

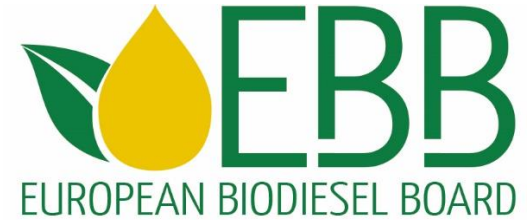
Biofuels Sustainability workshop
May 2019

Transitions in *The European Biodiesel Sector*

Kristell Guizouarn
EBB President

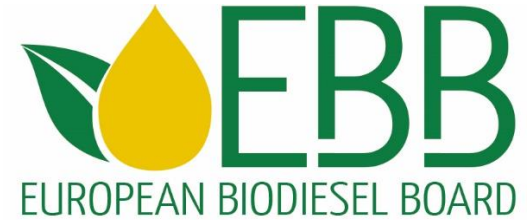


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The European Biodiesel Board



The European Biodiesel Board (EBB) represents around :

- **75 members** from **21 European Member States**.
- These account for nearly **80% of EU biodiesel production**
- nearly two thirds of the biodiesel produced worldwide.

EBB members & associate members



Consumption of renewables in Europe

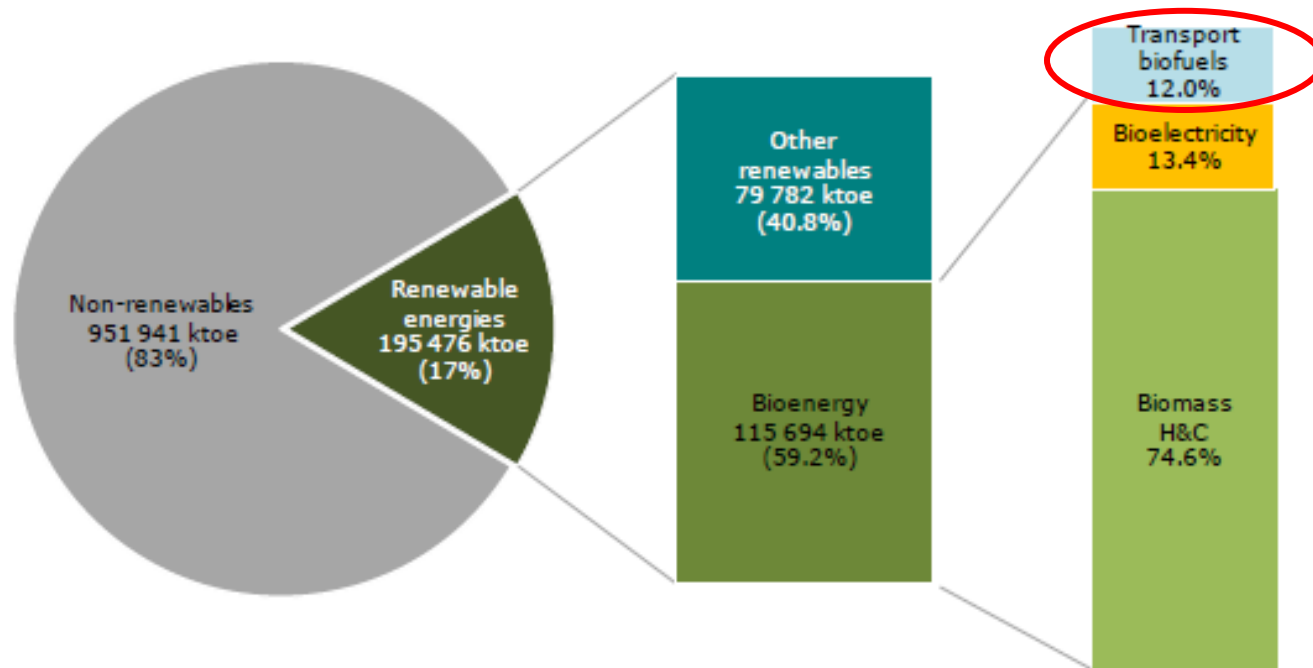


Figure 1. Share of renewables in the EU's gross final energy consumption for 2016 and breakdown of the bioenergy contribution. Source: [Eurostat 2018b](#) and [NREAP Progress Reports](#).

