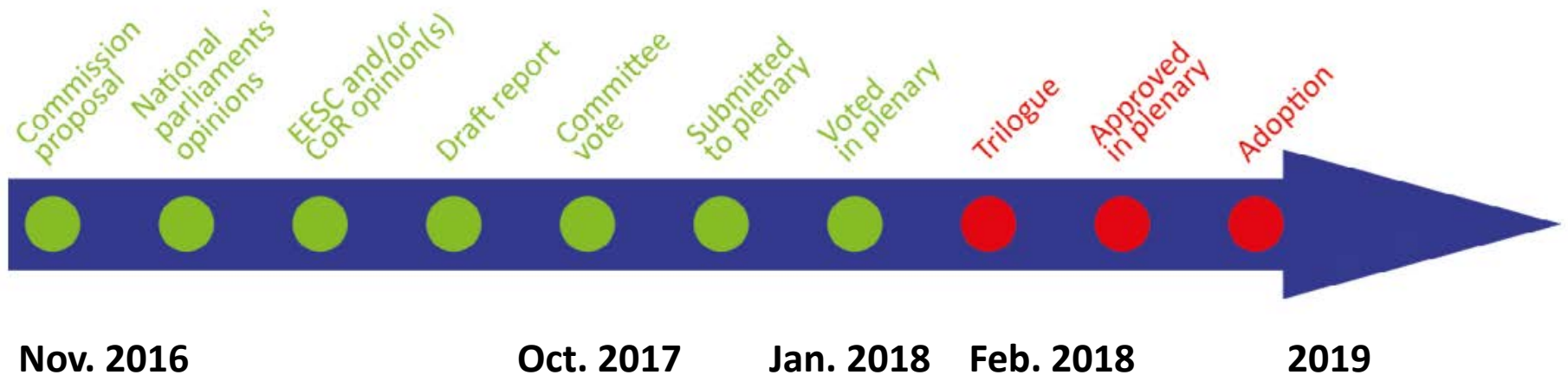


Renewable Energy Directive II

IEA Bioenergy Task 39 Business Meeting
7-9 April 2018

Tomas Ekbohm, Swedish Bioenergy Association



Background: long and heated discussions

- **ILUC:** European Union Directive limiting the use of food and feed-based biofuels to 2020 with maximum 7%.
- **EU Commission** proposed in Winter Package RED II post 2020:
 - Delete the 10 % biofuels EU target for 2020
 - Decreasing ILUC target from 7 % in 2021 to 3.8 % in 2030
 - Minimum renewables in transport from 1.5 % in 2021 to 6.8 % in 2030
- **ENVI:** Decision to phase out ILUC biofuels by 100% to 2030. Ethanol, FAME and vegetable-based HVO would be classed as fossil fuels. Annex of approved biofuels on a "white list" where tall oil not included. Waste hierarchy dictates use.
- **ITRE:** Modest changes to ENVI decision, tall oil and cascading get improved positions. RES-T minimum of 12 %.

Positions are taken, gap is evident

- **European Parliament:** decision on Nov. 2017:
 - Freezing 2017 ILUC biofuels levels with max. 7% in road & rail transport
 - Palm oil and derivatives off the white list (Annex IX Part A and B). Ends PME (palm methyl ester) imports of biodiesel from Asia from 2021
 - Overall transport target of 12%, containing a 10% blending mandate for "advanced" fuels, including electricity, waste-based biofuels and recycled carbon fuels.
- **The Council of Ministers:** adopted a position Dec. 2017:
 - RES-T: binding obligations on fuel suppliers: 14%
 - Cap on crop-based biofuels with 7%
 - Sub-target for advanced biofuels of 3% (with double counting 7%)
 - Multiple counting: X2 feedstocks for advanced biofuels, X5 for electric vehicles, X2.5 for electric rail
 - Tall oil back on the white list.

Summary of positions of the institutions

	Commission	Council	Parliament
Overall renewable target	At least 27%	At least 27%	At least 35%
Binding national targets	No	No	MS set their own targets (with 10% deviation)
Transport target	No	14% (w. double counting)	12%
Phase-out of food- and feed-based biofuels	3.8% in 2030	7% in 2030 (MS may set lower limit)	2017 levels and not higher than 7% No palm oil

