In an effort to decarbonise the transport sector, EU member states recently decided to revise the Renewable Energy Directive (RED II). But how do the updated legislation and other rules currently in the pipeline stack up?

Electric cars take centre stage in the EU long-term transport decarbonisation plans but analysts suggest that first-generation biofuels with a low risk of indirect land-use change (ILUC) will be crucial in helping the EU achieve its climate goals.

Another aspect is the agricultural sector and in particular, the production of animal feed as a by-product of conventional biofuels.

How realistic is the EU plan in the long run when it comes to transport decarbonisation? How could it affect the production of animal feed in Europe and the EU executive push for an EU protein strategy?
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The European Commission’s recent report on the future of the EU’s protein strategy is a “missed opportunity” as it ignores domestic biofuels production, the EU ethanol industry has said.

“Not including domestic biofuels production in the long-term protein strategy is a missed opportunity,” said Emmanuel Desplechin, secretary-general of the EU ethanol association (ePURE).

“Here’s an issue where the EU is working against its own interests: urging an increase in domestic protein production but pushing an energy policy that discourages European farmers from contributing to it,” he added.

The European production of protein crops is not sufficient to cover demand due to several reasons, including climate conditions.

According to the EU executive, the EU imports annually around 17 million tonnes of crude protein, of which 13 million tonnes are soya-based.

In order to tackle this protein deficit, the EU Commission has proposed a protein strategy for the long run.

However, the ethanol industry insists that the Commission’s goals clash with reality as sustainable local production is disregarded.

ePURE says European ethanol production reduces the need for imports of soybean and other feeds from regions of the world with less

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sustainable agricultural practices.

“In 2017, ePURE members produced 4.32 million tonnes of high-protein animal feed along with 4.64 million tonnes of ethanol,” the association said.

THE IMPACT OF RED II

The EU recently revised its Renewable Energy Directive (RED II) and decided to cap first-generation biofuels at 7%.

Now, EU member states will have to set their plans to establish their progress margins and according to analysts, the development of delegated acts by the European Commission on low-risk indirect land use change (ILUC) factors will be important.

Luc Vernet, a senior advisor at Farm Europe, a think tank specialising in EU agricultural affairs, told EURACTIV.com that RED II creates segmentation within the first-generation biofuels.

“Between those more controversial biofuels with high ILUC risks – mainly based on palm oil and to a less extend soy feedstocks – and other biofuels with low or no ILUC risk. To know the final impact of RED II on EU production of animal feed, we need to see the details of the delegated act, which will define high and low ILUC risks,” the French expert said.

Vernet insisted that this delegated act should not be considered a small technical issue.

“It will have massive economic and political implications for the EU agricultural community, the sustainability of our protein supply and indeed the credibility of the EU transport decarbonisation strategy,” he added.

Vernet warned that a very “light” approach of low ILUC definition allowing most of the high ILUC risk biofuels to be green-washed into low ILUC would undermine the credibility of RED II.

“The Commission will need to set criteria for low ILUC easy to control and not prone to circumvention in order to guarantee a real enforcement on the ground of the political agreement reached this summer.”

“If we fail to have a serious delegated act, the collateral effect would be to put under pressure those biofuels that represent 54% of the total production of proteins in Europe and indirectly incentivise GM soy from America,” he added.

A similar view is shared by the EU farmer and cooperative association, Copa-Cogeca.

“If sustainable palm oil is considered as having a low ILUC risk, we run the risk that local seed oil production might not be the favoured option considered by member states to reach their biofuel diesel targets,” Copa told EURACTIV in an emailed response.

US SOYBEANS IMPORTS

Copa said having an EU protein strategy that ensures broad and diversified access to feed ingredients is crucial to keeping the EU feed and livestock industry competitive.

“The US has become our leading trading partner for soybeans over the past year, taking over from Brazil, where the Chinese have begun to focus their attention on. Imports from US are replacing imports from Brazil; in this context this is more a market issue than a policy issue.”

