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EBA Position on the revision of the Renewable Energy Directive and its sustainability criteria - Transport

With its Summer Package of 20 July 2016 the European Commission put forward its transport policy agenda for the upcoming years. EBA welcomes the acknowledgement of the multiple contributions biomethane can make as a green gaseous fuel for lorries, buses and as marine fuel as well as its complementary role with other RES in the form of energy storage of electricity.

However, the choice of not consolidating a dedicated target for RES in transport in the post 2020 period risks to compromise the decarbonisation objective in the long run. EBA strongly fears that merely relying on national policy choices to fight the emissions in transport will jeopardise the big technological achievements obtained so far.

For these reasons, the upcoming revision of the Renewable Energy Directive and its sustainability criteria will represent the ultimate driver to deliver in terms of decarbonisation in transport and should, more than ever before, provide a strong framework tool to support the deployment of the most environmentally friendly renewable fuels. EBA encourages the Commission to act on the followings to integrate and maximize gaseous biofuels climate benefits:

Targets

- **At least 30% RES target** – The next proposal should take full stock of the European Parliament roadmap on decarbonisation scenarios for the energy sector pointing to a renewable energy share of at least 30% by 2030 and make full use of the Commission's right of initiative to reflect COP21 level of ambition. There is a strong political commitment to pursue the deployment of renewable energies in the next decade and biomethane can strongly contribute with a potential production of almost 10% of the total projected natural gas consumption in 2030[1].

- **Binding and higher advanced biofuels dedicated target** - The Effort Sharing Regulation set an ambitious target of 30% GHG reduction by 2030. For the decade ahead Member States should not simply count on the indirect effect of crisis and energy efficiency to reach their targets. A serious commitment on transport can no longer be delayed, especially for those transportation modalities which have no electrification alternatives to be decarbonised. A strong binding sub-target for advanced biofuels will play

[1] Greengasgrids project (2014) „Contribution greengasgrids project to development in biomethane markets final report greengasgrids project".

a decisive role in supporting Member States' decarbonisation strategy in the transport sector and effectively enable market uptake.

Sustainability Criteria

- **Based on GHG emissions saving limit to ensure technology neutrality -** EBA supports the approach of the EU institutions to set common rules to ensure biofuels sustainability. To ensure technology neutrality, the sustainability criteria should be based on an absolute value for greenhouse gas emission limit (e.g. x gCOeq/MJfuel) for all biofuels. In any case, if there is the need of communicating in terms of GHG savings, all biofuels should be compared to the same fossil fuel comparator. In transport sector, the GHG emission of the average transport fuel mix should be the applied fossil fuel comparator. At the same time, EBA requests the Commission to acknowledge the benefits of exploiting certain conventional biofuel feedstock within modern agricultural practices able to reduce GHG emissions and contribute to sustainable management of resources. These include integrating rotational crop for biogas with an existing cereal crop which can help control black grass, reducing the need for expensive, fossil-based environmentally harmful pesticides.

- **No bioenergy cap but respect of the waste hierarchy** - EBA is of the view that a bioenergy threshold would neither promote sustainability in the production of biofuels nor guarantee the most sustainable feedstock to be in use, but just favour the cheapest options. Clear and strong sustainability criteria based on GHG performance is the most reliable tool to deliver sustainable results and creating a fair playing field among all the different sources. Correct application and consistency with the waste legislation should be ensured, allowing a favourable framework for recycling of organic waste and avoiding incineration of organic matter. This is especially true for waste with high water and relatively low organic matter content.

- **Threshold for <0.5 MWel plants** - Common criteria are important to foster energy security through internal market for bioenergy and investment security. With declining support schemes for renewable energy and volatile energy prices, farmers operating small AD plants have expressed interest in using part or all of their energy production, thereby reducing their carbon footprint. Unfortunately, total or partial self-consumption poses administrative burdens and in some countries is forbidden. Placing requirements on small-scale producers to prove sustainability would create undue administrative burden, thus the minimum threshold for biogas plants should be at least of 500 KW.

- **More default values for biogas feedstocks allowing averaging GHG emission values** – Despite the variety of feedstocks used to produce biogas, there are only three default values listed in the in Annex V of the Renewable Energy Directive (and Annex IV of the Fuel Quality Directive), namely municipal organic waste, biomethane from wet manure, and from dry manure. The list should be updated including the default value of those biogas feedstocks currently used in the AD sector. Since the climate mitigation benefits of biomethane generation has been scientific recognised[2], and already acknowledge in Commission Working Documents[3], consideration should be given to the GHG mitigation potential of this biofuel applying a lifecycle analysis (LCA) approach when calculating GHG emissions savings. The biogas

[2] JRC (2014) „Solid and gaseous bioenergy pathways: input values and GHG emissions" (p.167).
[3] According to SWD (2014) 259 the utilization of manure for the production of biogas should be awarded a bonus of 45 g CO2eq/MJ due to improved agricultural and manure management (p.21).

production relies on a combination of different feedstocks whose volumes depend on the seasonal and territorial availability. Given the operational characteristics of biogas plants, averaging GHG emission figures for different biogas feedstocks processed in the same anaerobic digestion installation must be allowed and the default values calculated for the entire mixture within a given biogas plant to avoid an unacceptably high burden on the cross-border biomethane trade administration.

Biomethane Market Design

- **Fuel comparator adjustment -** Administrative barriers related to the use of alternative feedstocks for biogas production should be reduced by establishing default values for various feedstocks and co-digestion. To value the emissions saving achieved by anaerobic digestion and gasification, the fuel comparator of the typical and default GHG emissions values listed in the Annex IV of the Fuel Quality Directive and the Annex V of the Renewable Energy Directive for biogas should be a mix of diesel and petrol in transport and an EU fossil fuel mix in power and heat.

- **Mass-balancing -** The current European mass-balancing requirements does not take into account the specifics of the gaseous biofuel. A crucial pre-condition for freeing biomethane trade is to consider the natural gas system operating on the European territory as a closed logistical facility regarding the injected and withdrawn volumes of biomethane. The revised RED should recognise the blend of natural gas and biomethane in the grids as a mixture, accepting that the mass-balancing requirement is fulfilled as soon as the respective biomethane volume has been taken out of the European natural gas network. when biomethane is to be transferred from one Member State to another by means of the European natural gas network.

- **Guarantees of Origin -** In addition to the current Guarantees of Origin duties under article 15, RED II should explicitly include the possibility of having Guarantees of Origin for biomethane in Europe's gas grid. The revision should also include the following information specifications: a clear indication of whether it is renewable or non-renewable energy; GHG emission savings; for energy producers/providers to provide additional information to consumers on other benefits related to the production of energy (such as recycling nutrients in the case of biogas). EBA is ready to present a detailed proposal on the Guarantees of Origin for biomethane.

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