

What are biofuels, bioliquids and biomass fuels?

Biofuels are liquid fuels made from biomass and consumed in transport. The most important biofuels today are bioethanol (made from sugar and cereal crops) used to replace petrol, and biodiesel (made mainly from vegetable oils) used to replace diesel.

Bioliquids are liquid fuels made from biomass and used to produce electricity, heating or cooling.

Biomass fuels are solid or gaseous fuels made from biomass

Therefore, all these fuels are made from biomass. They have different names depending on their physical nature (solid, gaseous or liquid) and their use (in transport or to produce electricity, heating or cooling)

What is 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 implies land use change (by changing such areas into agricultural land). This may cause greenhouse gas emissions (CO₂ stored in trees and soil is released) that negates emission savings from the use of biofuels instead of fossil fuels.

How is ILUC addressed in the recast Renewable Energy Directive?

The Directive sets national limits, which will gradually decrease to zero by 2030 at the latest, for high ILUC-risk biofuels, bioliquids and biomass fuels produced from food or feed crops with a significant expansion into land with high carbon stock ("high ILUC-risk fuels") These limits will affect the amount of these fuels that can be taken into account when calculating the overall national share of renewables and the share of renewables in transport. However, the Directive introduces an exemption from these limits for biofuels, bioliquids and biomass fuels that are certified as low ILUC-risk.

Why is a delegated act needed?

In order to facilitate the implementation of the limits set in the recast Renewable Energy Directive on high ILUC-risk fuels, the Commission has been empowered to set the criteria to:

a) determine the high ILUC-risk feedstock for which a significant expansion of the production area into land with high carbon stock is observed; and

(b) certify low ILUC-risk biofuels, bioliquids and biomass fuels

What criteria are set in the draft delegated in order to identify high ILUC-risk fuels?

High ILUC-risk fuels are those produced from **high ILUC-risk feedstock** with a **significant expansion into land with high carbon stock**. This happens when all the following conditions are met:

(a) the global production area of the feedstock has increased annually by more than 1% and 100,000 hectares after 2008.

This criterion verifies whether the feedstock is actually expanding into new areas. Feedstock for which no, or only very limited, expansion of the production area is observed (mainly because production increases are generated by improving yields rather than expanding the production area) do not cause significant deforestation and, therefore, do not give rise to a very high level of GHG emissions from ILUC.

(b) more than 10% of such expansion has taken place on land with high carbon stock.

This criterion determines whether, or to which degree, biofuels, bioliquids and biomass fuels can be expected to achieve GHG emission savings. In order to calculate if a feedstock is above or below the 10% threshold, a formula is applied. This formula takes into account factors that have an effect on the amount of GHG emissions that can be released or saved because of the use of biofuels, bioliquids and biomass fuels.

What criteria are set in the draft delegated in order to certify low ILUC-risk biofuels, bioliquids and biomass fuels?

Low ILUC-risk biofuels, bioliquids and biomass fuels ("low ILUC-risk fuels") are defined in the Recast Renewable Energy Directive. They are fuels produced in a way that do not create ILUC emissions, either because they are the result of productivity increases or because they come from crops grown in unused land.

The draft delegated act does not define these fuels but just set the criteria for them to obtain a certification criteria to certify low ILUC-risk fuels are based on this definition. This certification would be granted if these fuels meet the following cumulative criteria:

- i. compliance with the sustainability criteria set in the recast Renewable Energy Directive: this would entail, among many other requirements, that feedstock can only be grown in unused land that is not rich in carbon stock.
- ii. use of additional feedstock resulting from measures increasing productivity on the already used land, or from cultivating crops on areas which were previously not used for cultivation of crops (unused lands); and
- iii. robust evidence proving that the two previous criteria are met.

How will the certification system work?

Compliance with these criteria will be audited by voluntary schemes. These voluntary schemes already have experience in certifying the sustainability criteria set in the former Renewable Energy Directive for biofuels and bioliquids. The Commission shall adopt an implementing act to specify adequate standards of reliability, transparency and independent auditing so that certification is made in a harmonised way and it is effective to prevent fraud.