In an effort to de-escalate trade tensions with the US, the Commission accepted last July bigger exports of soybeans to the EU.

For Vernet, for the moment this is a statement more than a proper deal and current political and market conditions should help this statement materialise into practice at least in the short term.

“This does not prevent the EU to have a strategy to encourage the production of proteins in Europe when it’s possible,” he said.

Copa noted that at this stage there is no final deal on soybean imports since no agreement has been found on the details and agricultural matters remain excluded from the EU-US executive group negotiations.

“Discussions on how to increase Soybean are parallel to the EU-US executive group. Presidents Juncker and Trump are expected to meet in Buenos Aires during the G20 summit and we hope to see further developments following their meeting,” Copa said.

“Copa-Cogeca has always believed that it would be beneficial if agriculture would be included in a comprehensive trade negotiation (such as TTIP), where all the key issues for agriculture could be discussed (e.g. GIs and non-tariff barriers) and not only tariffs.”

“This would help to reduce tensions and move forward on a multilateral agenda. At this stage we don’t see the conditions for such agreement,” Copa-Cogeca concluded.
As the European Commission gears up to reveal its long-term climate vision for 2050 on Wednesday (28 November), observers will be watching to see how the EU executive proposes to clean up what is now regarded as the most problematic sector of the economy: transport.

Unlike agriculture and energy production, transport’s impact on the climate is actually growing, illustrating how difficult it is for legislators to get carbon out of our planes, trains and automobiles.

EU rules on renewable energy, as well as pending legislation on CO₂ reduction targets and the functioning of the bloc’s electricity market, are meant to help kick-start a shift away from burning fossil fuels and even the internal combustion engine itself. But the CO₂ reduction targets, which have been split into two separate laws on light and heavy vehicles, may struggle to cross the finishing line before the European elections next May, due to pronounced splits between member states about the right path to take.

EU legislators have been accused of flaunting the Commission’s much-vaunted technological neutrality mantra with the transport decarbonisation files, due to a perceived favouring of electrification over other options like gas, biofuels and higher fuel efficiency.

It is an accusation the EU executive strongly denies and transport officials have repeatedly said that carmakers can “develop a car that runs on coal if they wish, so long as it sticks to the rules”.

That, however, has not stopped

Transport makes up roughly 25% of emissions, so will have to be decarbonised at an even greater rate if the EU adopts an ambitious 2050 climate vision. [Shutterstock]
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industry groups from railing against proposed sales quotas for zero and low-emission vehicles, which some have claimed are just electric vehicle targets by another name.

HORIZON-PLANNING

Those rules, as well as the renewables directive, will govern transport all the way up to 2030 but the Commission already has its sights set on mid-century, with an ambitious strategy due to be published tomorrow.

Commission sources have stressed to EURACTIV that the strategy, unlike the 2030 laws, is not a target-setting exercise and is instead more focused on the final goal for 2050.

But, depending on which of the eight scenarios member states eventually pick, the strategy will essentially be the catalyst for more targets and milestones, as the chosen scenario will set the future trajectory for the EU economy as a whole.

For example, two of the scenarios reportedly entail complete greenhouse emission cuts and climate neutrality by 2050, which would mean that ambition across the board would have to be ratcheted up, particularly in transport.

At the International Road Transport Union (IRU) world congress in Oman earlier this month, some of the sector’s biggest players signed up to the organisation’s 2050 Decarbonisation Vision.

IRU said in a statement that fuels make up 30% of operator costs, meaning CO2 reductions are the economical choice, adding that “relevant players” will have to put environmental sustainability at the “heart of all operations”.

Their 2050 Vision includes fine-tuning existing technologies, which the IRU claims could reduce CO2 by up to 10% in the EU, training drivers to handle their vehicles more efficiently and increasing the use of alternative fuels.

