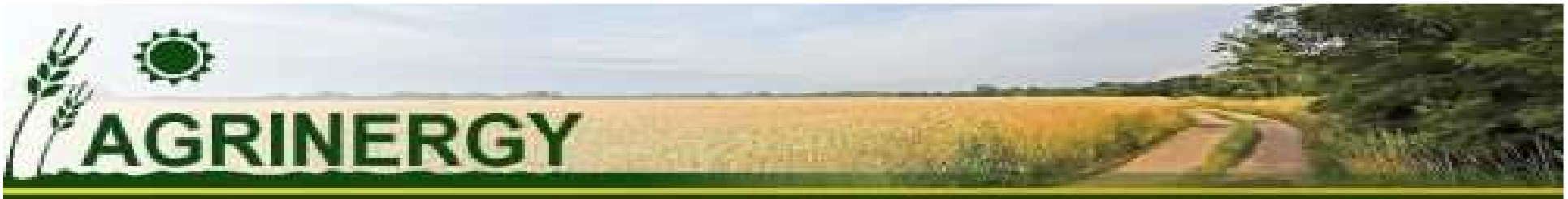




# Bioenergy Policy in the European Union

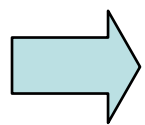
**Stephanie Schlegel, Ecologic**

**Agrinergy Workshop, November 20, 2007, Brussels**



## Content

1. Brief overview about EU bioenergy policy
2. Implementation of sustainability criteria
3. Current bioenergy policy developments
4. Links to other policies



**Common background for the workshops discussion, aiming to:**

- Discuss needs and options for sustainable growth in biomass production
- Define the role of other policies influencing bioenergy policy
- Develop policy recommendations



## 1.1 Overview EU bioenergy policy

- Bioenergy in the context of renewable energy policy
  - 1997: White Paper for Renewable Energy
  - 2001: Renewables Directive
  - 2007: "Renewable Energy Roadmap"

### 2003: Biofuels Directive

- 2% market share for biofuels in 2005 and **5.75% share in 2010**
- 2005: Biomass Action Plan
  - 31 **measures to promote biomass**
  - requests MS to draft **National Biomass Action Plans**
- 2006: Biofuel Strategy
  - communication that looks into the role biofuels could play to achieve EU energy policy targets

➔ EU's bioenergy policy is foremost biofuel policy



## 1.2 Overview EU bioenergy policy

- **January 2007: Energy and climate package**
  - 20% RES target for 2020, 10% biofuels target by 2020
  - March 2007: EU summit endorses key points
  - to be implemented in Directive on renewable energies (2008)
- **Currently: Review of the Fuel Quality Directive**
  - reduce GHG emissions from transport fuels by 1% a year (from 2011 onwards)
  - increase the current limit for incorporation of biofuels in fossil fuels from 5% by volume to 10 %
  - sustainability criteria?

