

The Biofuel Programme of the European Union

EREF's view
 Presented by Peter Danielsson, EREF President

European Sustainable Energy Policy Seminar 2006, Brussels, 29 March 2006
 Organised by: INFORSE - EUFORES-EREF

EREF's objectives

- Federation of National RES Producer Associations
- Voice of SME Producers of energy from all RES sources, except large Hydro
- Main issue: level playing field
- Fair market access and Investor security
- Reduction of administrative barriers and grid obstacle

EREF and Biofuels

- Since 2003 EREF closely covers the development on biofuels in Europe and EU Commission programmes
- Welcomed the Biofuel Directive and related Energy tax directive
- Speaks for a fair chance for Renewable Bio fuel production in the EU and fair access to the European market from 3rd countries

Main topics in Europe

- Need for decrease of dependency from fossil fuel and the heirs to the Seven Sisters
- Need for sustainable bio transport fuel
- Need to establish a productive bio fuel market in Europe
- Need for investor security in this new market
- Need for proportionality/balance in trade in biomass- evaluation and security interest
- Need for cooperation with producer countries such as Brazil

EU targets in Bio fuels

- Achieving the target of 12% of overall energy consumption being produced from renewable energy in EU15 in 2010;
- Increase the share of electricity generated by renewable energy to 21% in 2010 for EU25 (compared with 14% in 2000 in EU 15) Directive 2001/77/EC;
- to increase the share of bio fuels in diesel and petrol used for transport to 5.75% in 2010 (compared with 0.6% in 2002) Directive 2003/30/EC, based on an increase rate of 0.75 %

Concerted Action of EU Biofuel industry and Member States necessary

- Open discussion with European Commission on issues such as :
- Encouragement for domestic production Annex 10 of Bio fuel action plan
- Annex 11 assesses three routes to a 5.75% market share for bio fuels:
 - - minimum share for imports
 - - maximum share for imports
 - - balanced approach.
- EREF is open for the definition of an approach which combines ensuring investment security in new industry in Europe with accelerated import from Third Countries
- Sustainability and respective certificate schemes with reliable control is necessary.
- Current disturbance of alcohol market in Europe is still alarming (imports from no arms no drugs countries etc.)
- EREF would like to support Commission in discussion concerning specific codex for Bio ethanol for transport
- EREF would like to discuss question of different tax reduction for bio fuels based on costs of raw material for fuel production plus a certain bonus for young industry in Europe

Energy- a strange commodity

- Missing: Getting the overall picture right: Market liberalisation since 1996 lead to concentration of power and oligopolies
- Institutionalised discrimination of decentralised bio energy production of supply.
- Via EURATOM - as long as this promotion instrument remains in place, Europe's energy policy remains undemocratic and unbalanced
- As consequence the unbalance is translated since decades into EU Research and Development Funding
- Level playing field is hindered by overall harmful subsidies to the fossil and nuclear sector
- Seven Sisters giants who dominate fossil fuel market and economy

BIOMASS – The beginning of an era

- We are so far in the beginning of the biomass/biofuel era
- There are a lot of possibilities in sight, which need to be tested and developed. It is now too early to exclude any of the present possibilities. Much can be changed in the years to come.

Current Ranking of Biomass

- Bio heating,
- Co-generation,
- Biogas,
- Methanol and Ethanol.
- Sustainable processing methods are important
- For cars at present: easier to choose liquid fuel instead of gas as the present engines and distribution systems are adapted to that. There are though cities that have a bus fleet fuelled by gas coming from local producers.
- Examples of that can be found in Sweden for instance. Here also ethanol is produced from forest biomass in one plant and from grain in another.
- In Germany the new established feedin law has meant a strong investment incentive for biomass and biogas/biofuel.

Decentral Power of Biomass

- **SMALL SCALE**
- A recently noticed development is the small scale co-generation units for single houses. With these units a house owner can generate a considerable share of the electricity and heat needed for the house. This development will result in a more decentralised energy supply.

Set sails towards sustainable biomass use

- The challenge for politicians and the European people is to change focus from unsustainable energy sources to sustainable.
- To consider renewable energy as the main source and accordingly adjust rules for trade, competition, R&D and hinders for support so on so that the Union in time can make the transition.
- Time is short. The necessary funds must be raised. Economy is at this stage subordinated ecology

Minimum to ask for in bio fuel development:

- Rapid increase in the use of biogas
- All bio fuels which are blended beyond the obligatory share remain exempted from Mineral oil tax
- B 100 to be tax exempted,
- E 85 (share of Bio Ethanol) tax free in order to develop young market and infrastructure
- E 10, the part which exceed obligatory blending remains tax exempted and E10 is good for the car industry (helps to solve their dilemma with EURO 5 Emission Norm)
- EREF welcomes joint initiative of Sweden and Spain in the Energy Council End of 2005, asking for immediate introduction of 10 % blending with bio fuels

Thank you

- EREF
- European Renewable Energies Federation
asbl
- Avenue de la Fauconnerie 73
- 1170 Brussels
- +3226724367
- www.eref-europe.org