CARRYING MOMENTUM

Climate experts believe the Commission’s strategy is well-timed given seismic waves caused by the UN Intergovernmental Panel on Climate Change’s October report into the effects of global warming.

In stark conclusions that spelled out the sort of climate catastrophes that could be caused by 2 degrees Celsius of warming, the report delved into the kind of policy changes that governments around the world will have to consider in order to limit the rise to 1.5 degrees.

Experts concluded that electricity and biofuels will have to be included more and more in the fuel mixes of our vehicles, indicating 2020, 2030 and 2050 biofuel targets of 2%, 5.1%, and 26.3%, respectively, as good benchmarks.

Emmanuel Desplechin, the secretary-general of biofuels association ePure, pointed out that the International Energy Agency (IEA) has highlighted the significant “untapped potential” of biofuels in reducing emissions.

But he added that “the rest of the world has understood this message and is acting on it; only Europe with its stop-and-go biofuels policy is wavering when it comes to tapping this potential.”

STICKY SITUATION

EU biofuel policy still needs its finishing touches, as the Commission will soon have to define criteria for what biofuels should be considered a high-risk of causing indirect land-use change and which should be classified as low-risk IIUC.

The renewable energy directive update left it up to the EU executive to determine how to distinguish feedstocks that cause more greenhouse gas emissions than they save, thanks to deforestation and use of wetlands and marshes for crop cultivation.

When a deal on the renewables directive was finally brokered earlier this year, observers hailed the deal as a ban on palm oil, which is considered the most pollutants biofuel, as high-risk biofuels will be phased out by 2030.

But environmental experts and industry groups alike are now concerned that the Commission will fluff its lines and establish weak guidelines based on a “simple interpretation” of the rules, which would actually lead to increased use of palm oil.

Giorgio Zampetti, executive director at Italy’s Legambiente, said: “We wanted cleaner fuels to save the environment. Instead, we have palm oil, which destroys forests, feeding diesel cars: it’s an unbearable paradox.”

According to a recent Ipsos poll conducted in nine countries, 82% of citizens were not aware that diesel fuel can contain palm oil and 69% said they would welcome an end to policy and subsidy support for the practice. Only 14% were opposed.

In what has been a bad few weeks for palm oil, following a controversial banned TV advertisement in the UK, environmental activists have prevented a tanker carrying the fuel from docking in the Netherlands.

At the weekend, Greenpeace climbers boarded a cargo ship ready to make port in Rotterdam, before hanging off the side, preventing it from coming into harbour.

Its cargo of palm oil, in this case, is not destined for the transport sector but for the food industry. Greenpeace has called on food giant Mondelez, which makes Oreo cookies among other products, to drop its supplier until it can prove that its palm oil does not cause deforestation.
EU policymakers should recognise the multidimensional added value of ethanol plants, as they don't produce only ethanol for fuel use but also proteins that are crucial for European agriculture, an expert told EURACTIV.com.

"An ethanol plant should be called biorefinery as it produces protein as a concentrate and ethanol as a by-product," said Pablo Vercruysse, Plant Manager at Alco Bio Fuel in Ghent.

The European renewable ethanol association (ePURE) says that in 2017 its members produced 5.84 million litres of ethanol, 81% of which was for fuel use, with an average of 70% GHG savings compared to fossil fuel.

But it also co-produced 5.71 million tonnes of co-products, of which 4.32 million tonnes was high-protein, GMO-free animal feed.
EU talks on car CO\textsubscript{2} curbs risk stalling

By Sam Morgan | EURACTIV.com

European Union negotiators are locked in talks about new rules meant to cut carbon emissions from light vehicles but the complexity of the proposed regulation threatens to bog down the negotiations.

After the European Council brokered a late-night deal on CO\textsubscript{2} rules for light vehicles in early October, national representatives met behind closed doors with Commission officials and MEPs in order to hash out a final deal.