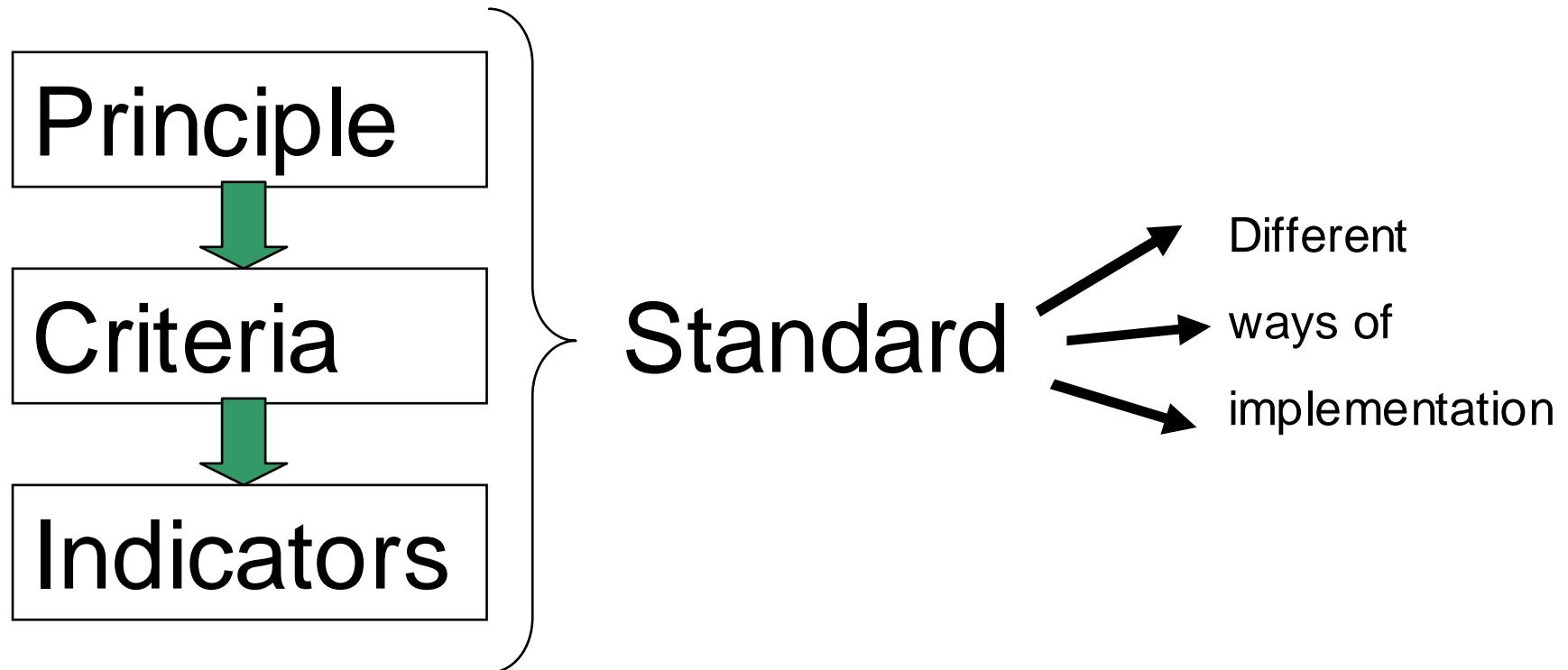
➡ Meeting the targets requires significant increase of biomass production for bioenergy inside and outside Europe (imports)

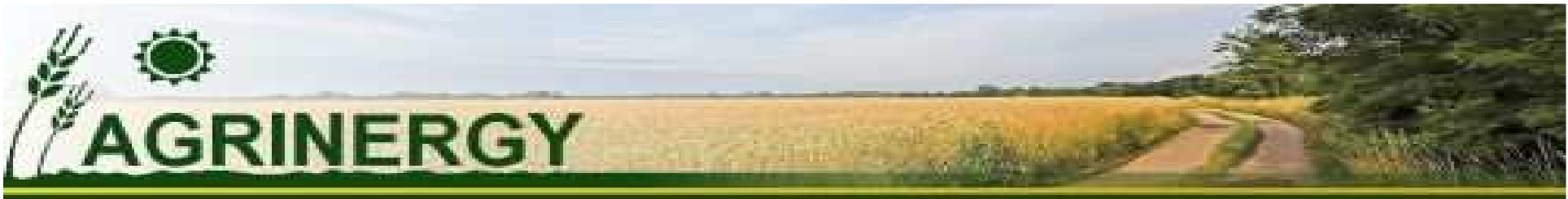
➡ Grave concerns about **sustainability** of production (particularly imports)  
Sustainability standard a solution?



## 2.1 Sustainability criteria/standard

Terminology!





## 2.2 Overview of potential sustainability criteria

### Environmental

- reduce lifecycle **GHG emission** (compared with fossil fuel)
- **Carbon** stocks must not be significantly damaged
- Areas of high **biodiversity** must be preserved
- **Soil** degradation, e.g. erosion/ pollution must be avoided
- **Water** sources must not be contaminated or depleted
- Increases in **air pollution** must be avoided

### Social

- **workers' rights** and working relationships must be protected
- **Land rights** and community relations must be preserved
- Shall contribute to the social and economic development of **rural communities**.

