



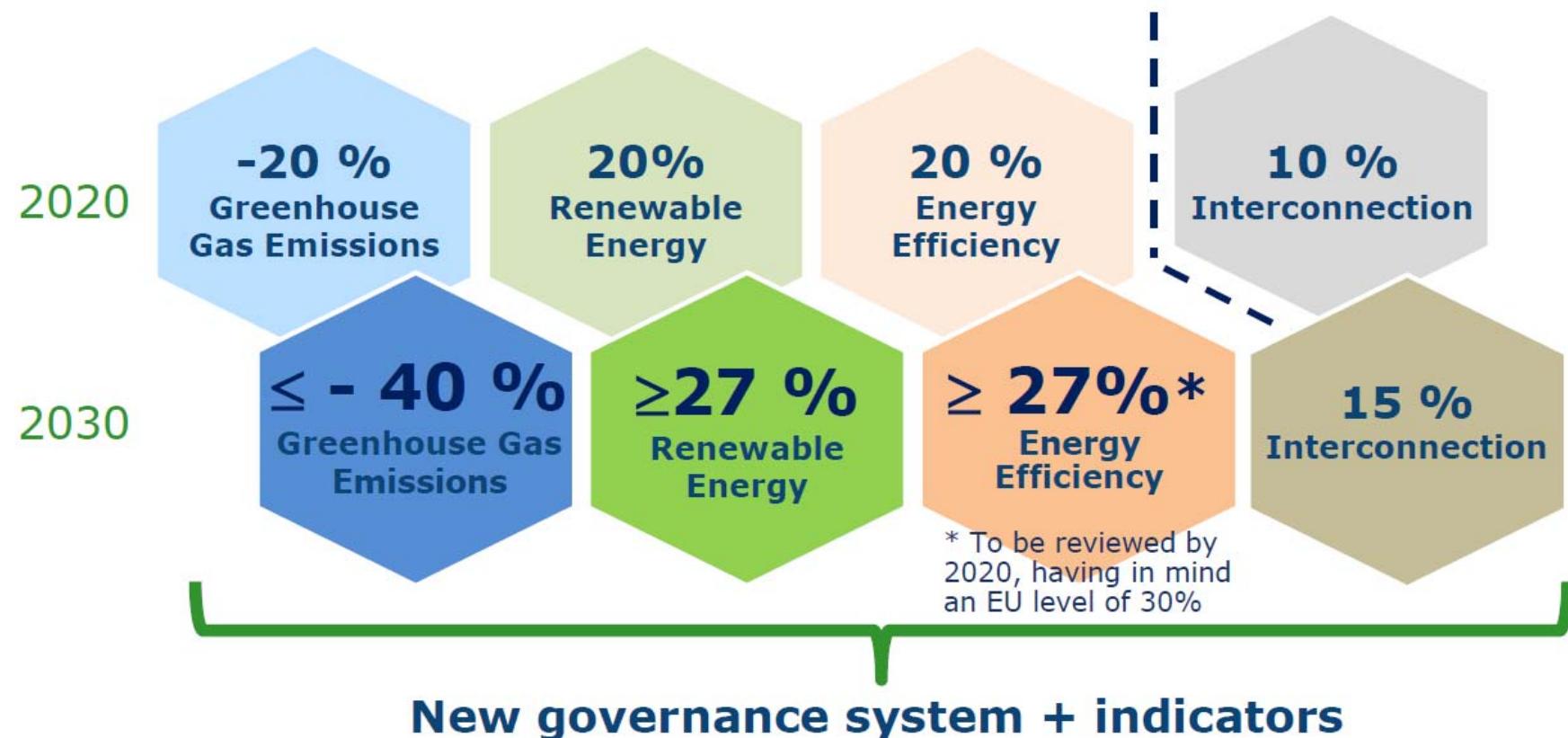
EU Policy on Transport Fuels 2030

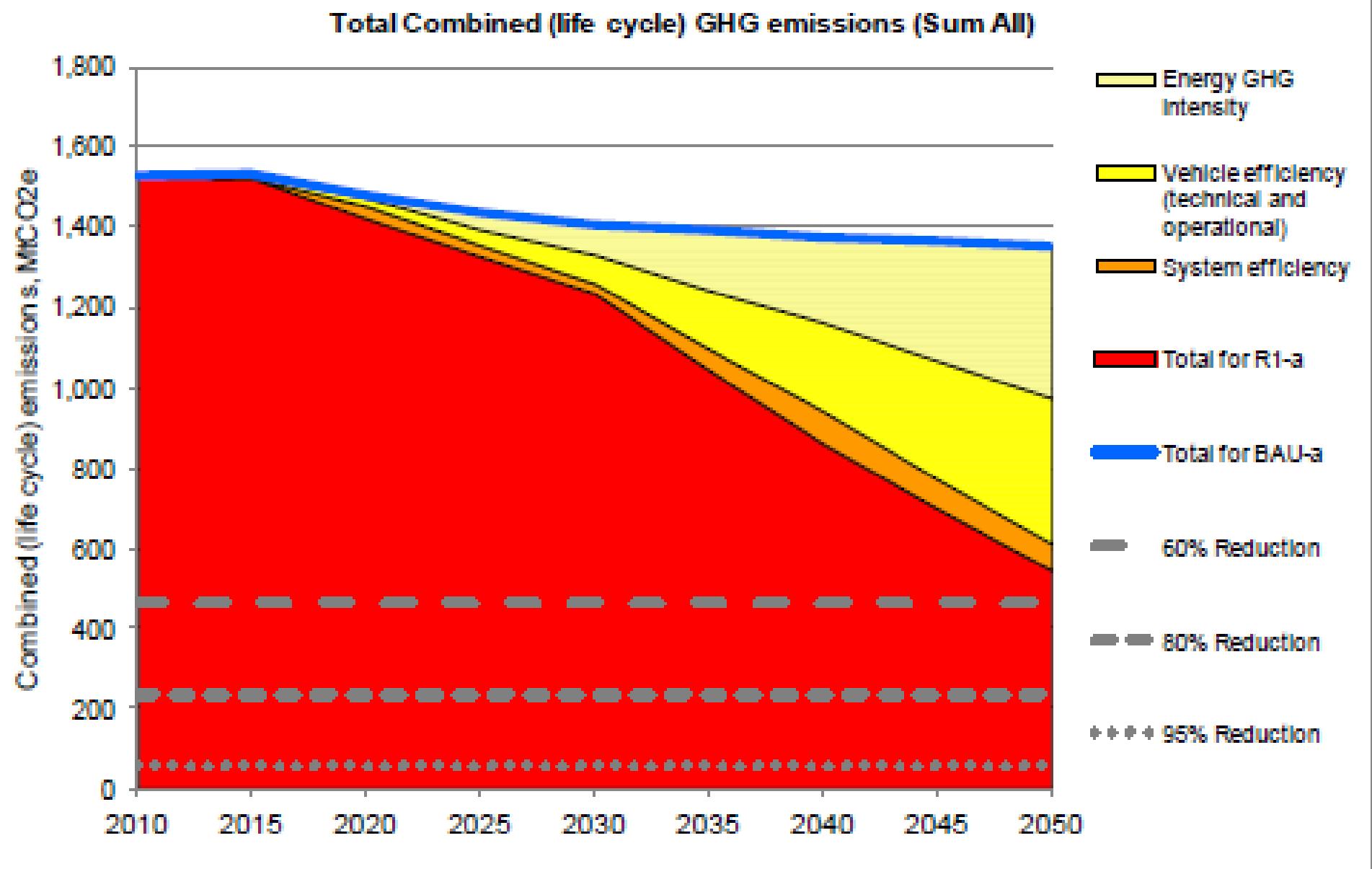
- some preliminary thoughts -

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2030 framework for climate and energy policy – agreed headline targets:







The Commission (1'2014)

*'The Commission does not think it appropriate to establish new targets for **renewable energy** or the **greenhouse gas intensity** of fuels used in the transport sector or any other sub-sector after 2020'*

*'The Commission has already indicated, for example, that **food-based biofuels should not receive public support after 2020**'*

'The focus of policy development should be on... second and third generation biofuels and other alternative, sustainable fuels...'



The European Parliament (2'2014)

...calls on the Commission to come forward with a specific framework for transport. Sees an important role for advanced biofuels.

Notes the importance of the Fuel Quality Directive with a view to reducing the lifecycle greenhouse gas emissions from transport fuels; regrets, therefore, the Commission's lack of willingness to ensure the continuation of the Fuel Quality Directive after 2020;

Encourages the Commission to support the development of advanced biofuels;



The EU Council (10'2014)

...invites the Commission to 'further examine instruments and measures for a comprehensive and technology neutral approach for the promotion of emissions reduction and energy efficiency in transport, for electric transportation and for renewable energy sources in transport also after 2020'.



