** of European origin in the EU's RES target that are produced with European feedstocks and which generate **protein-rich co-products**, in animal feed or in cellulose, but which exceed the 7% threshold. This should be done in order to truly **launch the transition** towards a bioeconomy and a circular economy, and to ensure the long-term viability of existing industrial tools.



RED II Review: Copa & Cogeca's positions (4/7)

- * The differentiation between feedstocks on the basis of estimated values for allowed ILUC should be abandoned.
- * The contribution of feedstocks derived from palm should be rejected as long as sustainability problems in the country of origin remain unresolved.
- * The phasing out of uncertified low ILUC-risk biofuels should be accelerated. The Commission must provide sufficient guarantees that palm oil expansion into high carbon stock land is verified, and that it puts in place effective measures to fight against fraud and circumvention of the low ILUC-risk certification, in particular regarding the certification of biofuels produced by small holders.
- * The impact of the derogations provided by the Regulation (EU) No 2019/807 should be precisely quantified, in particular with regard to small holders.
- * The Commission, together with the competent authorities in the countries concerned, should establish an observatory to monitor deforestation and submit a periodic report on the state of deforestation, if necessary accompanied by a Commission decision prohibiting the issuance of "low indirect land-use change-risk" certificates when deforestation persists in the countries concerned.



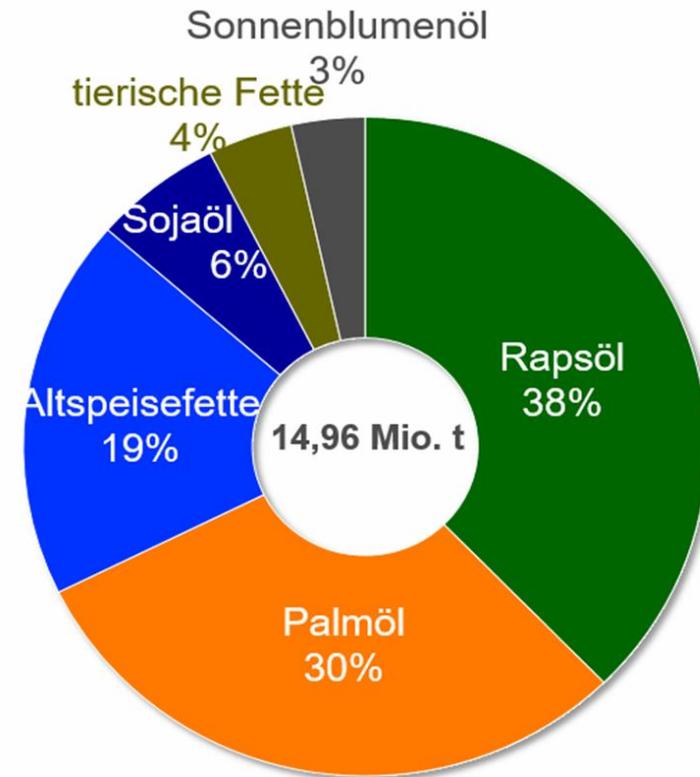
RED II Review: Copa & Cogeca's positions (5/7)

* **Multipliers = statistical trickery** = virtual blending of renewable energy sources



Multiplier impact on the use of feedstocks for biodiesel in 2019 (6/7)

