



European Biodiesel Board (EBB)

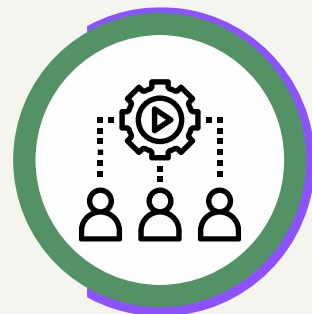
Meeting of the Expert Group
Crops Market Observatory

7 July 2023

Who we are

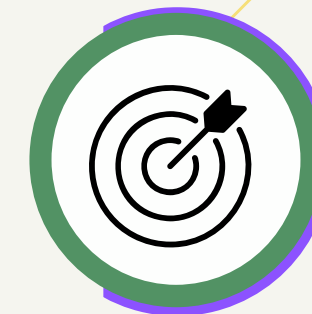
Established in 1997, the European Biodiesel Board (EBB) represents biodiesel producers in the EU, and promotes the use of biodiesel for a greener, more sustainable environment.

Our Role



Ensure that our industry's voice is heard in the EU legislative and policy debate, while keeping our members informed of key trends and developments relevant to the sector.

Our Mission



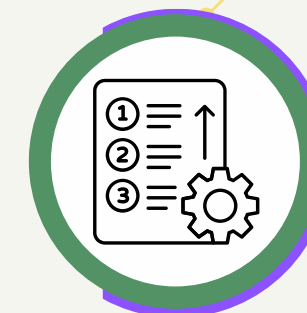
Shape a European operating environment conducive to long-term growth and a sustainable future.

Our Vision



A flourishing European Biodiesel industry in a thriving decarbonised European economy.

Our Priority

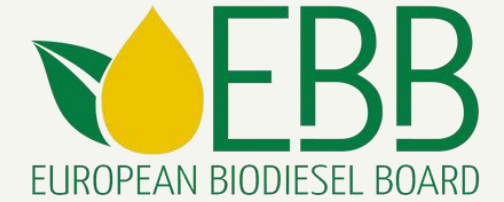


Maximise our contribution to European transport decarbonisation.