In what are reportedly difficult talks, the clear split that was evident between member states in the Council negotiations has resurfaced, casting doubt on whether the Austrian Presidency of the EU can close the file before its mandate ends in December.

Sources familiar with the process told EURACTIV that there are few signs of compromise between the three parties.

Aside from the overall reduction target, which the Commission initially set at 30\%, the Parliament revised up to 40\% and the Council compromised on 35\%, a proposal to reward electric car sales has provoked confusion.

During the late-night October talks, member states signed up to an amendment that would double-count sales in countries where zero- and low-emission vehicles (ZLEV) make up less than 60\% of the EU average.

The idea is to boost sales across the whole EU, particularly in Central and Eastern Europe, and use the incentive

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to convince carmakers there is enough demand in the market to make more ZLEVs.

Analysis by clean mobility NGO Transport & Environment (T&E) recently showed that the amendment, if passed, could prove to be a powerful loophole for the car industry, in that they would just register their ZLEVs in targeted member states.

According to the briefing, 15 countries would currently fall under the amendment’s criteria and attempts to cut carbon dioxide would actually suffer as a result.

That reportedly started to become clear to member states during the first and second trilogue talks and the Commission may be called on to produce an in-depth assessment of the amendment’s predicted effects.

It adds further doubts to the way in which EU countries broker their joint positions, known in Brussels parlance as ‘general approaches’.

Other important files, including the complex issue of electricity market design, have needed talks that have lasted well into the small hours of the morning, leading observers to wonder whether member states are fully aware of what they are signing up to.

**ROCKY ROAD**

The Commission’s attempt to bring unwieldy road transport emissions to heel rebutted late last year to mixed reviews. Environmental groups thought that it was too weak, while some industry groups labelled it as a policy framework designed to push electric cars at the expense of other technologies.

Cries of anti-technological neutrality were largely based on the fact that the EU executive plumped on calculating CO₂ emissions based on vehicle mass rather than a footprint approach.

John Cooper, director general of trade association FuelsEurope, said at the time that the proposal “explicitly... aims to support a gradual transition from vehicles powered by conventional engines to electric vehicles”.

But the situation has changed somewhat since the proposal first saw the light of day. Heavy tinkering by MEPs in particular means that life-cycle emissions reporting is now in the mix and could be a part of the methodology after 2025.

Emmanuel Desplechin, secretary-general of ethanol association ePURE, told EURACTIV that “the original CO₂ for cars proposal did ignore the tech-neutrality memo. But the Parliament has sent a signal that a broader approach is needed.”

He added that changes made by

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the Parliament, if included in the final compromise deal, now mean that there will be a “better account of the environmental impact of different vehicle technologies and their energy sources”, such as biofuels, natural gas and hydrogen.

**A CAR A DAY KEEPS THE DOCTOR AWAY...**

But electric cars undoubtedly have significant health benefits, at least when it comes to a comparison with petrol and diesel cars, according to the European Environmental Agency, which issued a new report on “Electric vehicles from life cycle and circular economy perspectives”.

The report found that battery electric cars emit less greenhouse gas emissions and air pollutants over their entire life cycle than traditional combustion engines and fuels.

“Emissions are usually higher in the production phase of electric cars, but these are more than offset by lower emissions in the use phase over time,” the authors concluded.

Under the current EU energy mix and over the entire vehicle life cycle, electric vehicles are about 17-30% lower than the emissions of petrol and diesel cars, the EEA report said.

However, as the carbon intensity of the EU energy mix is projected to decrease, the life-cycle emissions of a typical electric vehicle could be cut by at least 73% by 2050, it added.

That date took on fresh significance on Wednesday (28 November), as the European Commission released its new mid-century climate strategy.

One of the headline justifications for increased emissions reductions in the strategy was massive savings in avoided healthcare costs, which the Commission estimates could top €200 billion per year, largely by reducing air pollution.

