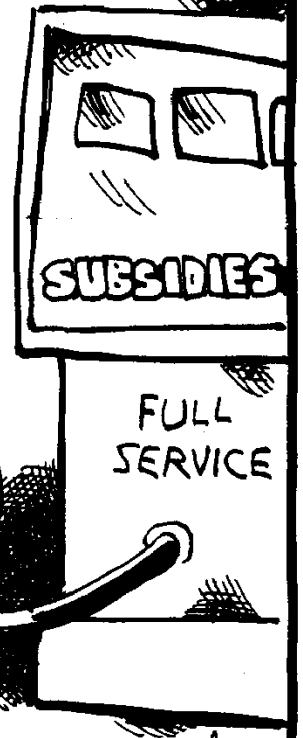
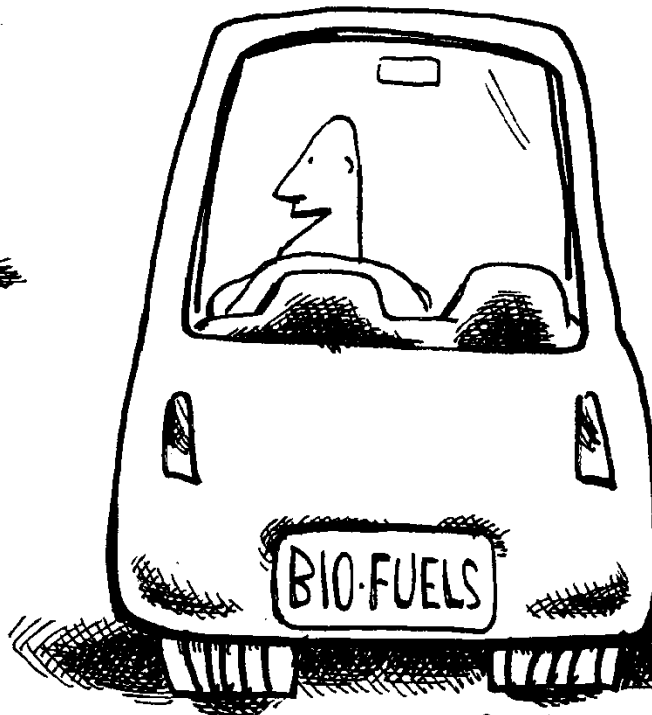
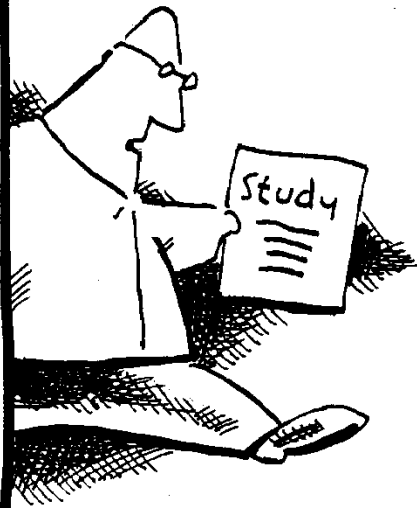


# Biofuels and indirect land use change in the EU

Nusa Urbancic

WAIT!  
IT TURNS OUT BIOFUELS  
MAY BE WORSE FOR  
GLOBAL WARMING!

TOO  
LATE!



TOLLS

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DON'T YOU CARE —  
ABOUT THE SCIENCE? — GUESS.