2016 EU consumption of sustainable biofuels



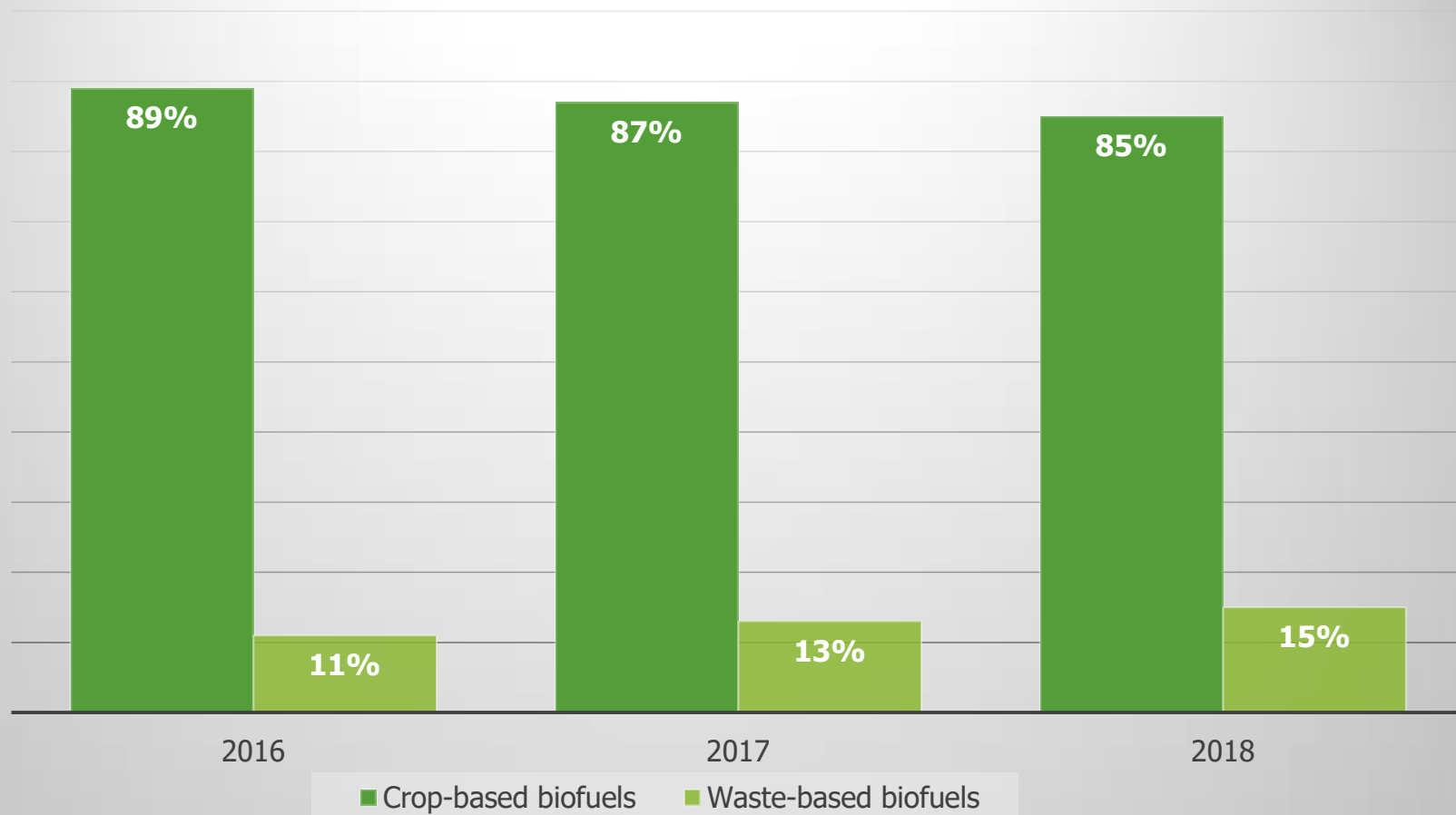
The 2019 EU Renewable Energy Progress Report states that, **in 2016, the EU consumption of sustainable biofuels amounted to 13,840 ktoe**. Of this, **11,083 ktoe (80%) was biodiesel** and 2,620 ktoe (19%) was bioethanol.