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About the EBB

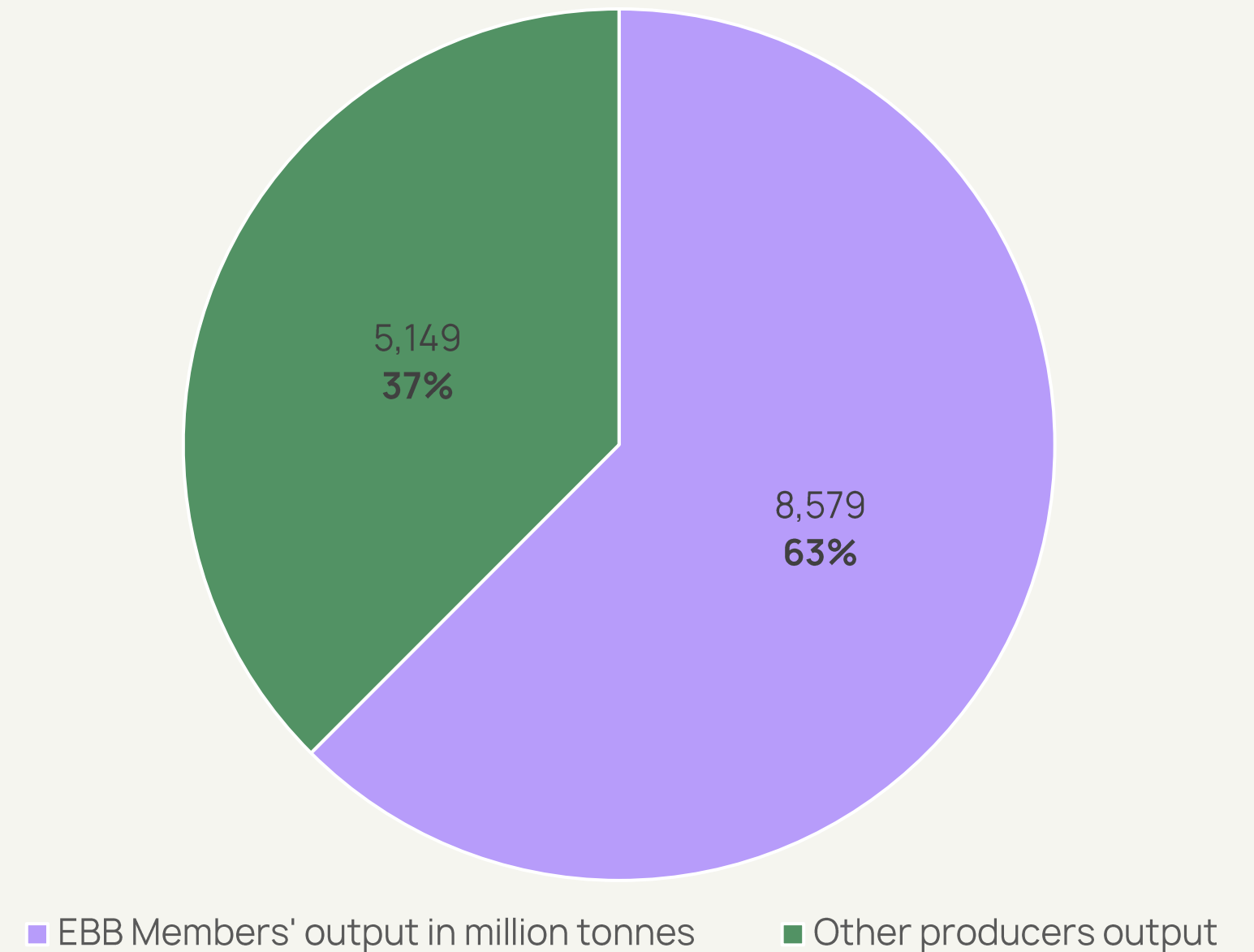
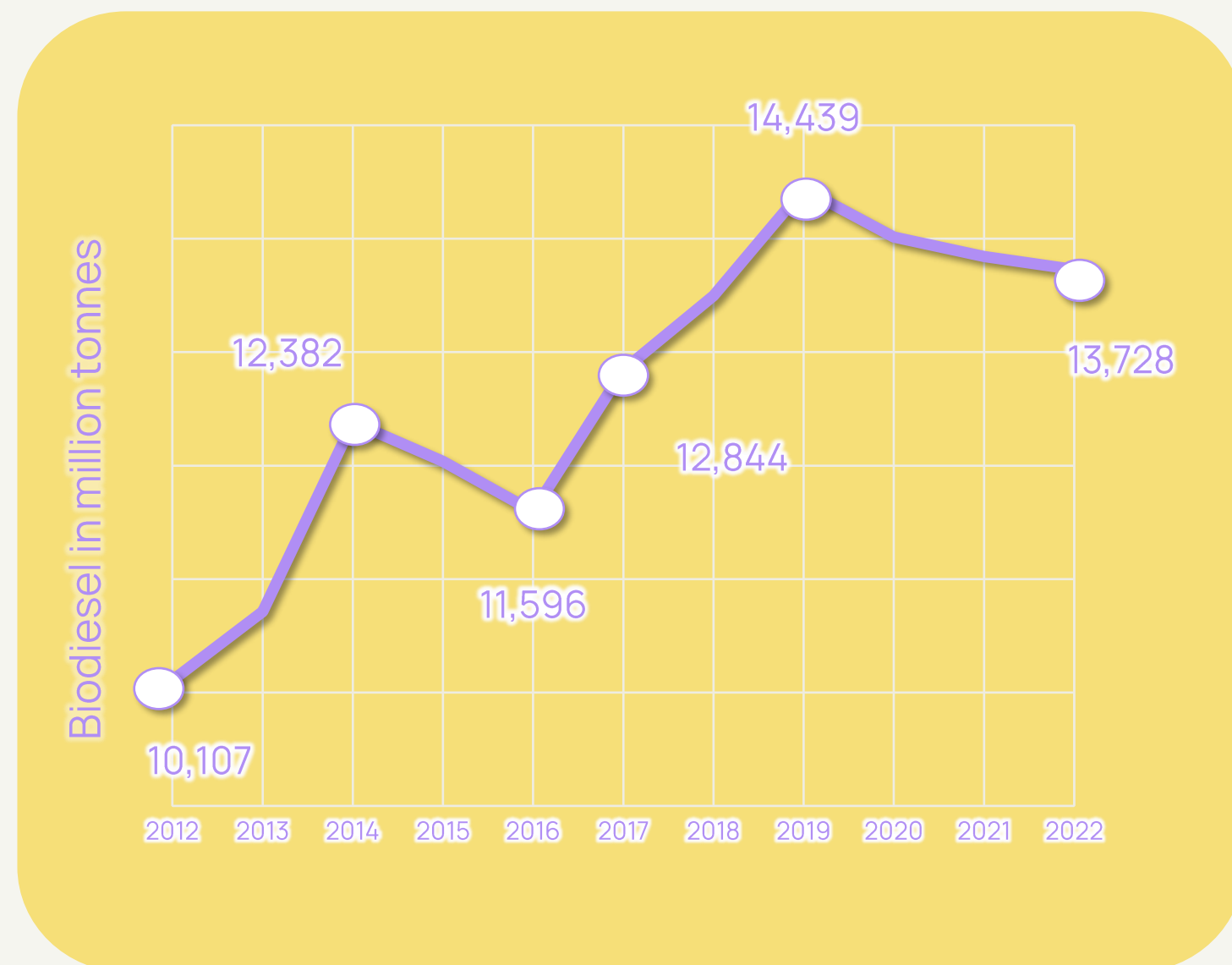


Our members

The EBB gathers 35 members and 7 National Associations across 21 Member-States, representing around 65% of European biodiesel output.