GHG reduction target

Transport is included in the 40% reduction obligation.

Except aviation (ETS/ICAO) and maritime shipping (forthcoming: EU/IMO), transport is covered by the Effort Sharing Decision (ESD) together with other non-ETS sectors (agriculture, buildings, waste).



Effort Sharing Decision

Establishes binding annual GHG emission targets for Member States for the period 2013–2020.

These targets concern emissions from most non-ETS sectors. They are differentiated by MS.

Contrary to ETS (regulated at EU level), it is the responsibility of Member States to define and implement national policies and measures to limit emissions from the sectors covered by the ESD.



Effort sharing to be continued

"The collective effort for the non-ETS sector must also be allocated among the individual Member States. [...] In implementing a 2030 framework, each Member State's GHG reduction target should continue to take into account distributional factors."



Role of the EU in ESD

Despite the responsibility for MS to respect their ESD limits, there are (binding) instruments at EU level which "help" MS, e.g.:

CO2 from cars and vans, FQD

Energy Performance of Buildings Directive

Energy Efficiency Directive



IA: ESD 2020

"The targets under the Effort Sharing Decision for 2020 turn out to be achieved at the EU level under Reference Scenario conditions, notably thanks to CO2 standards for cars and vans and energy efficiency policies and taking into account flexible mechanisms among Member States."



Instruments for GHG reduction

Better integration between modes

Shift to non-road alternatives

Traffic flows management

New propulsion (incl. EV) & navigation technologies

Alternative fuels, incl. 2G and 3G biofuels

Infrastructure design

Pricing of infrastructure usage

Fuel and vehicle taxation



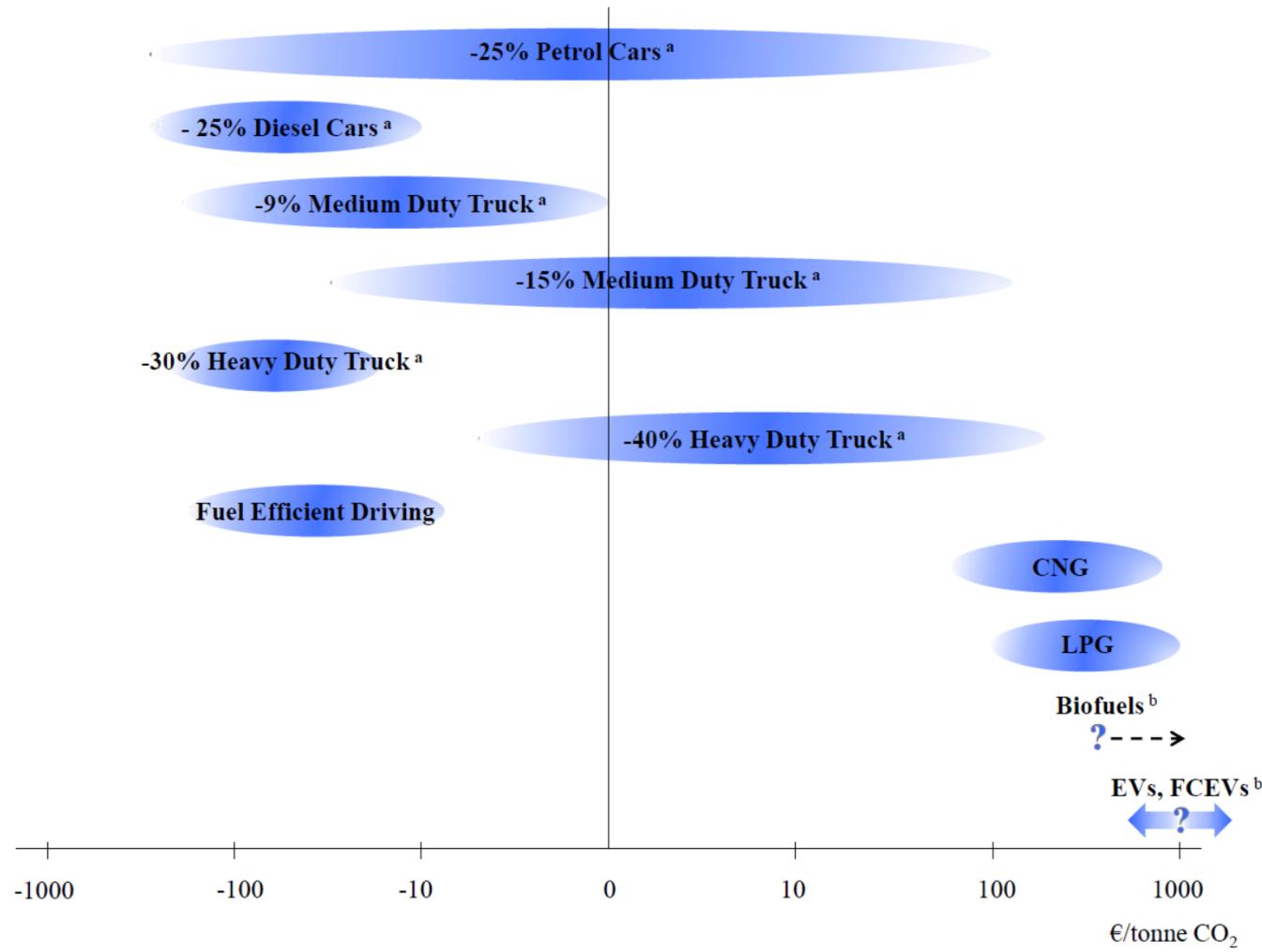
Biofuels one option among many?

