Bundesverband der deutschen
Bioethanolwirtschaft e.V.

Sustainable biofuels must be taken fully into account in moving ahead with the greenhouse gas reduction quota

The draft Act transposing the Renewable Energy Directive (2018/2001/EC - RED II) that was presented by the Federal Ministry for the Environment in late 2020 was appraised and criticised at the press conference hosted by the organisers of the 18th International Conference on Renewable Mobility "Fuels of the Future 2021". The press conference was held in the run-up to the conference in the light of the digital format in which the conference will run this year. The industry associations take the view that this draft Act is essentially an important step in the right direction, moving towards increased climate change mitigation measures in the transport sector. However, the present draft is not sufficient to genuinely ensure that current greenhouse gas reductions through sustainable biofuels can be maintained in future and to establish new fuel alternatives in the market. The biofuel associations consider that further substantive points must be amended in the forthcoming debate in the German Bundestag. The background to this legislation is the obligation for EU Member States to transpose the provisions on renewable energies adopted at the European level (RED II) into national law by June 2021. To this end, in December 2020 the German government submitted its draft "Act on Further Development of the Greenhouse Gas Reduction Quota" along with a draft "Ordinance Stipulating Further Provisions for Further Development of the Greenhouse Gas Reduction Quota", as the biofuel associations note. The Federal Immission Control Act and the corresponding Federal Immission Control Ordinances are to be adapted accordingly.

"The rise in the GHG quota to 22 percent for 2030 is a positive development. However, the envisaged rate of increase from the current GHG quota of 6 per cent is much too slow, with the interim target of 8 per cent in 2024. An accelerated increase is only envisaged from 2026 with a view to attaining 22 percent in 2030. This poses a pronounced threat to conventional biofuels from cultivated biomass, as well as those from waste and residues, in the next 5 years as there is a risk that they will be pushed out of the quota and thus out of the market by multiple credits for other options to meet the quota, such as electricity for vehicle charging or hydrogen," Artur Auernhammer, Member of the German Bundestag and Chairman of the German Bioenergy Association, explains.
In addition to the delay in increasing the GHG quota to 22 percent, the planned cap on biofuels from cultivated biomass at 4.4 percent by 2030 is also unconvincing. Intensive reconsideration of this point is vital. The European provisions allow for a much higher upper limit that recognises the role of biofuels from cultivated biomass as the most important component in the transport sector today for climate change mitigation and ensures continued provision of domestic feed as a co-product of biofuel production. In addition, it is crucial to ensure that this share of the fuel mix is deployed throughout. That means a revision clause is necessary for short-term adjustment of the GHG quota

level.
The biofuel associations take a particularly critical view of multiple crediting of selected compliance options towards the GHG quota. For example, electric mobility is to be counted three times towards the quota. “We reject such multiple credits because they feign climate protection through computational tricks. In this form of interpretation, the GHG quota loses its capacity to provide information about genuine greenhouse gas savings and the actual share of renewable energies in the transport sector,” Artur Auernhammer emphasizes.
In order to attain the reduction targets in the transport sector by 2030 and avoid penalties incurred under the EU Effort Sharing Regulation (ESR), the biofuel associations consider the following steps necessary for further development of the GHG quota by the German Bundestag:

1. There should in the first instance be a phased increase in the GHG quota from the current 6 per cent in equal annual steps to attain the envisaged 22 per cent in 2030 for alternative fuels and drives.
2. Multiple crediting is fundamentally not appropriate in the GHG quota system. The premise must continue to be that all compliance options are measured in terms of their actual impact on GHG reduction. This gives rise to effective and cost-optimised quota fulfilment on the market and is safeguarded by the penalties
3. With a view to ensuring flexible adaptation of the legislation to actual market developments, review of the provisions at least every 2 years should be stipulated
4. In terms of future prospects, stabilisation and steady expansion of the contribution made by conventional, sustainably produced biofuels will remain necessary until 2030. Vehicles with internal combustion engines will continue to dominate the fleet into the 2030s and should continue to make at least as large a contribution to climate change protection as they do at present, ideally even increasing this contribution
5. Critical arguments about conventional biofuels can be countered by noting that the EU has excluded import sources with a high risk of illegal land use changes (palm oil). As stated in the German government’s draft, biodiesel from palm oil should already cease to play a role in the German market by 2026 – rather than by 2030 as envisaged by the EU. The contribution made by this feedstock can easily be replaced by sustainably produced domestic biodiesel from rapeseed or bioethanol
6. An ambitious growth path for advanced biofuels to 3.5% by 2030 is feasible and provisions to this end should definitely be stipulated (the government draft envisages 2.6% in 2030). Annual revision of the sub-quota for advanced biofuels would be advisable to ensure actual market developments are reflected in the legislation.
7. Flanking political decisions are required concerning the segments in which using a higher proportion of biofuels would be advisable (heavy goods transport, shipping and aviation, and in agriculture and forestry).

The full programme for the 18th International Conference on Renewable Mobility “Fuels of the Future 2021” and registration at: www.fuels-of-the-future.com

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