According to a separate EEA study from 2017, more than 40% of Europe's nitrogen oxide pollution comes from road transport, while a similar percentage of particulate matter is also produced by cars, vans and trucks.

Road transport air pollution causes at least €70bn in health damage every year in the EU, according to another new report, with diesel fumes responsible for around 75% of the harm.

Research by the European Public Health Alliance (EPHA) found that taxpayers foot most of the costs, through government-funded health services. But these costs could be reduced by 80% by 2030 if ambitious action were taken, the report concluded.
The practical solution hidden in the EU’s 2050 climate-neutral strategy

By Emmanuel Desplechin | ePURE

When it comes to long-term transport decarbonisation, the European Commission has a short attention span, writes Emmanuel Desplechin. It should be encouraging solutions that work today, like sustainable biofuels.

Emmanuel Desplechin is secretary-general of ePURE, the European renewable ethanol association.

The new long-term decarbonisation strategy unveiled by the Commission on Wednesday (28 November) offers an ambitious vision of a carbon-neutral future for the EU and says almost all the right things, but it largely downplays the role of the cheapest possible carbon-abatement tool available today: sustainable biofuels.

Instead of playing up what already works well, the strategy focuses selectively on technologies and powertrains that are yet to materialise at scale – and so is built on a shaky foundation.

That’s important because even though there will certainly be significant growth in electric vehicles in the coming years, the latest research shows that cars with internal combustion engines will be dominant.

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in the EU vehicle fleet for decades.

The best way to reduce greenhouse-gas emissions from those cars is with low-carbon liquid fuels like European ethanol.

Nevertheless, the new EU strategy mostly ignores sustainable crop-based biofuels’ contribution to reducing emissions – not long after the European Parliament and EU governments confirmed their importance after the long debate on renewables policy for 2020-2030.

Despite the Commission’s best attempt to minimise the role of crop-based biofuels in decarbonisation, the strategy offers scenarios that actually confirm what the IPCC and IEA have recently underlined: that sustainable crop-based and advanced biofuels are essential to meeting the EU’s emissions-reduction ambitions.

While most of the headlines about the strategy have focused on future technologies (e-fuels, hydrogen, etc.), a close read of the Commission staff working documents that accompanied it show that biofuels use will have to increase in order to meet decarbonisation goals.

In the Commission’s so-called baseline scenario, liquid biofuels would represent around 6% of the fuel mix in 2050, but in each of the more aggressive-reduction scenarios that figure would rise significantly – up to 17-26% in the net-zero-by-2050 scenario.

Reaching that number will require a significant boost in the use of both 1st and 2nd generation biofuels – something the strategy simply glosses over.

The Commission doesn’t seem to have picked up the strong signal just sent by the European Parliament and EU governments that Europe should get rid of bad biofuels and promote good ones such as renewable European ethanol.

Already, renewable European ethanol delivers 70% greenhouse gas savings over fossil fuel and is a building block of what the Commission rightly promotes as the bioeconomy.

The EU has already agreed to phase out biofuels associated with deforestation and peatland drainage (those considered to have a high risk of indirect land-use change).

Once that happens, then there is no reason that a longer-term decarbonisation strategy shouldn’t promote the use of good low-carbon liquid fuels to decarbonise an EU vehicle fleet that will be made up mostly of internal combustion engines for decades to come.

Increasing the use of sustainably produced biofuels like European ethanol would have other benefits: helping reduce the EU’s protein deficit by providing a domestic source of animal feed; creating jobs and boosting rural development; and ensuring continuing markets for EU farmers.

The Commission keeps repeating the mantra that advanced biofuels should replace crop-based biofuels. But a policy that plays renewables against each other only benefits oil and does nothing for the climate.

A meaningful long-term strategy looking to 2050 should acknowledge the importance of both first- and second-generation ethanol.

That would send a real signal from Brussels to member states that the EU is serious about reducing emissions from transport. It would also provide a more solid foundation on which to build a carbon-neutral future for Europe.