EBB producers account for 63 % of EU biodiesel output in 2022



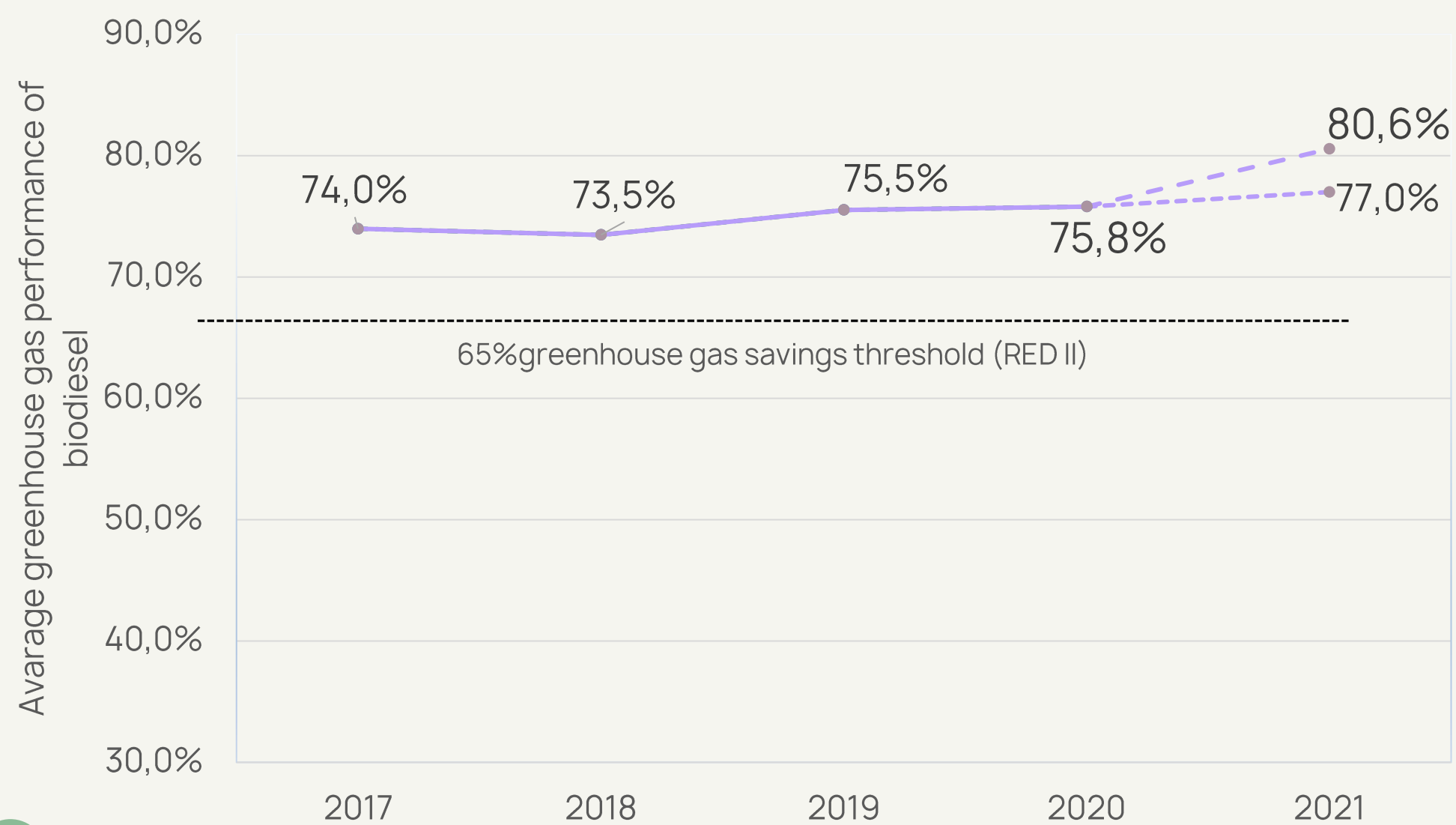
Why biodiesel?

Biodiesel is a renewable fuel "**Made in Europe**" using **all feedstocks**: food/feed crops, waste, residues and other innovative biogenic materials. It can be blended with, or completely replace, fossil diesel. Additionally, biodiesel offers a range of cross-cutting benefits:

- It is *the main renewable energy* source in the EU transport sector
- Leads to *emission savings up to 90%*, and with an average of 70%
- Improves *independence and security of fuel supply*
- Increases production of *protein-rich co-products* while boosting and diversifying farmers revenues
- Supports *the EU's circular economy* by recycling waste, used cooking oil, or animal fat, in modern biodiesel refineries;
- The co-products generated as part of its production offer *alternatives to fossil chemicals in several applications*, providing a clear example of the benefits of the bioeconomy.