	Biogas	Bioethanol	Biodiesel	Other liquid biofuels	Bio-jet kerosene	Total Liquid biofuels	TOTAL
Road	131	2 619	11 041	4.5	-	13 664	13 796
Rail	0.0	-	32.9	0.0	-	32.9	33.1
International aviation	-	0.0	0.0	0.0	0.0	0.0	0
Domestic aviation	-	0.0	0.0	0.0	0.0	0.0	0
Domestic navigation	0.0	1.4	3.5	0.0	-	5.0	5.0
Non-specified transport	0.5	0.0	6.2	0.0	0.0	6.2	6.7
TOTAL:	132	2 620	11 083	4.5	0.0	13 708	13 840

Final bioenergy consumption in EU transport (2016, ktoe). Source: Eurostat

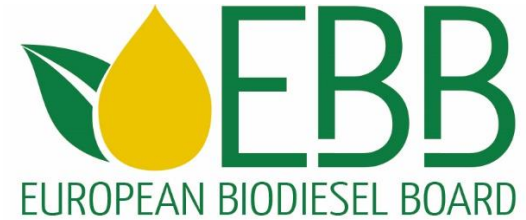
The European biodiesel industry

Biodiesel produced in the EU (2016-2017-2018) :
growth of waste-based biofuels



EBB data gathering exercise - estimations

2016 EU consumption of sustainable biofuels : feedstocks



Most (64%) of the biodiesel consumed in the EU in 2016 was produced from EU feedstocks, mainly from:

- Rapeseed ~38%;
- Used cooking oil 13%;
- Animal fat 8%; and
- Tall oil 2.5%.

