## DELEGATED ACT ON HIGH AND LOW ILUC-RISK BIOFUELS BACKGROUND

The recast <u>Renewable Energy Directive</u> establishes an overall policy for the promotion of energy from renewable sources in the EU. The Directive ensures the sustainability of bioenergy (energy produced from biomass) through different provisions. In particular, the Directive addresses the negative indirect impact that the production of biofuels may have because of Indirect Land-Use Change (ILUC).

ILUC can occur when pasture or agricultural land previously destined for food and feed markets is diverted to biofuel production. In this case, food and feed demand still needs to be satisfied, which may lead to the extension of agriculture land into areas with high carbon stock such as forests, wetlands and peatlands. This may cause greenhouse gas emissions (CO2 stored in trees and soil is released) that negate emission savings from the use of biofuels instead of fossil fuels.

To address the issue of ILUC, the Directive introduces a **new approach**. It sets limits on high ILUC-risk biofuels, bioliquids and biomass fuels with a significant expansion in land with high carbon stock. These limits will affect the amount of these fuels that Member States can count when calculating the overall national share of renewables and the share of renewables in transport. Member States will still be able to use (and import) fuels affected by the limits, but they will not be able to count them for their renewable targets. These limits consist of a freeze at 2019 levels for the period 2021-2023, which will gradually decrease as of 31/12/2023 to zero by 2030.

The Directive also introduces an exemption from these limits for biofuels, bioliquids and biomass fuels **certified** as **low ILUC-risk**.

For the implementation of this approach, as required by the Directive, the Commission has drafted a delegated act. This delegated act sets out specific criteria both for:

- (i) **determining the high ILUC-risk feedstock** for which a significant expansion of the production area into land with high carbon stock is observed; and
- (ii) **certifying low ILUC-risk** biofuels, bioliquids and biomass fuels.

The <u>delegated act is published on 08/02/2019</u> for feedback during four weeks. A **report on the status of production expansion of relevant food and feed crops worldwide, based on the best available scientific data**, can also be found in the Commission's web-page [insert link]. This report provides information that Member States can use in conjunction with the criteria set out in the delegated act in order to identify high ILUC-risk fuels and certify low ILUC-risk fuels.