### Economic

- Food markets should not be affected/ security of **food supply**
- Excessive **subsidies** must be avoided
- International **trade** in biofuels should not be distorted



## 2.3 EU policy for sustainability criteria

- **April 2007: Public consultation (DG TREN)**
  - “Biofuel issues in the new legislation on the promotion of renewable energy”
    - **Only biofuels**
    - **Only three issues**
      - achieving a minimum level of greenhouse gas savings
      - avoiding major reduction in carbon stocks through land use change
      - avoiding major biodiversity loss from land use change
    - **Initial design of the scheme:** “unsustainable” biofuels would not count towards national biofuel targets/ would not be eligible for financial support etc.
    - **MS responsible** for ensuring that the criteria are respected
- **Some MS have developed own approaches (UK, NL, DE)**



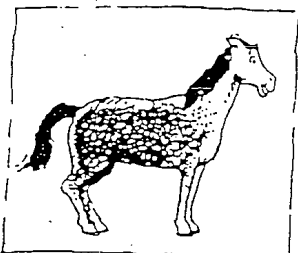
## 3.1 Current bioenergy policy developments

- **Directive on renewable energies (January, 23, 2008)**
  - Covers electricity, biofuels, heating/cooling
  - Would amend biofuels directive and introduce 10% biofuels target for 2020
- **Main discussion points:**
  - Yet unclear if 20 or 30% GHG emission reduction target
  - Burden sharing agreement of 20% RE target
  - **Sustainability criteria**
    - minimum threshold GHG saving (not yet defined)
    - exclude some land uses from biofuel production
    - defines default values
    - fuel suppliers obliged to give evidence to meet sust. criteria



## 3.2 Further steps

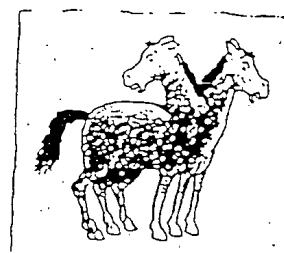
How a proposition becomes a directive



As drafted by the Commission



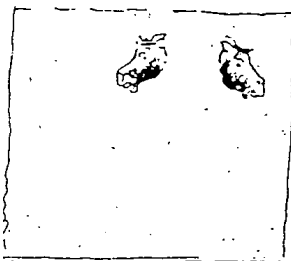
As marked up by COREPER



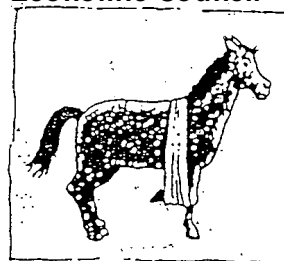
As amended by the Social and Economic Council



After first reading by EP



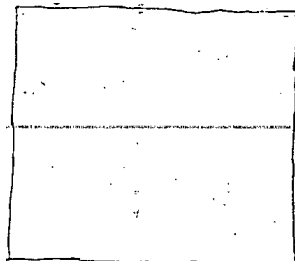
After second reading by EC



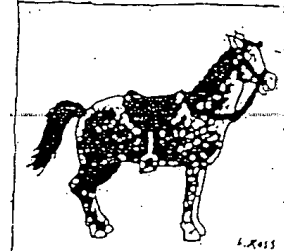
As implemented by the Member States



As reported by the press



As understood by the taxpayers



The directive that was actually needed

much depends on how criteria are Implemented:

Still discussed what will be included in the FQD and/or RED

MS not allowed to exceed the EU sustainability criteria?

Directives to be adopted by EP and Council



## 4. Various links to other policies

Policy area	Instruments/ measures	Comments/ Effectiveness
Common agricultural policy (CAP)	<b>Rural development</b>	Could support environmentally friendly cropping practices, may contribute to social and economic development of local communities. Limited funds, different focus in Member States
	<b>Cross compliance</b>	Mainly enforces pre-existing environmental minimum standards, no socio-economic criteria
	<b>Energy crop premium</b>	Supports further production of bioenergy crops, premium recently cut from 45 to 31,65 Euro per hectare.
	<b>Set aside obligations</b>	Permits non-food energy crops on set aside land
Environmental policies	<b>Nature conservation</b>	Natura 2000 network for the protection of valuable habitats Some cases have been reported on conversion due to bioenergy cropping in Natura 2000 areas.
	<b>Water Policy</b>	Water Framework Directive regulates water consumption, can limit intensive biomass cropping (nutrient pollution), WFD still in implementation process; Nitrate Directive poorly implemented
Trade policy	<b>Trade barriers</b>	Constrain free trade, may limit the amount of (environmentally favourable) feedstocks, Protect European markets/ added value for Rural areas in Europe
	<b>Sustainability standards</b>	WTO could design/ influence but also prevent the implementation of sustainability standards
<b>Regional planning</b>	Can lead to an integrated and comprehensive approach, taking local conditions (environmental and socio-economic) into consideration, Engages (local) stakeholders; Helps to address unintended side-effects. Still limited to national and regional scales, integrated planning for Europe does not (yet) exist.	



**Thank you for listening.**

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