Press Conference for the 20th International Conference on Renewable Mobility "Fuels of the Future 2023"

Using alternative fuels consistently ensures security of supply and climate change mitigation with immediate effect in the transport sector

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The energy crisis triggered by the war in Ukraine clearly confirms how reliant Europe, especially Germany, has become on fossil gas and oil supplies from Russia that must be replaced by new supply partners. "This dependency clearly weighs on national budgets and on households across the European Union. If we continue to rely on fossil energy sources instead of switching more rapidly to renewable energies in all sectors, it will be virtually impossible to attain the more rigorous climate change mitigation targets and the higher share of renewable energies envisaged by 2030 in the recast European Effort Sharing Regulation and the Renewable Energy Directive (RED III)", as Artur Auernhammer, Chair of the German Bioenergy Association(BBE), notes. Against this backdrop, it is incomprehensible that German Minister of Agriculture, Cem Özdemir, and German Minister of the Environment, Steffi Lemke, repeatedly question the importance – and thus the future role – of sustainably certified biofuels from cultivated biomass.

Sustainable biofuels are currently essential for climate protection in transport: biofuels reduced CO_2 emissions in the transport sector by around 11.1 million tonnes in 2021. That figure corresponds to the volume of greenhouse gas savings required to offset the forecast overshoot for 2022 in Germany's Climate Protection Bill. As in previous years, biofuels made by far the largest contribution to reducing greenhouse gas emissions in the transport sector. The average saving achieved by using biofuels rather than fossil fuels rose to 84 per cent in 2021 (2020: 83 per cent). "With the introduction and gradual increase of the greenhouse gas quota obligation, rigid quota requirements concerning an energy basis for biofuels have been replaced by the efficiency-based competition that this triggers. This effect, which is viewed positively in terms of resource policy, reduces the physical quantities required to meet the quota obligation. This effect is reflected in the feedstock composition of the biofuel volumes credited as offsets. The German legislation therefore serves as a model for the thrust of climate change mitigation policy in the transport sector in other EU Member States. Climate protection in the transport sector is inconceivable without biodiesel, bioethanol and biomethane", Artur Auernhammer comments.

The greenhouse gas reduction quota (GHG quota) obliges the mineral oil industry to reduce greenhouse gas emissions from its fuels by a specific percentage compared to 2010. Overall, the mineral oil industry clearly exceeded the German GHG quota in 2021. The most recent information from the Central Customs Authority (GZD) indicates that over 15 million tonnes of CO_2 reductions were consequently credited as offsets. This corresponds to a 7.26 percent reduction. At the time, only 6 percent was legally required. Surplus volumes may be carried over to subsequent years. Biodiesel, bioethanol and biomethane made the largest contribution, reducing greenhouse gas emissions by 11.1 million tonnes of CO_2. Electromobility only accounted for savings of just under 25,000 tonnes of CO_2. "Biodiesel, bioethanol and biomethane are sustainable and form the backbone of greenhouse gas reduction in the mobility sector, and that will remain the case in the run-up to 2030", Artur Auernhammer points out.

"We work on the assumption that raising the GHG quota will save a total of around 175 million tonnes of CO_2 in the transport sector by 2030. 110 million tonnes of CO_2 within this overall saving will be contributed by sustainable biofuels. In the light of the potential of electromobility and fuel cells, it becomes clear that

commercially available biofuels are essential in achieving the climate change mitigation goals", Auernhammer underlines. Even if the ambitious electromobility targets are met in 2030, it already appears probable that the bulk of the vehicle fleet will still be powered by combustion engines. In Germany alone, over 60 million combustion engines were registered last year. These vehicles also need to make a growing contribution to climate protection. That is why it is fitting to secure and supplement the contribution that commercially available sustainable biofuels currently make to climate change mitigation by expanding use of advanced biofuels and ultimately also synthetic fuels. This requires a national fuel and powertrain strategy that encompasses all the reduction options in the tank and in the battery, while also ensuring that German Minister of Agriculture, Cem Özdemir, stops calling for biofuels from cultivated biomass to be left out of the picture.

"The German government must not commit unilaterally to electrification. As matters currently stand, the taxpayers and climate change mitigation in the transport sector would lose out in that scenario. If German climate protection targets are not met, emission rights will ultimately have to be purchased from other EU Member States", notes Auernhammer, reiterating demands formulated by the industry associations. For example, the German government had to purchase 11 million additional emission rights for 2013 to 2021, benefitting Bulgaria, the Czech Republic and Hungary.

