



ILUC Proposal and Post 2020 Policy

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Agenda

- **2020 targets and the role of biofuels**
- **ILUC and the Commission's proposal**
- **State of negotiations**
- **Post 2020**



The Policy Framework 2020

Fuel Quality Directive (FQD)

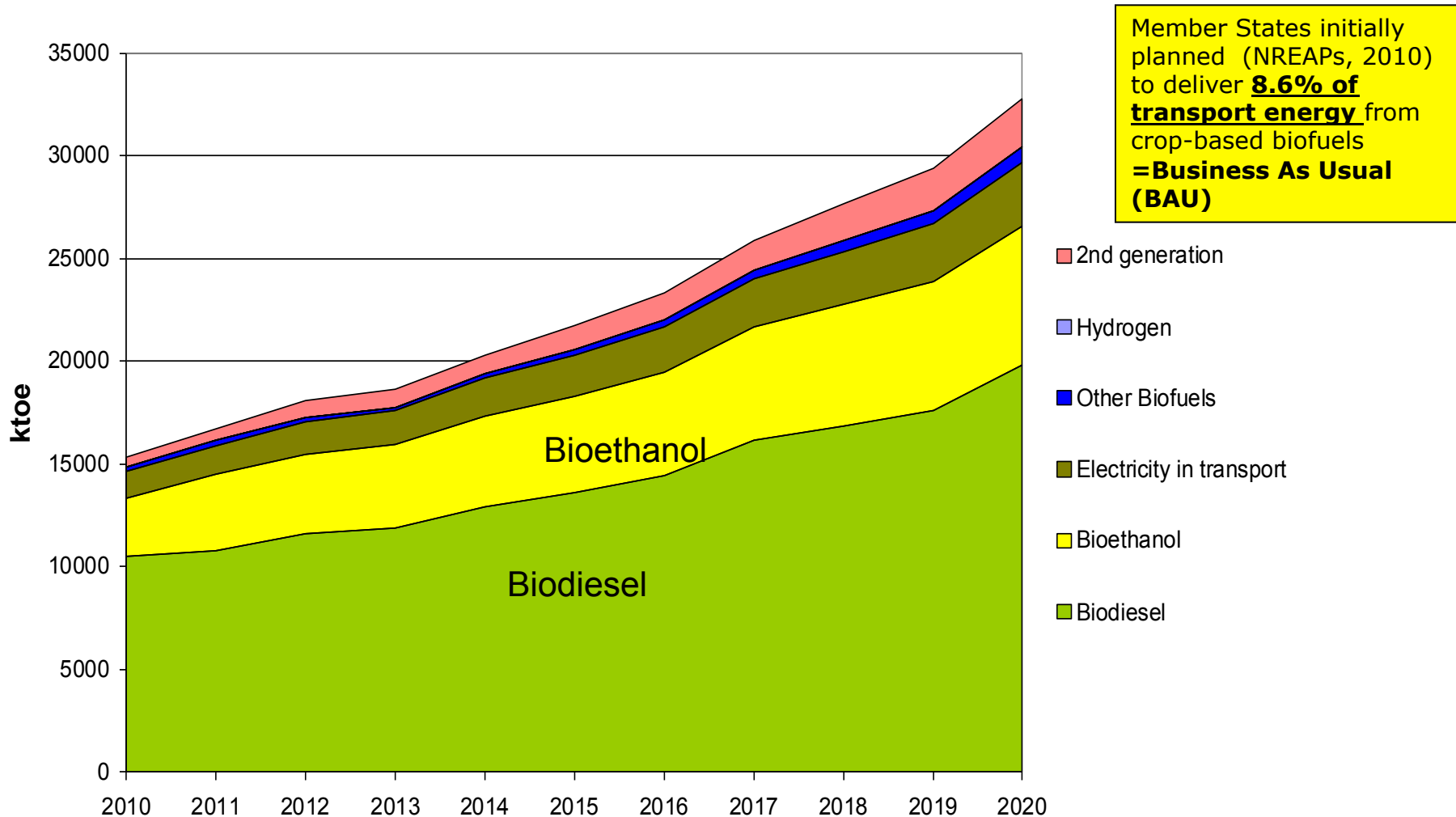
- 6% greenhouse gas reduction target in carbon intensity of road transport fuels in 2020

Renewable Energy Directive (RED)

- 20% share of renewable energy by 2020
- 10% renewable energy in transport by 2020

Significant contribution to both targets expected to come from biofuels (mainly 1G, food and feed crop-based)

NREAPs: RES transport sector to 2020



Sustainability criteria in RED and FQD

Biofuels cannot come from land:

- **With high carbon stock**
- **High biodiversity (primary forest etc.)**

Biofuels need to save at least 35% compared to fossil fuels, increasing to 50% in 2017

GHG



GHG



GHG



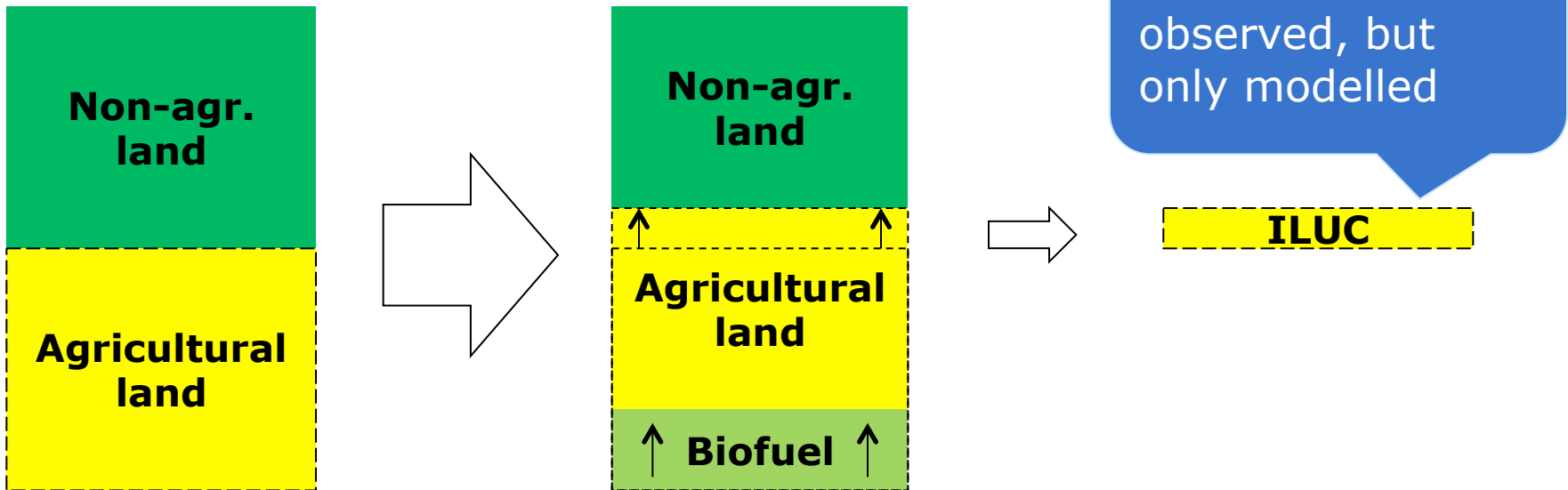
But, indirect impacts not taken into account: ILUC
mandate for the Commission (RED article 19(6))



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What is ILUC?





Modelling IFPRI-study

*The total land converted globally for the increased EU biofuels consumption in 2020 is estimated at **1.7MHa**, leading to the release of **500Mt CO₂**.*

*On average, these emissions would negate around 70% the direct savings offered by biofuels, leaving the average biofuel mix at 22% savings (**biofuels on average still save emissions compared to fossil fuels**).*

Large differences in estimated ILUC impacts between crop groups, these being lower for sugars and cereals than for vegetable oils.

ILUC is a serious concern, but significant uncertainties remain



The Commission proposal on ILUC:

- **A limit of 5% to the amount of 1st generation biofuels that can count towards the Renewable Energy Directive targets**
- **Enhanced incentives for advanced non-land using biofuels (quadruple accounting)**
- **An increase to 60% greenhouse gas savings requirement for new installations**
- **ILUC-factors included in the reporting of greenhouse gas savings in both Directives**



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Negotiation timeline

Negotiations have been ongoing for two years:

- **Oct 2012** **Commission's proposal**
- **Sep 2013** **European Parliament's 1st reading**
- **Jun 2014** **Council's political agreement
(adopted Dec 2014)**

EP 2nd reading to be finalised by end of April 2015: 21 January presentation of draft recommendations in ENVI, 23/24 February vote in ENVI. Finalisation of negotiations expected this year.