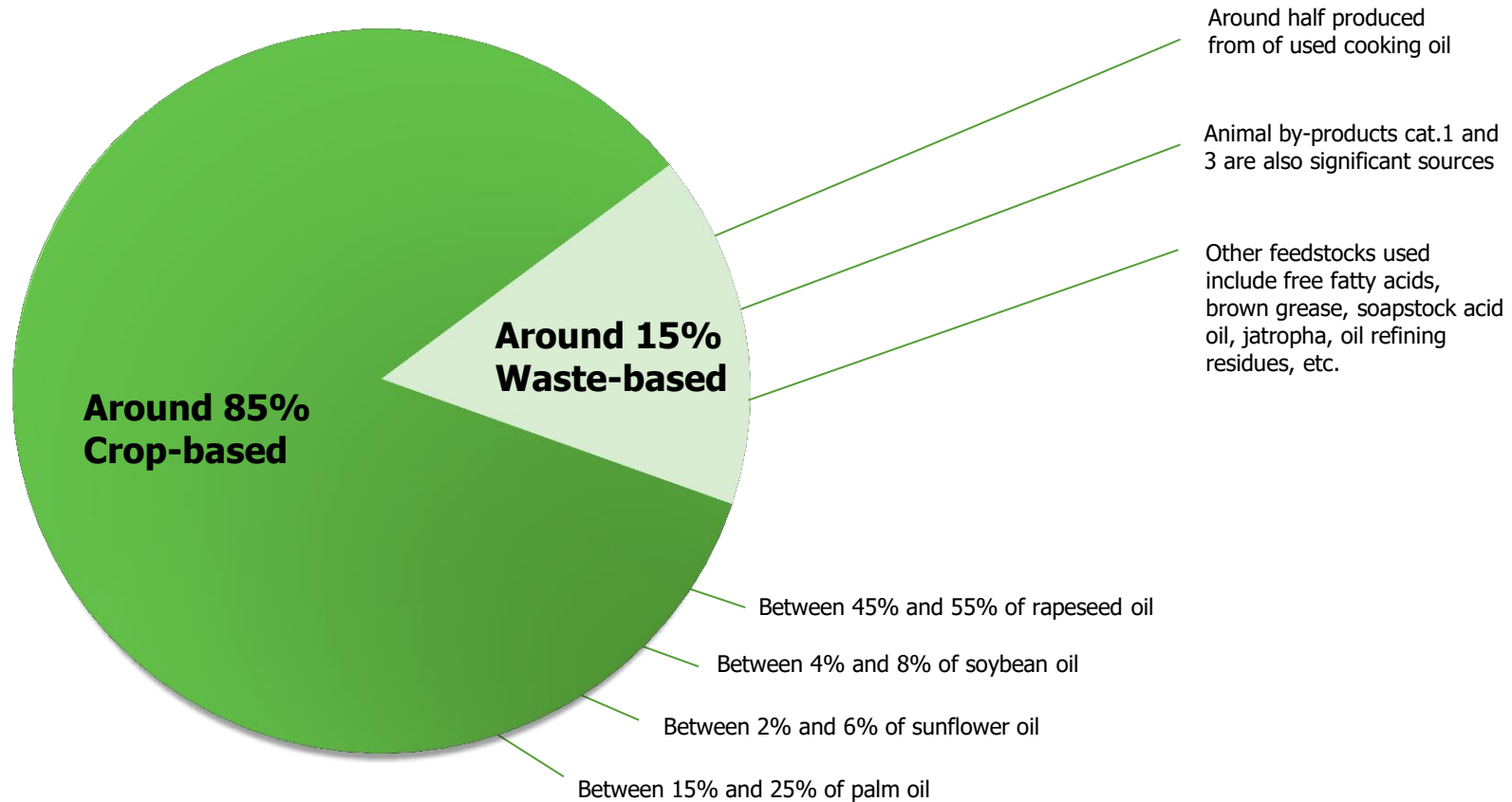
Of the remaining 36% of biodiesel **consumed** in the EU:

- Palm oil 19.6%: Indonesia (13.3%) and Malaysia (6.3%);
- Rapeseed 6.1%: mainly Australia (2.6%), Ukraine (1.8%) and Canada (1.2%);
- Used cooking oil 4.8%: from various countries outside the EU, and
- Soybean 4.3%: mainly from the United States (1.5%) and Brazil (1.5%).