In general, the abatement costs for conventional biofuels are estimated in the range of € 100 to € 300 per tonne CO₂, excl. ILUC.

Including ILUC further increases abatement costs significantly.

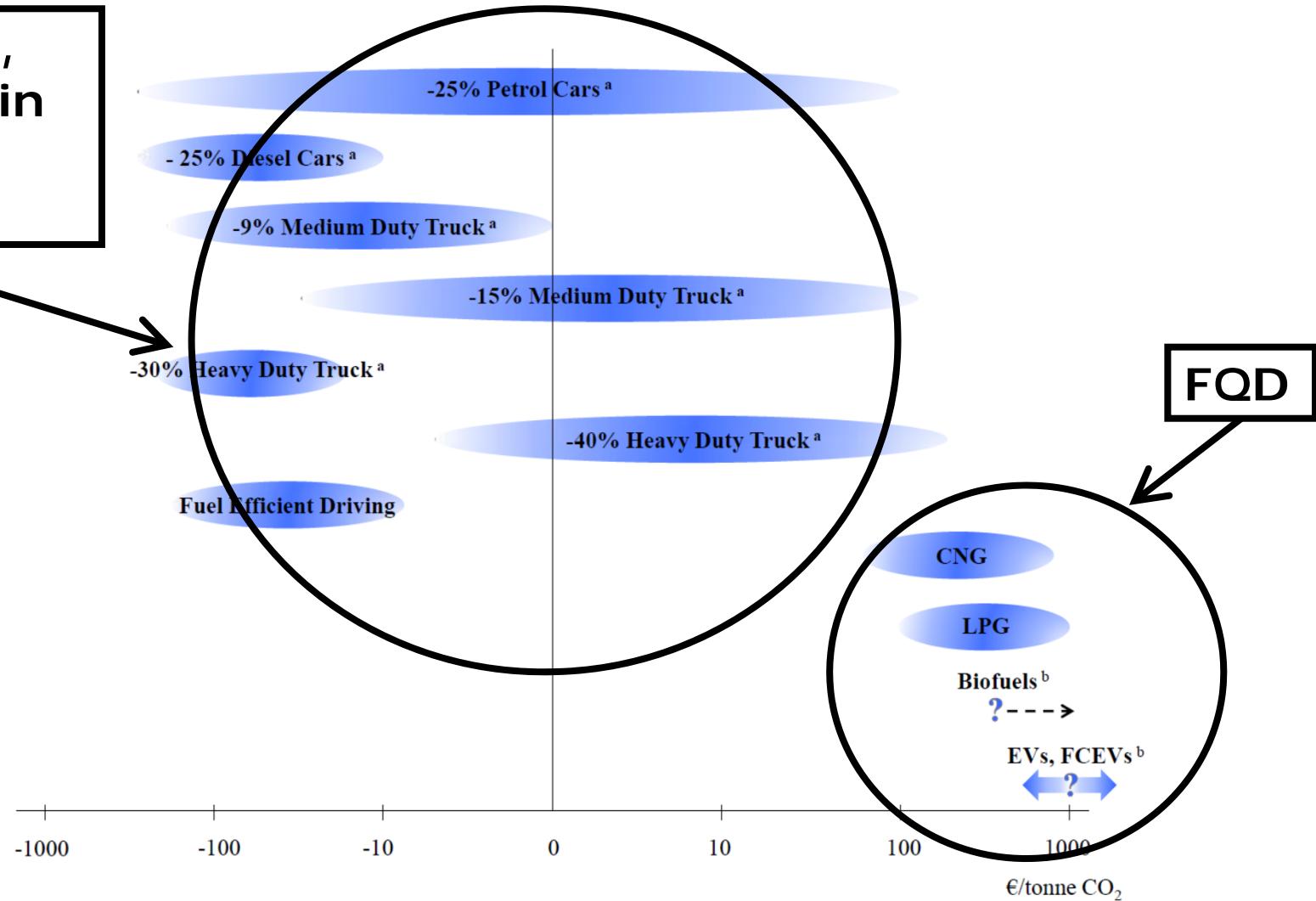


Abatement costs (Schroten et al, 2012)