Main elements to mitigate ILUC

COM: 10% transport target + 5% cap for food crop based biofuels (applies to RED)

Council: 10% transport target + 7% cap for food crop based biofuels (applies to RED)

EP(1st reading): 10% transport target + 6% cap for crop- based biofuels, incl. energy crops (applies to RED, FQD and public support) and ILUC accounting for FQD

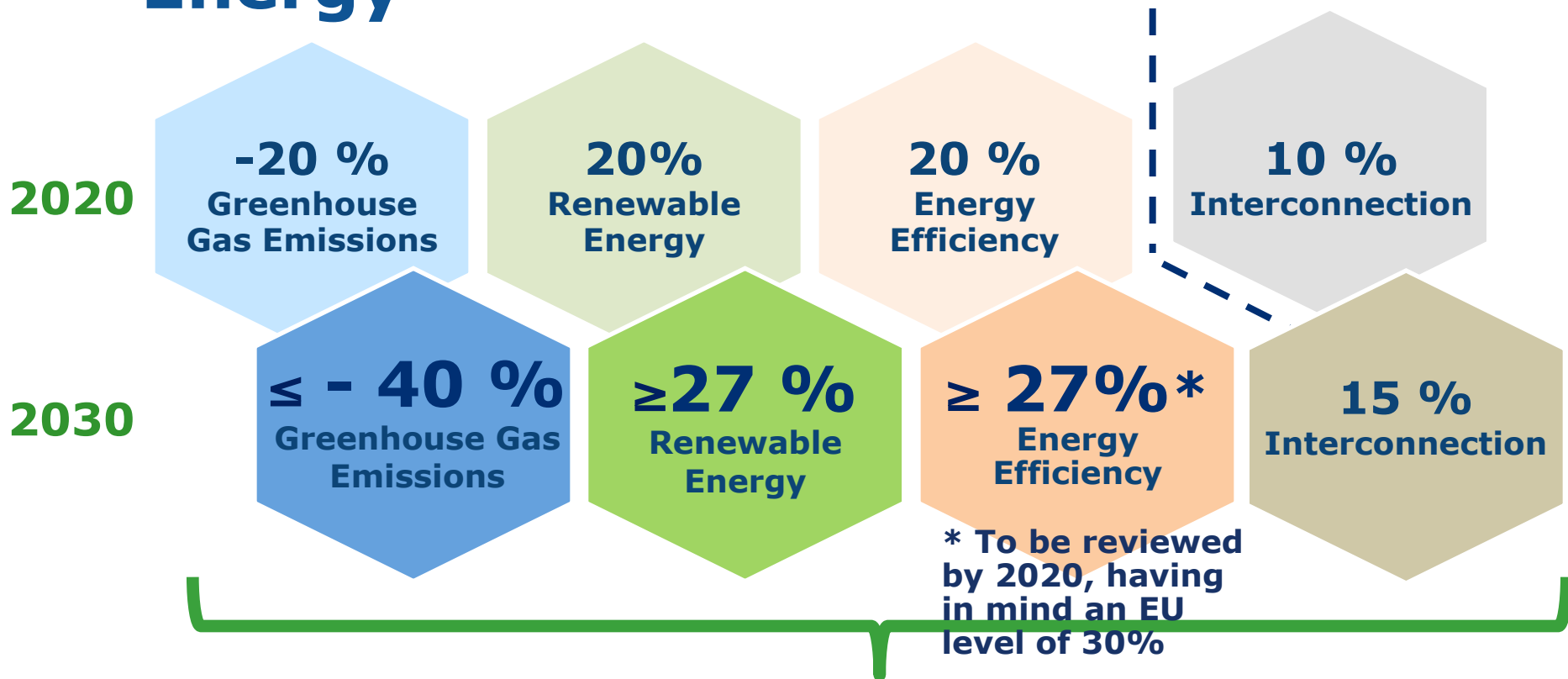


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Agreed headline targets 2030 Framework for Climate and Energy



New governance system + indicators

Council Conclusions: transport sector

...it is important to **reduce greenhouse gas emissions** and **risks related to fossil fuel dependency** in the transport sector.

...The European Council therefore invites the Commission to further **examine instruments and measures for a comprehensive and technology neutral approach** for the promotion of emissions reduction and energy efficiency in transport, for electric transportation and **for renewable energy sources in transport also after 2020.**



Options for decarbonisation of transport sector

Better integration between modes

Shift to non-road alternatives

Traffic flows management

New propulsion (incl. EV) & navigation technologies

Alternative fuels, incl. 2G and 3G biofuels

Infrastructure design

Pricing of infrastructure usage

Fuel and vehicle taxation



What the ILUC proposal says on post 2020

"Only advanced biofuels with low estimated indirect land use change impacts and high overall greenhouse gas savings should be supported"
(Recital 6)

*This statement is kept in the EP first reading (and the draft recommendation for the second reading)
It is deleted in the Council first reading.*



***Thank you for your
attention!***

More information:

<http://ec.europa.eu/energy/renewables/>