Source: Eurostat

The European biodiesel industry

Biodiesel produced in the EU - feedstocks

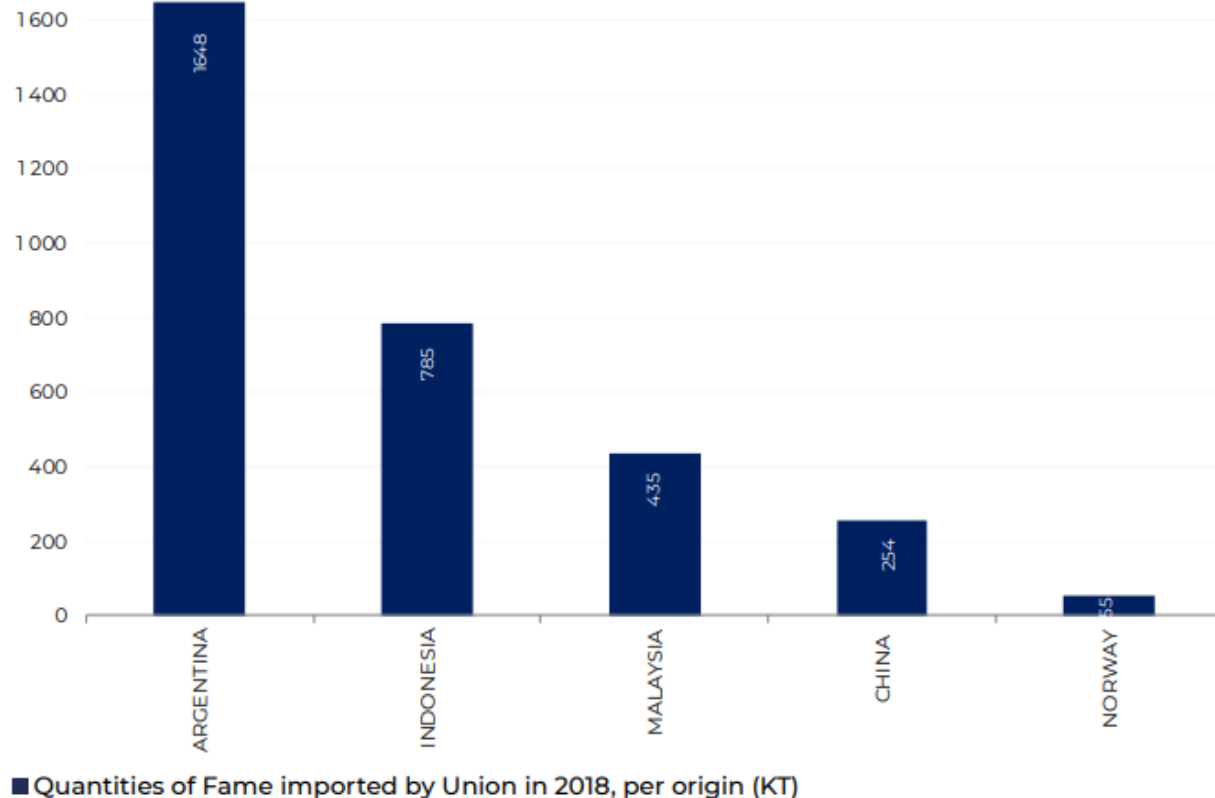


EBB data gathering exercise - estimations

Imports of biodiesel

Top 5 suppliers of Fame to the EU

Eurostat final figures for 2018 confirmed the dominance of Argentina as the first biodiesel suppliers to the EU. The SME industry delivered about 50% of the 3.32 million mt received last year, a performance that will not be duplicated in 2019 as the quota will limit the supply to 1.2 million mt max. PME suppliers together shipped a solid 1.22 million mt to the EU.



International biodiesel trade issues



To respond to trade distortions and avoid unfair competition from third countries, the EBB has acted to protect the European industry by triggering trade cases with the European Commission.

In addition to other smaller issues, **currently the EBB is working on two major fronts:**

Argentina

- December 2017: EBB lodge an anti-subsidy complaint against Argentinean imports.
- February 2019: Commission investigation concluded by the imposition of definitive countervailing measures and the EC's acceptance of a price undertaking

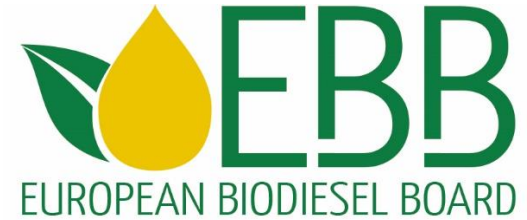
The price undertaking was agreed between CARBIO and all cooperating exporting producers of biodiesel, including their related companies, and the EC.