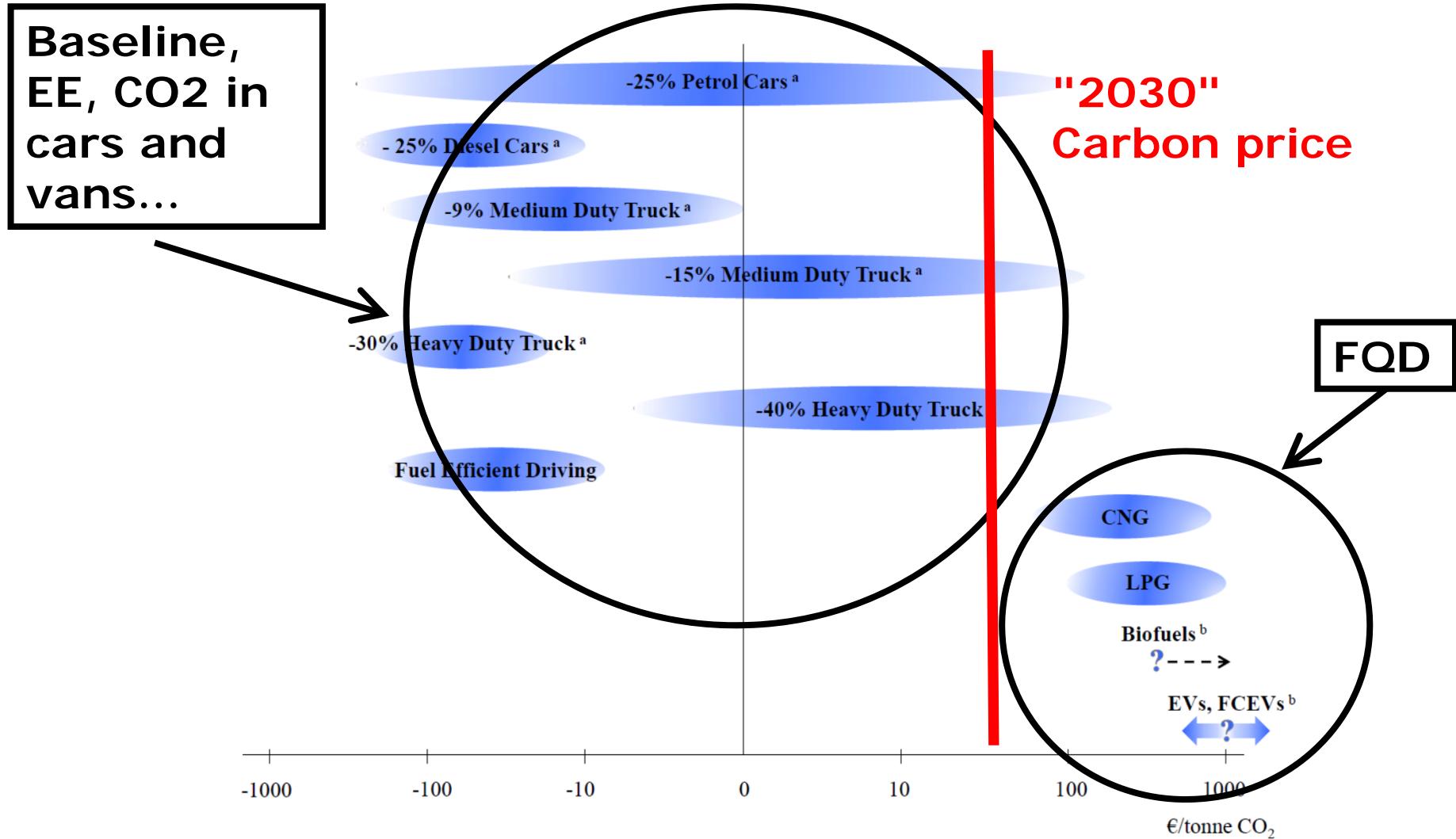


Abatement costs (Schroten et al, 2012)

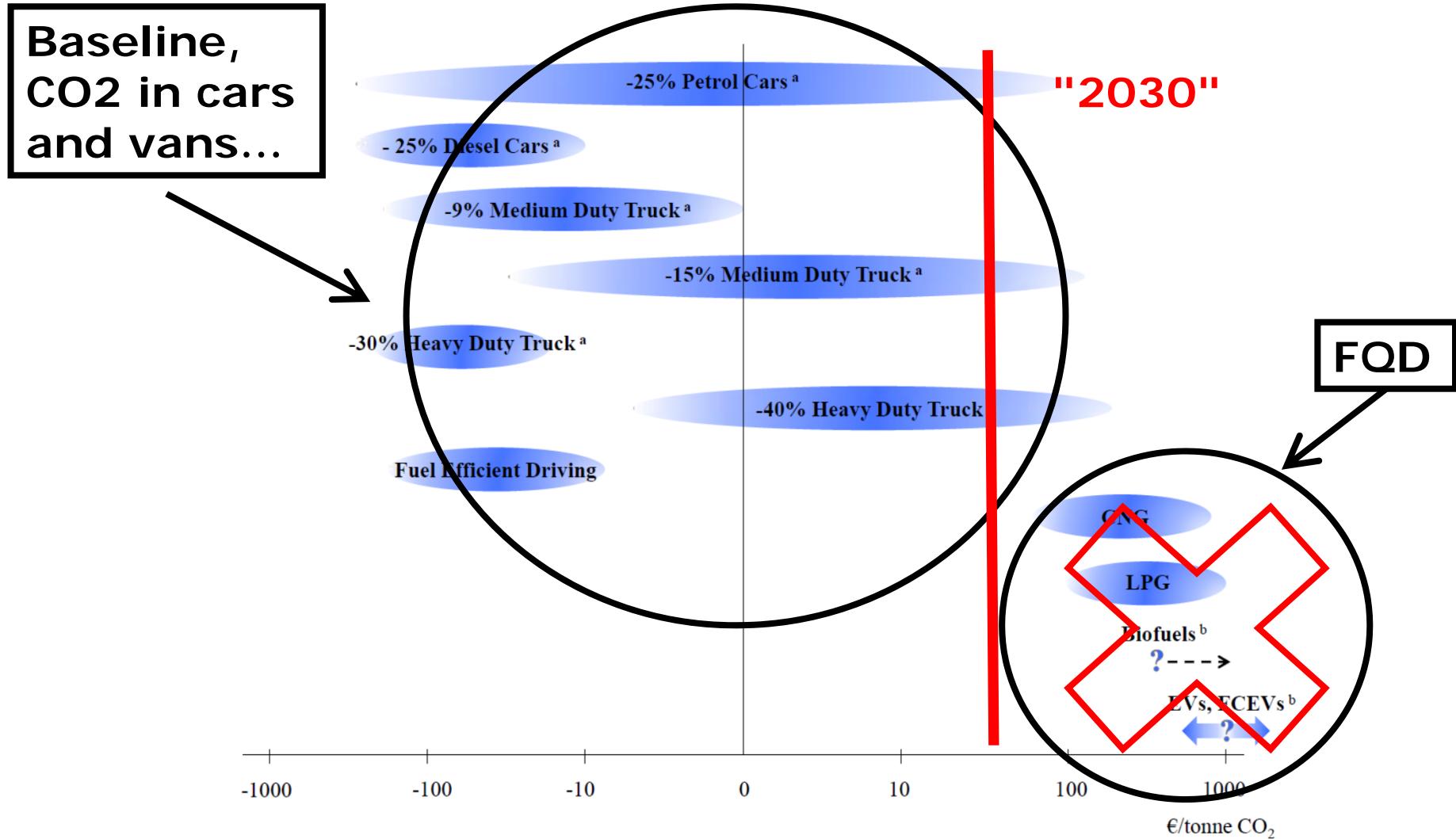
**Baseline,
EE, CO₂ in
cars and
vans...**



Abatement costs (Schroten et al, 2012)



Abatement costs (Schroten et al, 2012)





Conclusions for fuels & GHG

A relatively "moderate" carbon price as expected for 2030 does not trigger big changes in transport.