High GHG emission savings from biodiesel

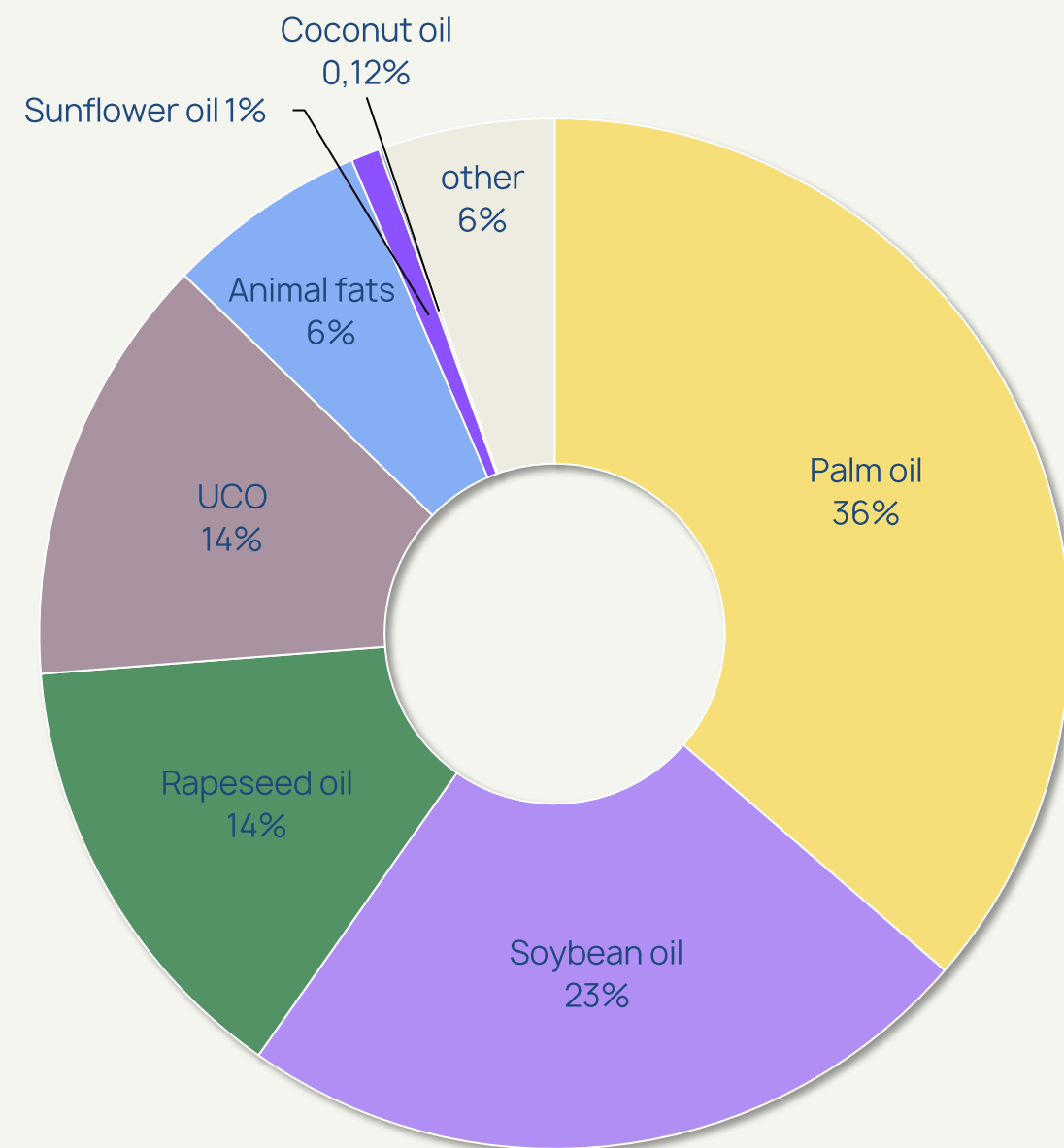


In 2021 Biodiesel saved between 77% to 81% using the official fossil fuel comparator of 94 gCO₂eq/MJ.

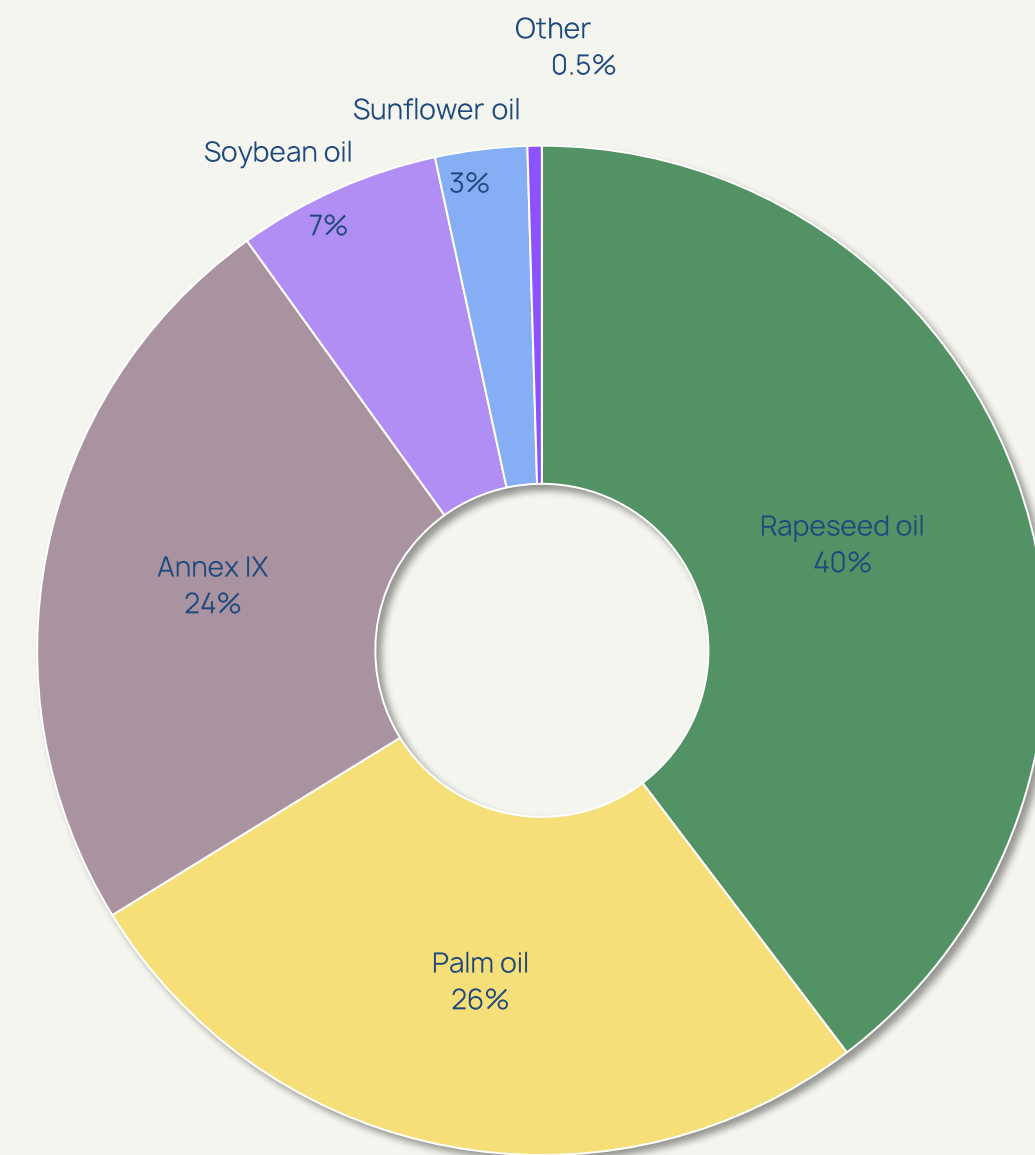
As a result, about 45 Mtonnes CO₂eq emissions were avoided by biodiesel in 2021