- **The EBB is closely monitoring the implementation of the price undertaking.**

Indonesia

- December 2018: following an EBB submission, the Commission initiated an anti-subsidy investigation on biodiesel imports from Indonesia. The initiation confirmed that the EC estimated that there is sufficient evidence to justify the proceedings.
- The investigation is now open, and all parties have responded to the questionnaire. On site investigations were under way and done by the end of March. On site verification in Indonesia took place in April.
- Provisional measures must be imposed by September 6th 2019
- **The EBB is working closely with the Commission to have a favorable outcome for their investigation.**

Traceability & sustainability of biofuels



The European biodiesel chain **complies with strict sustainability criteria laid out in existing EU legislation**, and is committed to continuous improvements.

These are the most stringent sustainability rules in the world, which prevent feedstocks from being grown on deforested land, peat lands or areas with a high biodiversity value.

- Nevertheless, the EBB is working towards **implementing a single European cross-checking database of traceability** for all biofuels
- This database is crucial to have national and voluntary schemes interlinked to **ensure that sustainability criteria is respected**, and only sustainable biofuels are used.
- The database is foreseen in the RED II, and will have to be implemented by the European Commission at EU level until mid-2021.

EU long-term decarbonization strategy:

EBB main advocacy messages: (1/2)



1. The importance of biodiesel	• The EU is world leader with production of <u>11 million tonnes/year</u> of biodiesel and renewable diesel • Reduces yearly <u>EU deficit of around 25-35 million tonnes of imported fossil diesel</u> • <u>One tonne of crop-based biodiesel generates two tonnes of EU-made vegetable proteins</u>
2. Transport sector should not be left behind	• <u>Only EU sector where GHG emissions continue to increase</u> and could be close to 45% of all EU economy emissions by 2040-50 • To successful decarbonize transport, <u>all sustainable biofuels must play a critical role in reducing GHG emissions</u> and achieving the goals of the Paris Agreement (IEA and European Commission)
3. Advanced biofuels should be done on top of conventional biofuels	• Conventional biodiesel, as well as waste-based and advanced biodiesel, are the most widely used biofuel in Europe, and are a key part of Europe's decarbonisation path towards carbon neutrality • Same companies invest in both solutions, and both should contribute to reduce use of fossil fuels in a progressive and realistic way

EU long-term decarbonization strategy:

EBB main advocacy messages: (2/2)



4. Reduce GHG emissions from Heavy Duty Vehicles, Aviation & Maritime

- While electrification is likely to experience a significant development in relation to passenger cars in urban areas, it is not an alternative for some transport modes and will need to be combined for long distance and freight transport with measures such as higher blends of biofuels in Heavy-Duty Vehicles, aviation and the maritime sector.

5. Launch higher biodiesel blends within harmonized fuel grades across the EU

- Commercially available biofuels are the most efficient and viable means to achieve green and low emissions in transport: eliminate regulatory hurdles, maintain the current B7 level of biodiesel blending in fossil diesel as well as additional work on new fuel standards is necessary
- Higher FAME blends and grades and HVO should be promoted especially in those sectors where electric mobility is not a viable option.

6. Improve sustainability criteria and traceability requirements for biofuels

- For the sector to continue its leadership in sustainability, the **implementation of a single European transparency and traceability database for all biofuels** (as foreseen in the RED II) is crucial to have existing national and voluntary certification schemes interlinked to avoid any kind of potential fraud.

Next steps in EBB advocacy on renewables policy



Short/medium term

2019 - 2026

RED II implementation & review

- 2019: Implementation of ILUC-risk delegated act
- 2021: potential delegated act to amend Annex IX
- 2021: EU-wide traceability database
- 2023: Potential EC proposal to review targets in transport
- 2026: EC proposal for RED III for period 2031-2040

Long-term

2019 - 2050

EU 2050 long-term decarbonization strategy

- Engagement with newly elected EU institutions (European Commission & European Parliament)
- Discussion on long-term policy proposals, in particular the ongoing debate on EU 2050 long-term decarbonization strategy
- Upcoming IPCC conferences and potential new climate treaties

Thank you for your attention

Kristell Guizouarn

EBB President

secretariat@ebb-eu.org

www.ebb-eu.org