Sustainable biofuels also make an important contribution to energy and food security. Producing biofuels from sustainably certified oilseeds, sugar beet and feed grain generates, inter alia, high-quality protein feed and the bio-based commodity chemicals glycerol and ethanol. Processing these inputs thus benefits food security thanks to domestic production as well as fostering the pivot towards a climate-neutral circular economy. As the BBE's Chair criticises, the position recently proposed once again by the German Minister of Agriculture, advocating abolishing biofuels from cultivated biomass, also fails to take account of this "harvested yield".

The industry associations further point out that biofuels had a positive economic impact to the tune of 4.97 billion Euro in 2021. The entire production chain in the biofuel sector secures around 20,000 jobs, mostly in rural areas. Given the importance of sustainable biofuels in mitigating climate change and ensuring security of supply, the associations call on the German government to pursue a reliable biofuel policy. This also applies to the upcoming development of a national biomass strategy, for which the first key points were presented in autumn 2022. This strategy must also factor in the efficient contribution to greenhouse gas reduction made by value-added chains involving biofuels for material and feed use that have also developed over decades. As Artur Auernhammer underlines "the national biomass strategy must optimise utilisation of existing biomass potential. Sustainable uses of cultivated biomass can also make a valuable contribution to climate and species protection in the future, while at the same time having a positive impact on food and energy production".

The industry associations also call for reliable framework conditions for sustainable biofuels at the European level. The EU Fuel Quality Directive (FQD) and the EU Renewable Energy Directive (RED II) are important EU legislative instruments to decarbonise road transport. However, as indicated in a European Commission report, only 11 of the 27 Member States have achieved the FQD's target of reducing the greenhouse gas intensity of transport fuels and energy by at least 6 per cent. "Constant changes in EU biofuel policy and the resulting uncertain regulatory framework are crippling the potential of plant-based biofuels and the development of advanced biofuels, instead promoting virtual volumes of renewables due to multiplication factors. This will not enable the EU to reduce its dependence on fossil fuels", Auernhammer criticises.

The European Commission must immediately introduce penalties, as envisaged in the FQD, if any EU Member States breach the targets, as a signal that action will as a general principle be taken if targets are not met. That would create the pressure required to achieve the goals. The BBE Chair also emphasises that this should be done in view of the Council Presidency's draft for the EU Energy Tax Directive (ETD), which treats sustainable plant-based biofuels like fossil fuels. "That is incomprehensible and undermines the EU's climate goals as well as its commitments under the Paris Agreement", Auernhammer admonishes.

The professional associations point out that ongoing discussions on revision of the EU's Renewable Energy Directive (RED III) as part of the EU's Fit for 55 legislative package provide for a higher GHG reduction target for fuels: 16 percent (European Parliament proposal) or 13 percent (Council and European Commission proposal).

The full programme for the 20th International Conference on Renewable Mobility **"Fuels of the Future 2023"** on 23rd and 24th January 2023 at the CityCube in Berlin and information on registration can be found at: www.kraftstoffe-der-zukunft.com

Contact details for the organisers:

Bundesverband Bioenergie e.V. (BBE)
Servatiusstrasse 53
53175 Bonn
Tel.: 0228/81002-22
Fax: 0228/81002-58
info@bioenergie.de
www.bioenergie.de

Union zur Förderung von Öl- und Proteinpflanzen e.V. (UFOP)
Claire-Waldoff-Str. 7
10117 Berlin
Tel.: 030/31904-202
Fax: 030/ 31904-4 85
info@ufop.de
www.ufop.de

Bundesverband der deutschen Bioethanolwirtschaft (BDB^{e})
Reinhardtstraße 16
10117 Berlin
Tel.: 030/3012953-0
Fax: 030/ 3012953-10
mail@bdbe.de
www.bdbe.de

Verband der deutschen Biokraftstoffindustrie e.V. (VDB)
Am Weidendamm 1A
10117 Berlin
Tel.: 030 – 72 62 59 11
Fax: 030 – 72 62 59 19
info@biokraftstoffverband.de
www.biokraftstoffverband.de

Fachverband Biogas e.V. (FvB)
Angerbrunnenstraße 12
85356 Freising

Tel. 08161 984660
Fax 08161 984670
info@biogas.org
www.biogas.org