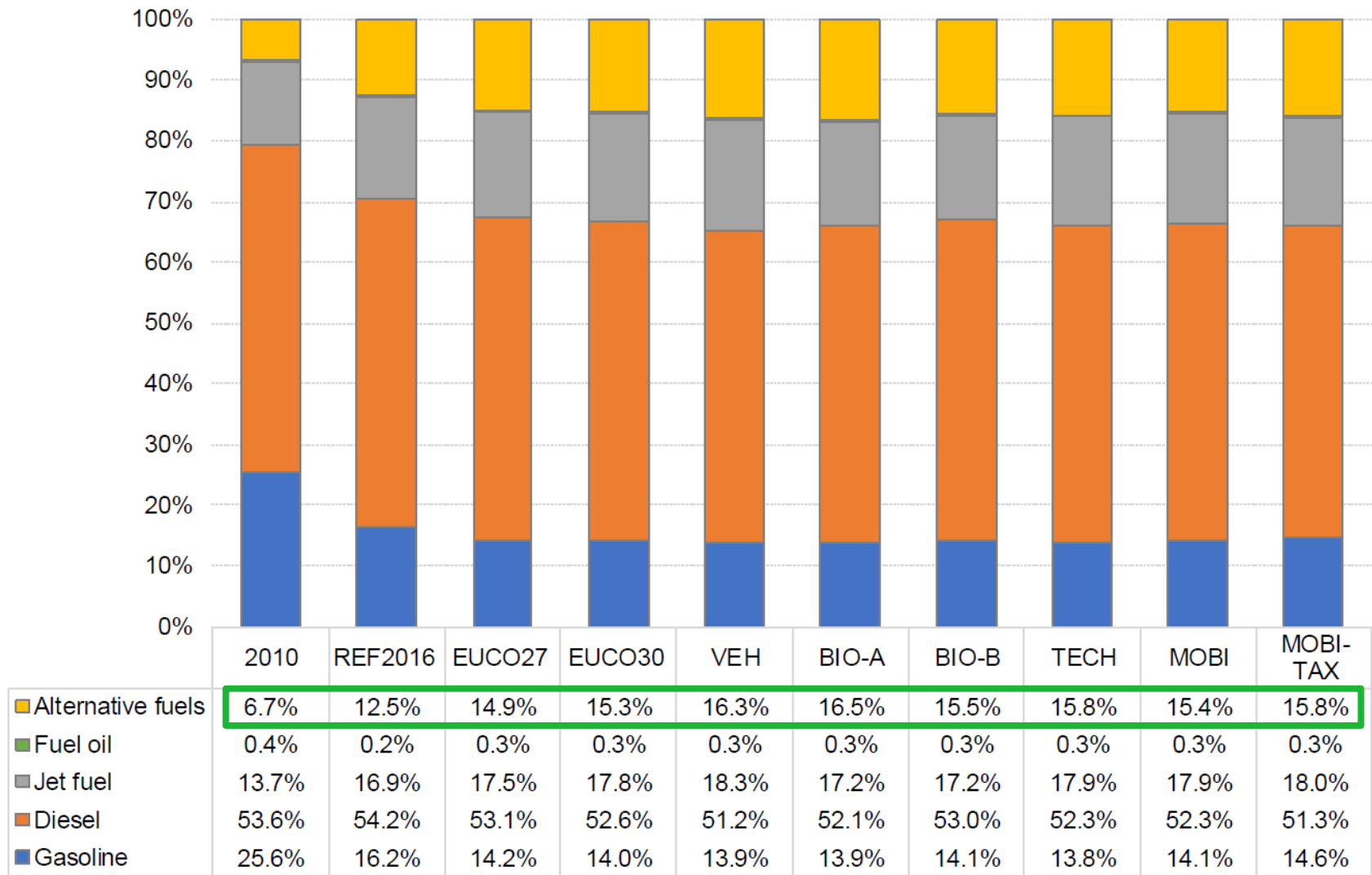
Comment: ambitions are low, still large differences in positions. Will they agree for a joint text? Could a revision in the EU Energy Tax Directive be a solution for EU Member States to go beyond?

Trilogue discussions for decision late(?) 2018

- Final phase called 'trilogues', the European Parliament and Council, under the facilitation of the European Commission, will aim to find an agreement.
- The task will be under two European Presidencies: Bulgaria, acting since January 2018, and Austria from July to December 2018.
- Possibility of several readings. 1st reading in Council, the Council decides on Parliament's position adopted, or return to Parliament for a 2nd reading.
- 2nd reading in Parliament to approve, or reject it or propose amendments, and if so 2nd reading in Council.
- Conciliation Committee with MEPs and Council representatives, tries to reach agreement on a joint text. If unsuccessful, the procedure is ended. If a joint text is agreed, it is forwarded for a 3rd reading.
- Once both European Parliament and Council have approved the final text of a legislative proposal, it is jointly signed by the Presidents and Secretaries General of both institutions.
- **April meeting postponed to mid-May, final result likely for late 2018.**

