

# Sustainability criteria for biofuels specified \*

## **1. What has the Commission adopted today?**

As foreseen by the [recast Renewable Energy Directive](#) adopted by the European Parliament and Council, which has already entered into force, the Commission has adopted today a [delegated act](#) setting out the criteria for determining high ILUC-risk feedstock for biofuels (biofuels for which a significant expansion of the production area into land with high-carbon stock is observed) and the criteria for certifying low indirect land-use change (ILUC)-risk biofuels, bioliquids and biomass fuels. An [Annex](#) to the act demonstrating the expansion of the production area of different kinds of crops has also been adopted.

## **2. 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).

## **3. 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) and may cause the release of greenhouse gas emissions (CO<sub>2</sub> stored in trees and soil) that negates emission savings from the use of biofuels instead of fossil fuels.

## **4. How is ILUC addressed in the recast Renewable Energy Directive?**

Two different measures are included in the Directive to address ILUC.

Firstly, the Directive sets national limits for the total contribution towards the renewable energy targets of biofuels, bioliquids and biomass fuels produced from food or feed crops, since these fuels present a risk of causing ILUC. This limit is expressed as 1 percentage point higher than the

2020 national share of these fuels in final consumption of energy in rail and road transport in each Member State (with a maximum of 7%).

Secondly, the Directive sets national limits at Member States' 2019 level for the period 2021-2023, which, after the 31th of December 2023, 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"). The 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 to present a low ILUC-risk.

#### **5. What are high ILUC-risk fuels?**

High ILUC-risk fuels are fuels that are produced from food and feed crops that have a significant global expansion into land with high carbon stock such as forests, wetlands and peatlands. This expansion releases a considerable amount of GHG emissions and therefore negates emission savings from the use of biofuels instead of fossil fuels, which justifies their limitation to count towards the renewable energy target.

#### **6. How are high ILUC-risk fuels limited? Can they still be imported or used?**

There is no limitation on the importation or on the use of these fuels. Member States will still be able to import and use fuels included in the category of high ILUC risk biofuels. The limitation established in the Directive on high ILUC-risk fuels only affects the amount of these fuels that can be counted when calculating the overall national share of renewables and the share of renewables in transport. As result, Member States will only be able to consider one decreasing percentage of them as renewable energy counting towards their renewable targets.

#### **7. Why is a Delegated Act needed? What are the benefits of this proposal?**

The [recast Renewable Energy Directive](#) introduces a new approach to address emissions from indirect land-use change ("ILUC") associated to the production of biofuels, bioliquids and biomass fuels.

In this context, the Directive sets national limits at Member States' 2019 levels for the period 2021 – 2023, which after the 31th of December 2023 will gradually decrease to zero by 2030, for high ILUC-risk biofuels, bioliquids and biomass fuels produced from food or feed crops for which a significant expansion of the production area into land with high carbon stock is observed. These limits will affect the amount of these fuels that can be counted when calculating the overall national share of renewables and the share of renewables in transport. Therefore, Member States will still be able to import and use fuels affected by the limits, but they will be able to consider them as renewable energy and count them for their renewable targets only up to the limits set in the Directive. The Directive introduces an

exemption from these limits for biofuels, bioliquids and biomass fuels certified as low ILUC-risk.

In order to implement the new approach, this delegated act sets out criteria both for:

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

#### **8. How are high ILUC-risk fuels identified?**

High ILUC-risk fuels are those produced from feedstock with a significant expansion into land with high carbon stock. The Delegated Act identifies the following, cumulative, conditions:

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.

#### **9. Where can Member States find the data needed to identify high ILUC-risk fuels?**

Member States can find these data in the annex of the delegated act and in the [accompanying report](#) on the status of production expansion of relevant food and feed crops worldwide. The report has been elaborated by the Commission at the request of the European Parliament and Council and can be found on [DG ENER website](#). These data is based on best available science, including a comprehensive review of existing scientific literature and new specific research using satellite imagery. These data will be subject to a review by 30th of June 2021.

#### **10. What are low ILUC-risk 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 mitigate ILUC emissions, either because they are the result of productivity increases or because they come from crops grown on abandoned or severely degraded land.

#### **11. What criteria are set in order to certify low ILUC-risk fuels?**

The certification can be granted if fuels meet the following cumulative criteria:

- compliance with the sustainability criteria set in the recast Renewable Energy Directive, which entails that feedstock can only be grown on unused land that is not rich in carbon stock;
- 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), provided that a financial barrier has been overcome, or the land was abandoned or severely degraded, or the crop has been cultivated by a small farmer; and
- robust evidence proving that the two previous criteria are met.

#### **12. How will the certification system work?**

Compliance with these criteria can be audited by voluntary schemes that have been recognised by the Commission. These [voluntary schemes](#) already have experience in certifying the sustainability criteria set in the currently applicable Renewable Energy Directive for biofuels and bioliquids. As requested by the European Parliament and Council, 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.

#### **13. What will be the impact on the environment in Europe?**

The delegated act aims for a harmonised implementation by Member States of the provisions on high and low ILUC-risk fuels ensuring that the share of high ILUC-risk fuels for which a significant expansion of the production area into land with high carbon stock is observed will be gradually reduced in all Member States' contributions to the renewable energy targets as required by the Directive. This will increase the overall environmental benefits of the EU biofuel policy. Setting clear criteria for certification of low ILUC-risk fuels will also provide incentives to increase productivity and apply best practice in the agricultural sector. Both will help to reduce the pressure on forest and other land with high carbon stock.

#### **14. What's next?**

Following today's adoption by the Commission of the Delegated Act, the European Parliament and the Council of Ministers have, during a two-month scrutiny period, a right to express an objection. If no objection is received during the next two months, the text will be published in the Official Journal of the European Union. The two-month period can be extended for two additional months if requested by the European Parliament or the Council.