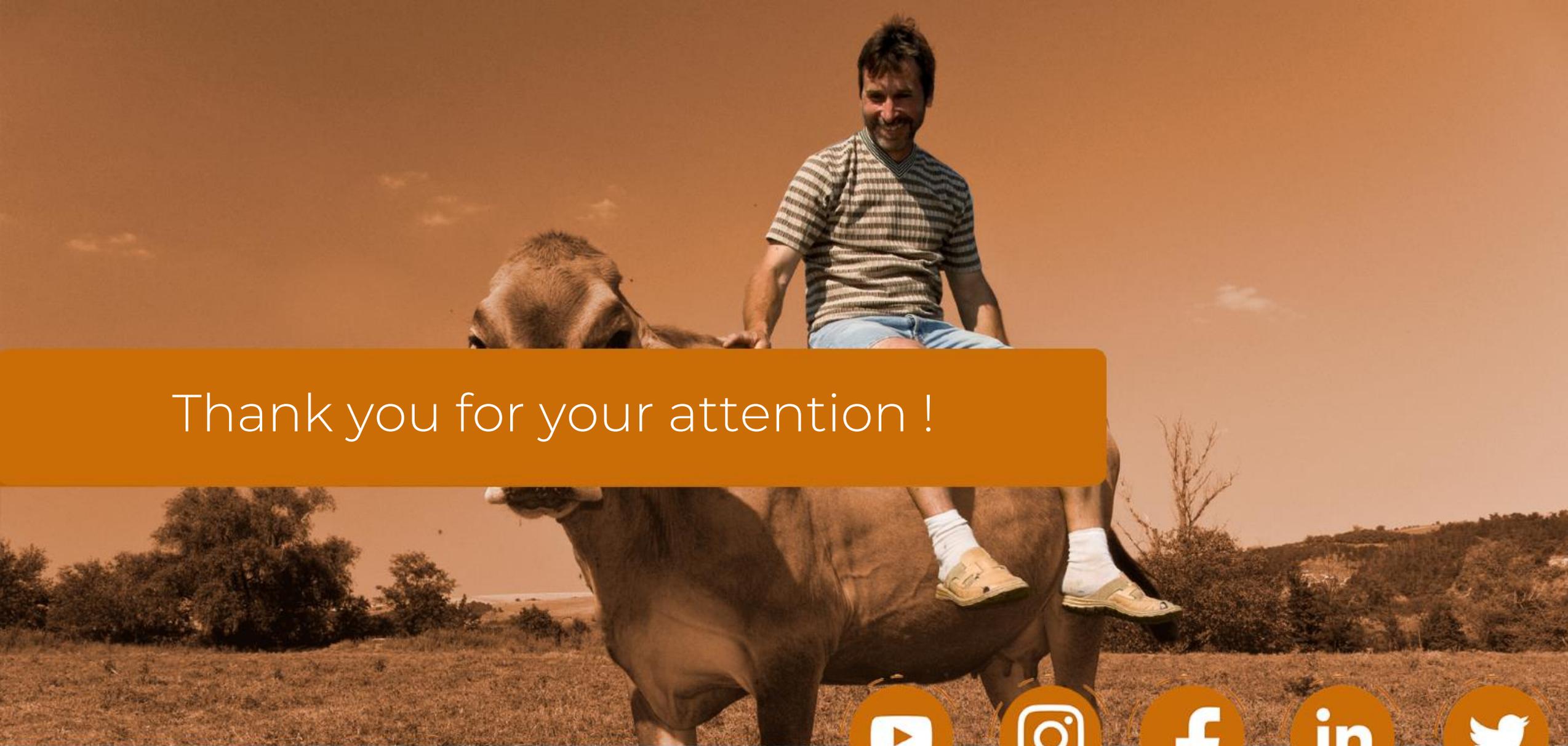
- In Biofuel production feedstock prices are the most important factor
- In EU, rapeseed oil most important feedstock, but it is losing importance: after 46 % in 2016 it has been 38 % in 2019
- UCO is rising (double counting on energy quotas in several countries)
- Palm only 1 % up to 30 % vs. 2018
- In Italy, Spain and the Netherlands, imported Palm oil s feedstock No. 1 for biofuels, in Germany and France Rapeseed oil.



RED II Review: Copa & Cogeca's positions (7/7)

- * As the EU has put in place the world's strictest legislation in terms of sustainability and greenhouse gas emissions saving criteria for biofuels, bioliquids and biomass fuels, **Copa and Cogeca strongly reject the review of the articles 29 to 31 as suggested in option 4.** Sustainability and greenhouse gas emission saving criteria for biofuels, bioliquids and biomass fuels must not hinder the bioenergy production in the EU. They must also be **efficiently implemented in third countries** and verified through appropriate certification requirements. A **level playing field** should be guaranteed.
- * The EU should increase the renewable energy sources share, mainly bioenergy, otherwise no climate neutrality in 2050 will be possible.
- * Agriculture has a huge issue to decarbonize its own energy demand (e.g. liquid fuels), therefore no additional capacity will be left to compensate missed GHG-targets from other sectors...

Source: BI(20)6694:1



Thank you for your attention !



www.copa-cogeca.eu