Feedstock composition for biodiesel production



Global feedstock use (2022)

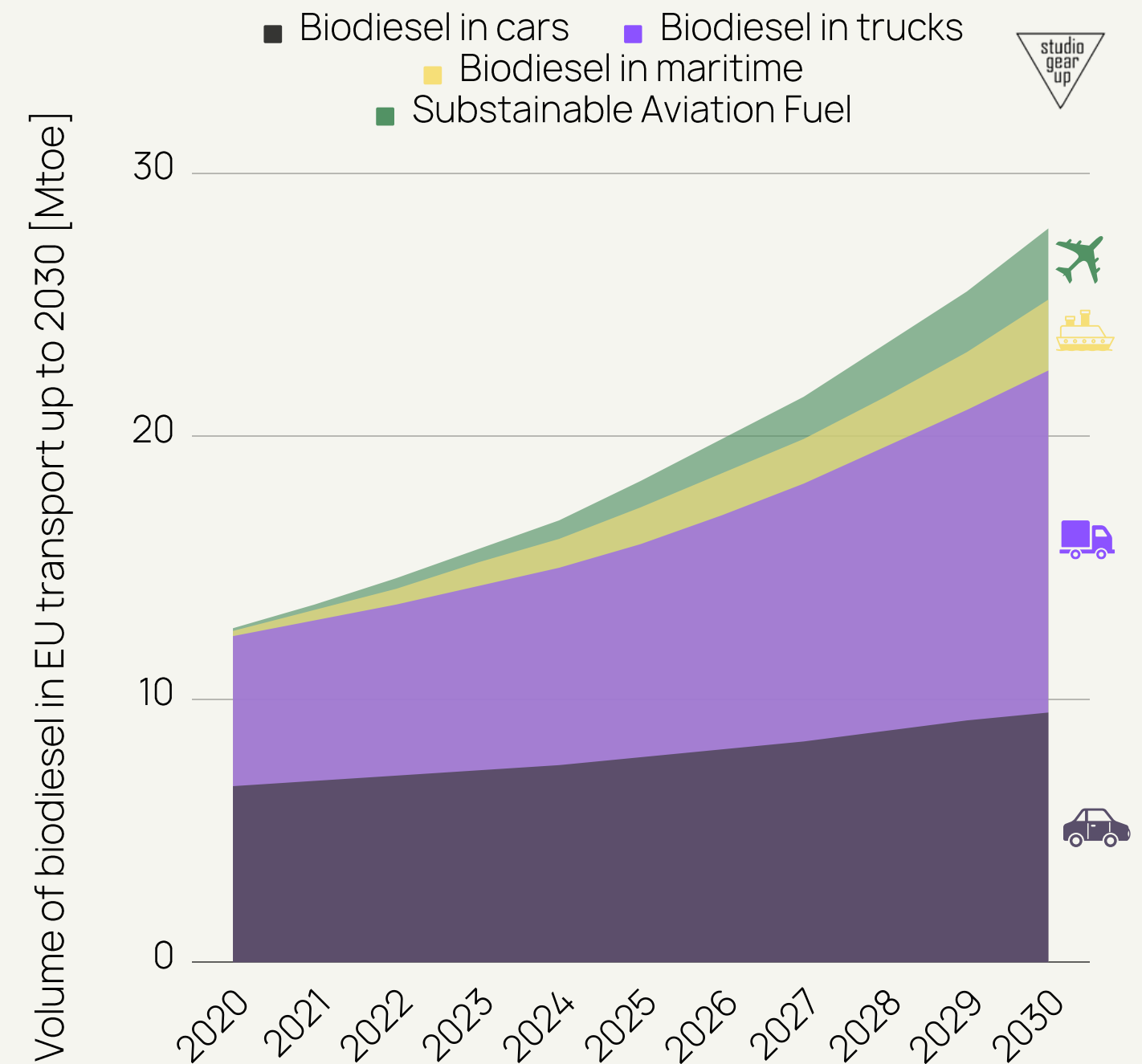


EU-27 feedstock use (2022)