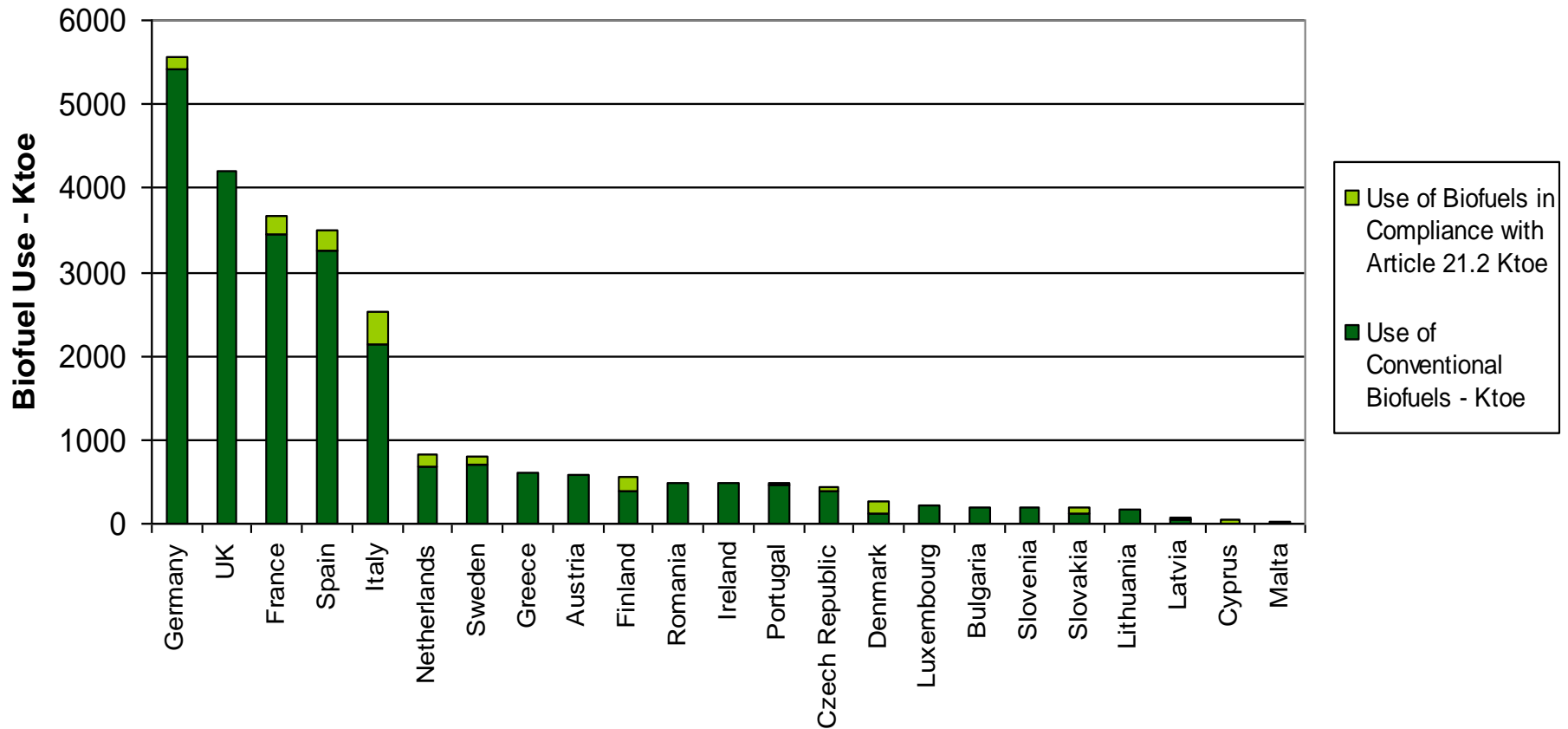
# This presentation

- EU biofuels policy and its context
- Update on the science
- Legal mandate and the proposal

# Biofuels policy

- 10% Renewables in transport target in RED
- 6% decarbonisation target in FQD
- Conditions:
  - Biofuels are sustainable
  - Second generation biofuels are commercially available

# Member states plans



# Sustainability criteria

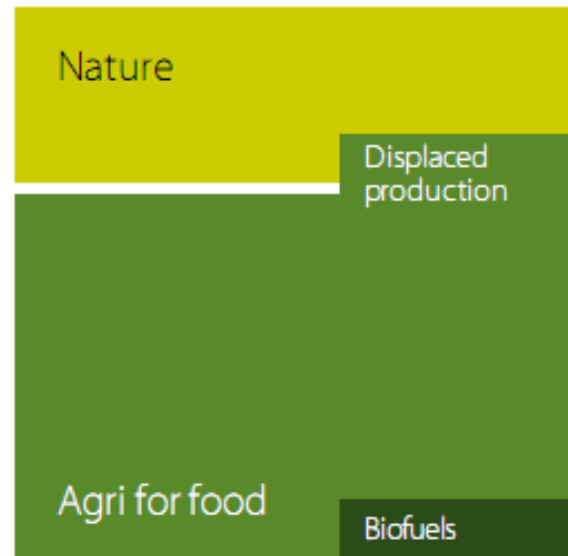
- Mandatory to count towards the target
- GHG savings threshold (35%  $\longrightarrow$  50%)
- Safeguards to prevent land conversion
  - No-go areas (primary forests, wetlands and peatlands)
  - GHG calculation of land use change
- Indirect land use change still to be addressed

