

EBTP recommendations on the iLUC directive.

How to improve the proposal.

Main changes in the RED and FQD directives

- Incorporation of biofuels produced from food crops would be limited,
- Reporting of indirect land use changes,
- Strengthening of sustainability criteria (60 % GHG savings for all new plants),
- Additional support for biofuels produced from non-food feedstocks by weighting differently their contribution towards the 10 % renewable energy target.

EBTP general view

Stakeholders of EBTP understand the EC proposal reflects a political compromise within the European Commission and welcome the additional attention to advanced biofuels. They also consider that:

- **designing a strategic, long term vision for biofuels contribution to energy security, innovation and employment (for 2020 and beyond) should be a prerequisite to any evolution of biofuels policy.** Local availability of biomass (taking into account other use of biomass), maturity and potential of technologies, and compatibility with European energy pattern are key.
- existing biofuels industry shall be preserved from adverse policy shifts.
- significant adjustments to the proposal are required to deliver the expected industrialization of advanced biofuels pathways,

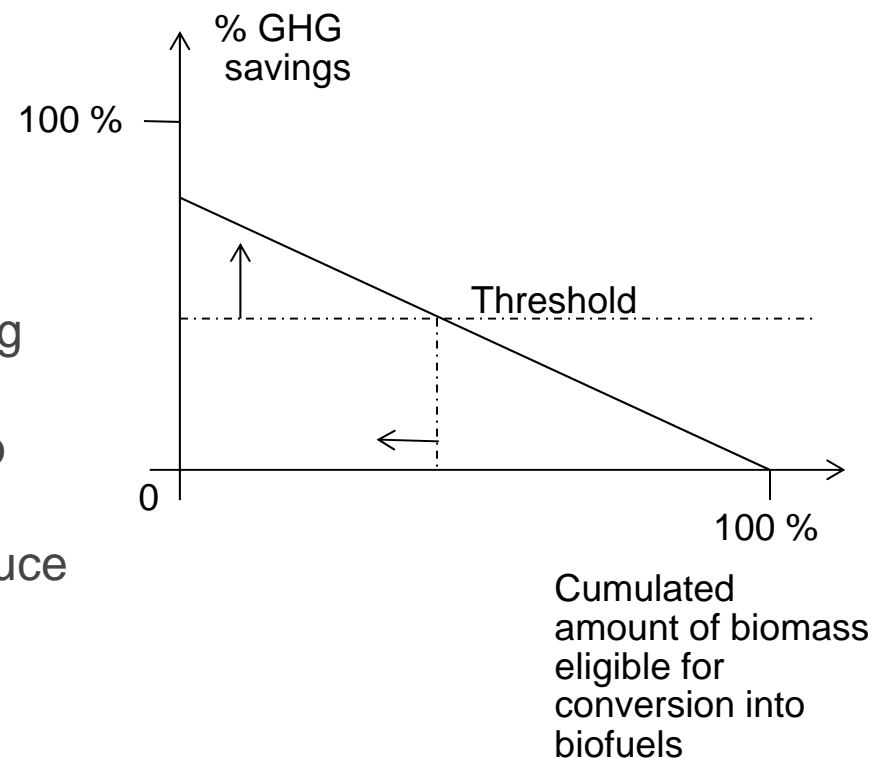
Recommendations 1

Keep a balanced approach on iLUC and sustainability

- iLUC factors shall not distort the biofuels contribution to energy security (singularity of European fuel market),
- Setting always more stringent GHG savings might not deliver the expected results.

Capitalize on conventional biofuels

- set limitations on blending mandates more compatible with existing production / blending levels in all EU member states.
- grandfather existing production (according to historical production pattern),
- allow units to retrofit their production to produce new, advanced molecules.



Guess who will win the competition ?