All models show 85-90% fossil dependence in 2030

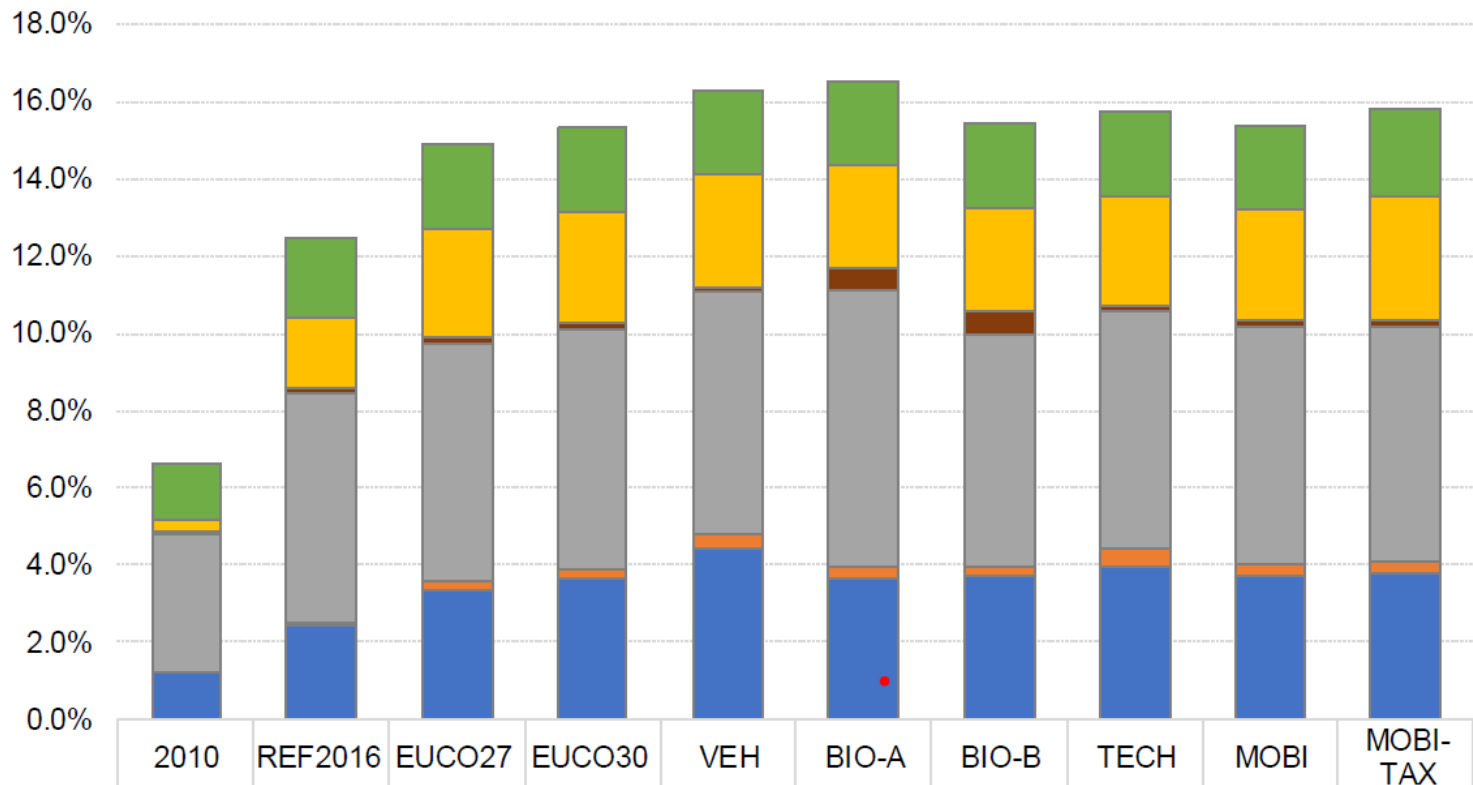
EC "Staff Working Doc." Fig. 6. Final energy demand in transport by fuel in 2030 (in % of total)



Source: PRIMES-TREMOVE transport model (ICCS-E3MLab)

Biofuel share only some 6-7% in 2030...

EC "Staff Working Doc." Fig. 7. Alt. fuels & energy carriers in trp. in 2030 (in % of total energy demand)



	2010	REF2016	EUCO27	EUCO30	VEH	BIO-A	BIO-B	TECH	MOBI	MOBI-TAX
Liquefied Petroleum Gas	1.5%	2.1%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%	2.3%
Gas (CNG and LNG)	0.3%	1.8%	2.8%	2.9%	2.9%	2.6%	2.7%	2.9%	2.9%	3.2%
Gaseous biofuels	0.0%	0.1%	0.2%	0.2%	0.2%	0.6%	0.6%	0.2%	0.2%	0.2%
Liquid biofuels	3.6%	6.0%	6.2%	6.2%	6.2%	7.2%	6.0%	6.1%	6.2%	6.1%
Hydrogen	0.0%	0.1%	0.2%	0.3%	0.4%	0.3%	0.3%	0.5%	0.3%	0.3%
Electricity	1.2%	2.4%	3.4%	3.7%	4.5%	3.7%	3.7%	4.0%	3.7%	3.8%

Source: PRIMES-TREMOVE transport model (ICCS-E3MLab)