Transport's contribution would be less than proportional in a cost-efficient approach.

Fuel-side measures seem to be more expensive than other options in transport.



Renewable energy "target"

Is derived: "A GHG reduction target of 40% should by itself encourage a greater share of renewable energy in the EU of at least 27%."

Is non-binding on Member States. Key elements are "commitments" by MS.

The target would be met by a mix of EU and national measures.



IA: Renewable energy share in Transport

"The overall RES share in 2030 would translate into RES-Electricity shares between 43 % and 47%. RES-Heating & Cooling develops in parallel with the overall RES share, while RES-Transport would reach between 12% and 14%."

(In the reference scenario the 2020 RES target for transport is expected to be achieved with a slight further increase of this share to 12.0% in 2030 in absence of any target.)



Renewable energy in transport: "Don't do"

No EU renewable energy target for the transport sector after 2020.

Limited role for first generation biofuels because of ILUC: Food-based biofuels should not receive public support after 2020.



Renewable energy in transport: "Do"

"The focus of policy development should be on improving the efficiency of the transport system, further development and deployment of electric vehicles, second and third generation biofuels and other alternative, sustainable fuels as part of a more holistic and integrated approach."

*2G and 3G biofuels (incl. biogas)
(Green) electricity*



"Governance"

Ex ante: Pledges don't reach 27% - what type of action (EU versus national)?

Ex ante: MS pledges add up to 27% or more – any role for EU?

Ex post: MS do not reach 27%, do not honour their commitments - what type of action?



Conclusions for renewable fuels

Promotion of/national targets for renewable fuels (non-food) may be part of the MS "commitments".

EU measures for RE in transport are not excluded, in particular for closing the gap between MS pledges and the 27% target.

Renewable fuels will compete with RE options in non-transport within the 27% EU target.



Biofuels 2030

The Commission has made three key statements regarding the role of biofuels in the “2030” framework.

Although reinforcing each other, the three statements are not entirely congruent and need thus further clarification.



The statement made in the ILUC proposal that “only advanced biofuels with low estimated indirect land use change impacts and high overall greenhouse gas savings should be supported” advocates a more restricted scope for support than the statement made in the 2030 Communication that “food-based biofuels should not receive public support”.

The latter does not say which requirements would apply for advanced biofuels whereas the former clearly says that ILUC also needs to be taken into account for advanced biofuels support.



The Council first reading position on the ILUC proposal raises the issue that – if certain conditions are met – food-based biofuels may not cause ILUC and they may thus save as much GHG as do advanced biofuels even if ILUC is included.

Does “no support for food-based biofuels” mean implicitly “even when they do not cause ILUC, i.e. even when they do not displace production for food and thus don’t have an impact food prices?



In the 2030 Climate and Energy Framework the Commission states that biofuels from food crops should play a limited role beyond 2020 with the focus on advanced biofuels. However, Member States are unlikely to agree to abolishing support overnight.

Should there be some grandfathering of biofuels made from food crops through the 2020s, e.g. by reducing support gradually?



Sustainability of biofuels

Until 2020, compliance with sustainability criteria needs to be proved in three cases a) for measuring compliance with the RED national targets; (b) for measuring compliance with renewable energy obligations; (c) eligibility for financial support.

For “2030” a) “national targets” will be replaced by an EU target, b) MS will continue to establish renewable energy obligations covering biofuels, and c) there will also be financial support for biofuels. Should compliance with sustainability criteria be requested for these three situations?



Next steps

Communication on Energy Union (25.2.2015)

*Paper on "Governance" and review of Transport
White Paper later this year.*

Legal proposals (incl. on transport) in 2017?



*Thank you for your
attention!*

More information:

<http://ec.europa.eu/energy/renewables/>