Recommendations 2

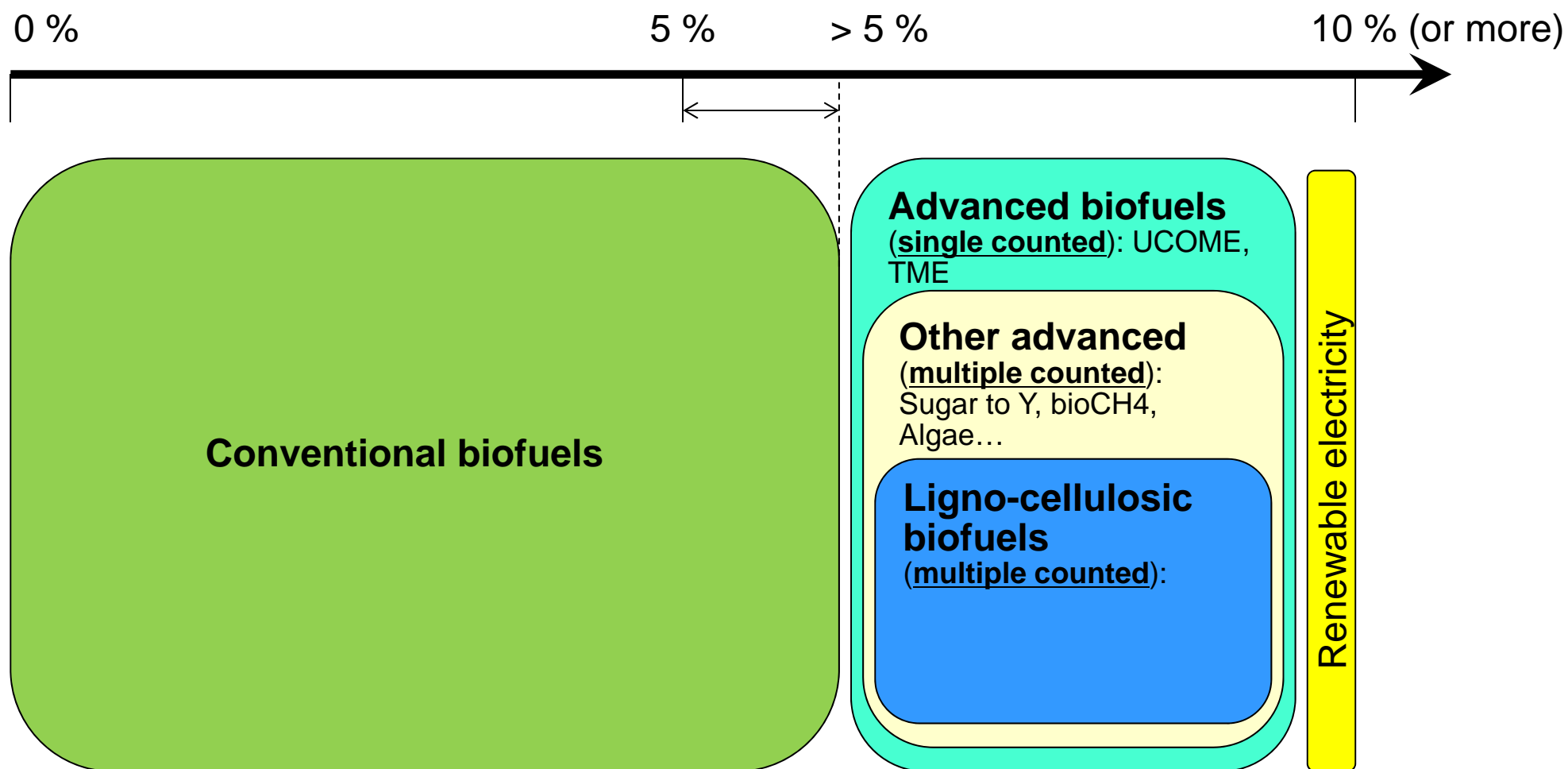
A fair, inclusive promotion of advanced biofuels pathways

- Need of a proportionate approach.
 - ✓ Mature technologies (esterification of used cooking oil or tallow), should be phased out of the double counting support.
 - ✓ The extra incentive in the form of multiple counting should target innovative technologies with a high implementation potential.
 - ✓ Setting subtargets for advanced biofuels / ligno-cellulosic biofuels would bring better market perspectives for investors.
- Implementation measures to incentivise advanced biofuels shall be designed to avoid fraud and bring transparency to investors (tender / register).

Innovation in white biotechnologies should be preserved:

- Innovation in white biotechnologies is an important stake for Europe. Biofuels policies accelerate innovation in this sector with multiple positive collateral effects.
- Sugar crops are strategic feedstock for biotechnologies and a bridge to cellulosic sugar. Sugar to diesel technologies can contribute to the diversification of feedstock supply. Sugar to Y pathways should thus be included in an advanced biofuels sub-target.

A new architecture for biofuel mandates



Conclusion

- 1. An urgent need to develop a long term, shared, strategic vision for biofuels contribution in Europe, then a stable, long term regulatory framework.**
- 2. Set achievable targets for 2020 and for post 2020.**
- 3. Design support measures to advanced biofuels (mandates, multiple counting).**

An insight into other useful EBTP's contributions:

- Detailed recommendations for the improvement of the iLUC directive draft (will be published soon on EBTP's website).
- A biofuels policy toolkit (including detailed views on multiple counting mechanism)
<http://www.biofuelstp.eu/policy/policy-toolkit-ebtp-06-10-2011.pdf>
- A contribution to the iLUC debate
http://www.biofuelstp.eu/downloads/papers/paper_iluc_ebtp_oct_11.pdf
- Strategic research agenda (including list of advanced biofuels pathways with highest industrialization potential)
http://www.biofuelstp.eu/srasdd/SRA_2010_update_web.pdf