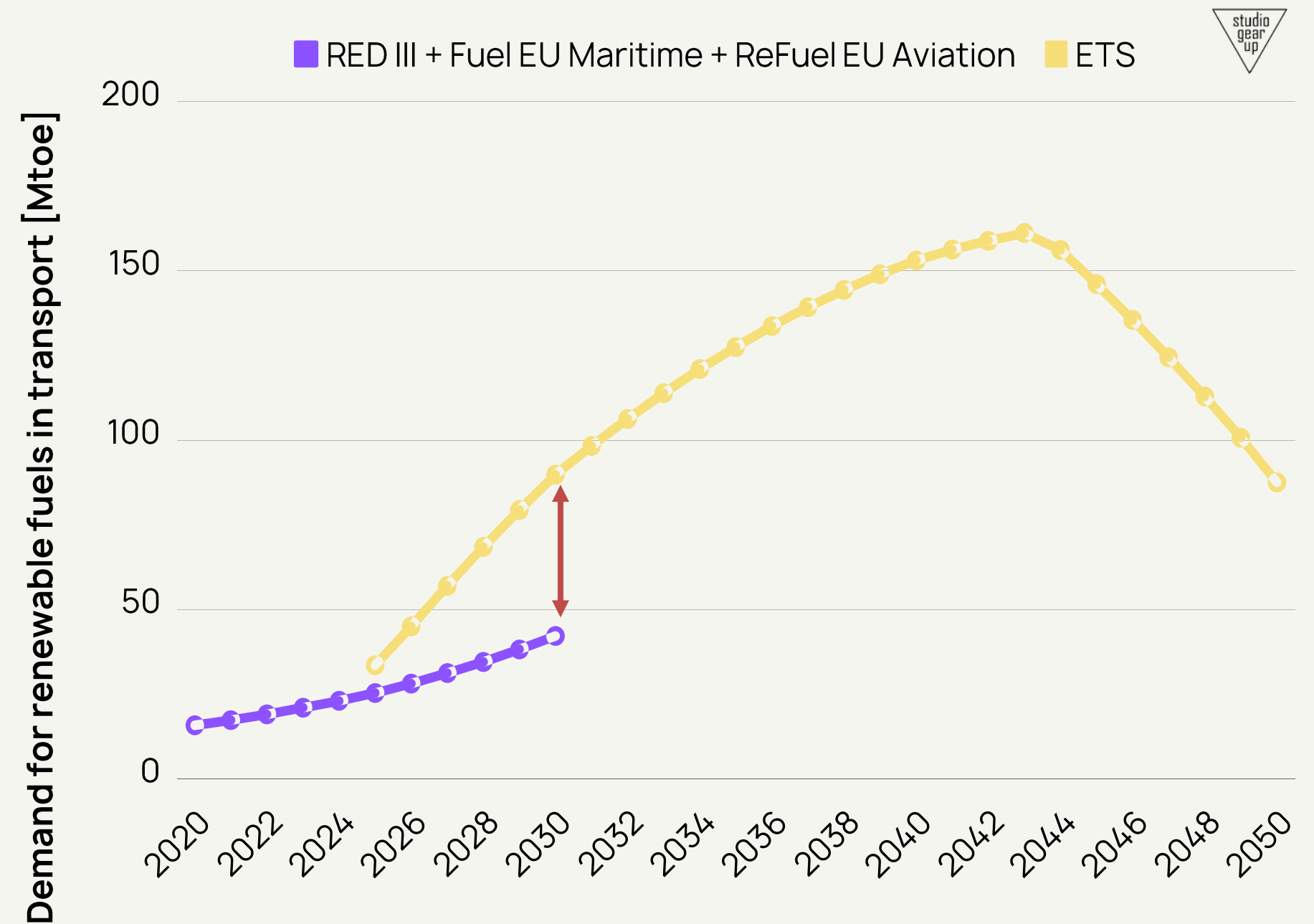
Demand of renewable fuels will double by 2030

- Today, the EU is a world leader in the production and use of biodiesel (FAME, HVO and HEFA) in transport, with nearly 200 plants producing around 14 million tonnes of biodiesel per year.
- European biodiesel demand will rise in the coming years. This growth is triggered by the 'Fit for 55' package, which aims at reducing EU GHG emissions by at least 55% by 2030.
- The mandates in the Renewable Energy Directive (RED III), FuelEU Maritime & ReFuelEU Aviation regulations, and the EU Emission Trading Scheme (ETS), are expected to double the demand for renewable fuels in transport, especially in hard-to-abate sectors.