# What is ILUC?

Baseline scenario



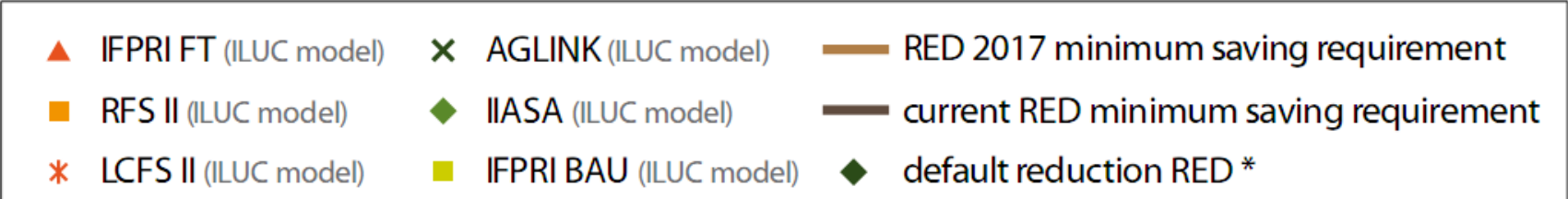
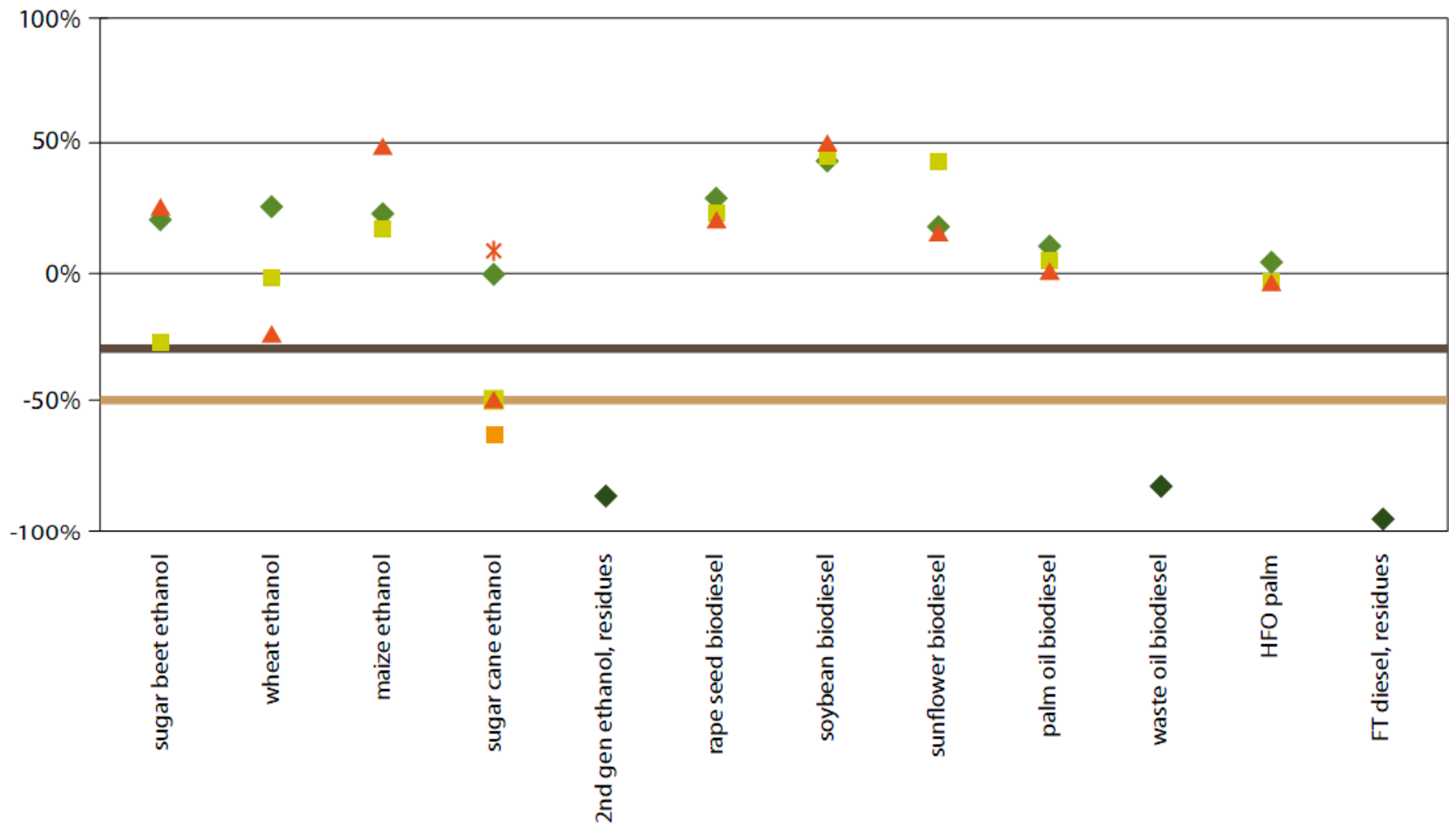
Scenario with increased biofuels use