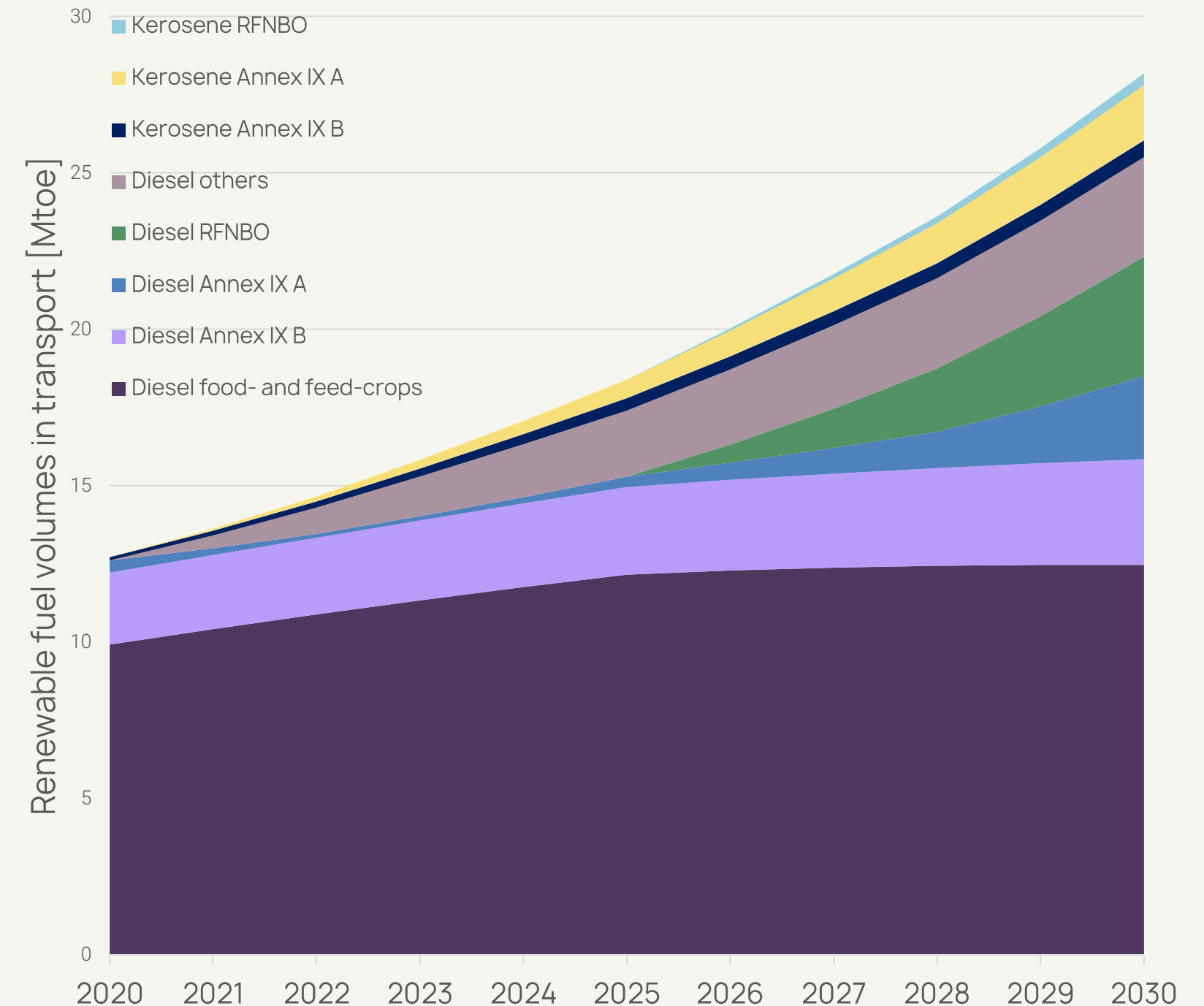
The EU Biodiesel Industry

- The combined RED III, FuelEU Maritime and ReFuelEU Aviation mandates require up to 42 Mtoe of renewable fuels by 2030
- ETS requires a sharply increasing amount of renewable fuels
- In 2030 ETS needs more than double the Fit-for-55 mandates
- Renewable fuels demand will peak at ~ 161 Mtoe in 2043 (212 billion litre FAME equivalent)
- This is almost 4 times the 2030 demand, > 8 times today
- During 2030-2050, most renewable fuel demand comes from heavy road, marine and aviation, which currently use mainly diesel and kerosene
- All solutions will be needed to close the gap, including biodiesel (FAME, HVO, HEFA)



Grow largely takes place in IX A and RFNBO

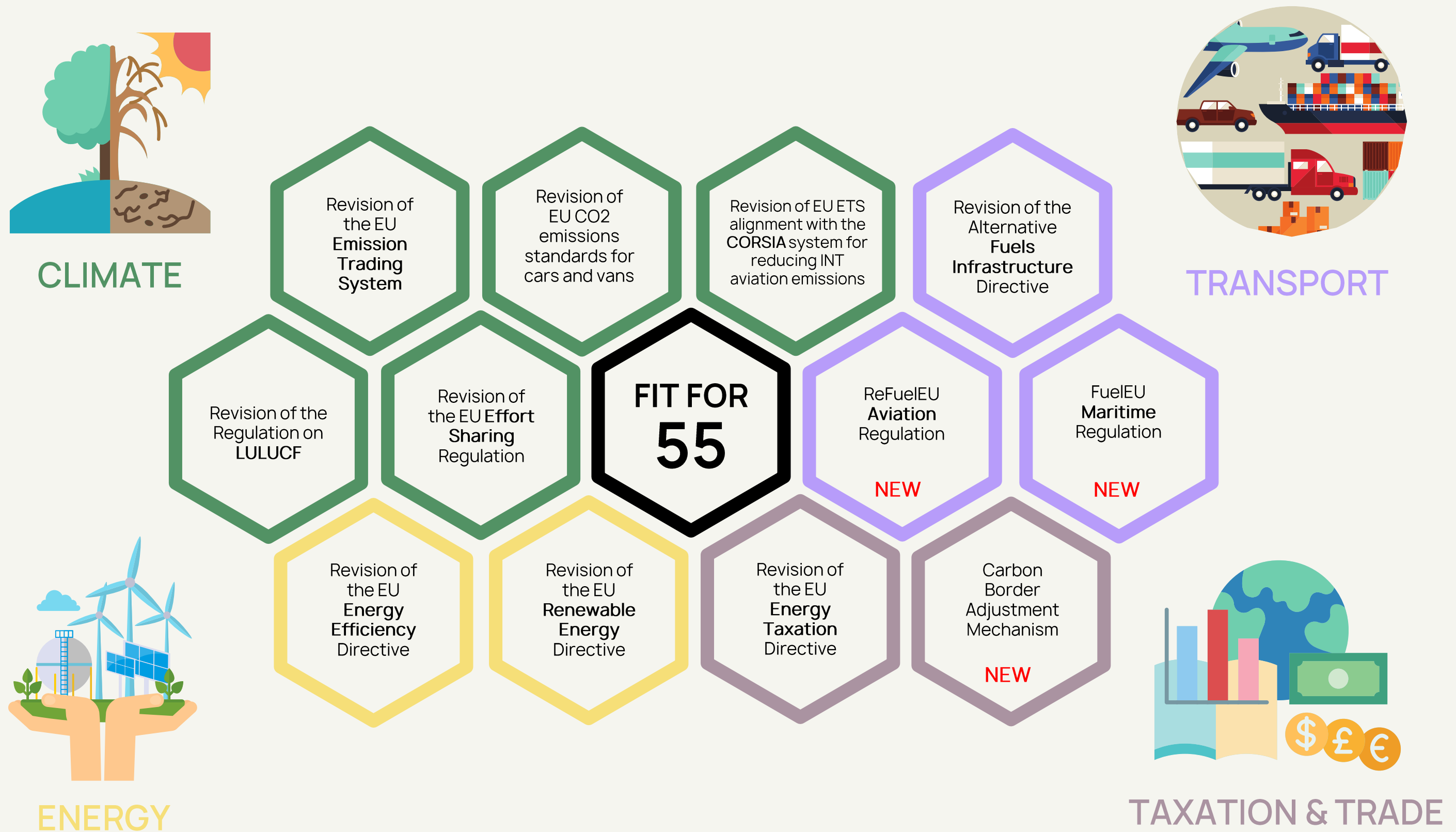
- In 2030, food-feed crop-based biodiesel represents almost half of renewable fuels in diesel/kerosene segment
... but growth is restricted by volume cap 5.5% (2020 +1%)
- Further important contribution of Annex IX-B biodiesel
... but growth is restricted by volume cap 1.7%
- Strong growth in sub-target Annex IX-A
- Objectives reachable only with a strong basis of crop-based
- What does "minimising" mean?
- When will the positive externalities of crop-based biofuels be taken into account to develop a long-term vision
 - Food, feed and fuel
 - Income for farmers
 - Protein strategy/strategic autonomy
 - Biobased economy and oleo chemistry to replace fossil fuels
 - Imported Diesel
 - Carbon abatement costs



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About the key policy instruments

Fit for 55



Overview of main **incentives** & **constraints** for crop-based biodiesel (FAME + HVO)

| | | |
|-------------------|---|---|
| RED III | <p>2030 targets:</p> <ul style="list-style-type: none">• EU RES target: 42.5% + 2.5% optional;• Transport: 14.5% GHG reduction target <u>or</u> 29% RES target• 5.5% combined binding target for RFNBOs and IX-A biofuels & biogas <p>Cap on Annex IX B: flexibility for MSs to go above 1,7% cap, considering feedstock availability</p> | <p>Crop-cap:</p> <ul style="list-style-type: none">• 2020 consumption in each Member State (i.e., share of transport energy) plus 1%, within 7% limit. <p>High ILUC-risk biofuels:</p> <ul style="list-style-type: none">• Accelerated phase-out could be under consideration in the future;• Upcoming revision of criteria (Sep. 2023). |
| ReFuelEU Aviation | <p>Targets set until 2050</p> <p>SAF definition: Slightly expanded to include other biofuels besides Annex IX (only wastes & residues),</p> | <p>SAF definition:</p> <ul style="list-style-type: none">• Excludes food and feed crops;• Excludes intermediate crops, palm fatty acid distillate (PFAD) and palm and soy-derived materials, and soap stock and its derivatives (pending ongoing review of Annex IX); |
| FuelEU Maritime | <p>Ambitious GHG reduction targets set for 2050</p> <p>Waste-based biodiesel (namely Annex IX-B feedstocks) are key part of the decarbonisation effort in this transport sector.</p> | <p>De facto ban of food- and feed-crop based biofuels (equivalent to fossil)</p> |



Thank you!



+32 (0)2 763 2477



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