# Scientific studies

- *“Indirect land use change could potentially release enough greenhouse gas to negate the savings from conventional EU biofuels.” (EU JRC)*
- *UN FAO, UNEP, EEA, UK Renewable Fuels Agency, German Advisory Council on Global Change, Netherlands Environmental Assessment Agency...*





\* default values set for the GHG reductions from biofuels that does not include ILUC.

# Commission's science

- EC conducted studies:
  - DG TRADE – IFPRI study
  - DG AGRI – JRC-IPTS study
  - DG ENVI/CLIMA – JRC model comparison
  - DG ENERGY – literature review
- Some studies have dubious assumptions
- Hampered by the lack of transparency

# Transparency



# Interpretation

- Despite some variation, consistency
- ILUC is significant
- Conclusions can be drawn on:
  - Additional land needed
  - Associated GHG emissions
  - Marginal ILUC emissions per biofuel

Action is not just appropriate, but needed!

# Likely impacts

- Global land-use change in the range of 5.1 to 8.4 million hectares
- One-off release of GHG emissions between 876 and 1459 Mt CO<sub>2</sub>
- Policy will be a net emitter of up to 58 Mt CO<sub>2</sub>/year
- As adding an extra 12 to 25 million cars on Europe's roads

# What is happening now?

- EU legislation is actively driving the market for an unsustainable fuel.
- Not in the long-term interest of the EU or the biofuels industry

# Opportunity

- Article 19.6:

*The Commission shall, by 31 December 2010, submit a report to the European Parliament and to the Council reviewing the impact of indirect land use change on greenhouse gas emissions and addressing ways to minimise this impact.*

- Public consultation until end of October
- Commission's report and proposal
- Co-decision by 2012

# Proposal has to be

- Based on the best available science
- Include a concrete methodology for carbon stock changes caused by ILUC
- Ensure compliance with RED, in particular GHG threshold (article 17.2)
- Include safeguards to ensure certainty of investment



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and magnitude of the impact of policy changes. Nonetheless, they cannot be used as a regulatory instrument, which would imply financial consequences for the concerned industries. Therefore, in parallel to the quantification exercise, I would like to stress the importance for the inter-service group to continue to reflect, constructively and openly, on effective and balanced ways to address the emissions caused by indirect land use change.

An unqualified use of ILUC would still  
bequeath in the EU. It is  
indeedly the objective of  
ILUC supporters.



Jan-Luc DEMARTY

Director General

Let us talk about this -

CC: Mr David O'Sullivan, Director General (TRADE)  
Ms Catherine Day, Secretary General  
Mr Philip Lowe, Director General (COMP)  
Mr Stefano Manservigi, Director General (DEV)  
Mr Marco Buti, Director General (ECFIN)

# Our objective

- NOT TO KILL BIOFUELS
- To promote only biofuels that save CO<sub>2</sub>
- Only including ILUC gives a true picture of CO<sub>2</sub> savings

# Proposal

- A set of differentiated iLUC factors (marginal)
- A process to review these factors as science improves
- A methodology for iLUC mitigation options to encourage good practices

# Summary

- Do biofuels save CO2 emissions?
- Indirect land use change (ILUC) is fundamental to answering that question
- EU policy currently ignores ILUC
- ILUC is a big problem
- The opportunity for change is now!