State of play of RED sustainability criteria implementation and reflection on advanced biofuels

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Implementation EU sustainability criteria

- What has been done?
- What is the Commission working on?
- Technical issues
What has been done?

April 2009: Renewable Energy Directive adopted

June 2010: Commission guidance adopted
- Communication on the practical implementation
- Communication in voluntary schemes and default values
- Land carbon stock calculation guideline

July 2011: First seven voluntary schemes adopted

What is the Commission working on? (1/2)

- Definitions of ‘biodiverse grasslands’ and ‘severely degraded/heavily contaminated land’

- Assessment/approval of further voluntary schemes: (circa 19 under evaluation)

- Transposition law (deadline for notification 5 Dec 2010)
  - Infringement procedures launched
  - Assessment ongoing
What is the Commission working on? (2/2)

• Update of Annex V default values: not yet decided when

• Indirect land use change
  – Report December 2010
    • Deficiencies and uncertainties associated with the modelling
    • Indirect land-use change can have an impact on GHG savings of biofuels
  – Impact assessment to be finalised soon
    • Focusing on four policy options
    • If appropriate with a proposal for amending the legislation
NREAPs: Technology breakdown (transport)

- Biodiesel dominant in relation to bioethanol in fulfilling the 10% obligation
- Biodiesel on average seems to have the worst ILUC effect
- 2G biofuels play only an insignificant role in the 10% target
Incentives for advanced biofuels

- Support under the 7th RTD Framework Programme
- Specific initiatives under the SET-plan, including the European Industrial Bioenergy Initiative
- Double counting towards 10% target for “…biofuels produced from wastes, residues, non-food cellulosic material and ligno-cellulosic material…” (RED Art 21.2)
FP7 Ongoing Contract – EC Support 9.2 M€

KACELLE Contract, Consortium led by Dong Energy
INBICON process, ethanol from straw
FP7 Ongoing Contract –
EC Support 8.2 M€

BIO DME Contract, Consortium led by VOLVO
Bio DME from Black Liquor

Chemrec’s DP-1 Development Plant

SmurfitKappa kraft mill
Commission’s work on 2050 (March 2011)

- **Low carbon economy roadmap 2050**
  - Minus 54% to 67% GHG in transport in 2050 (compared to 1990)

- **Transport 2050 White Paper**
  - Halve the use of ‘conventionally-fuelled’ cars in urban transport by 2030; phase them out in cities by 2050.
  - 40% “low carbon sustainable fuels” in aviation
  - 40-50% reduction of EU CO2 emissions from maritime bunker fuels
The use of sustainable biodiesel would reduce the emissions from road freight transport. By 2050, biofuels could represent around 40% of energy consumption in long distance road freight, where electrification has a lower potential.

Low carbon fuels in aviation to reach 40% by 2050.

Overall, the emissions from maritime bunker fuels could be cut by 40% by 2050 compared to 2005 levels.
Overview of Conversion Pathways (1)

**Resources**
- Biomass
  - Solid Biomass
  - Sugar-Starch
  - Wet biomass

- Fats
  - Extraction

- Waste
  - Anaerobic Digestion

**Conversion Technologies**
- Gasification
- Pyrolysis
  - Biooil
- Fermentation
- Extraction
- Anaerobic Digestion

**Fuels**
- DME
- Methanol
- F-T
- Ethanol
- Diesel type
- Biodiesel
- Biooil
- Biodiesel
- Biogas
- CH₄

**Markets**
- CHP

**Source:** DG TREN

**Note:** Combustion not shown; Synthesis gas requires catalysts for upgrading. Indicates requirement of reformer.
Overview of Conversion Pathways (2)

**Resources**
- Algae
- Biomass
- Fats
- Waste

**Conversion Technologies**
- Gasification → CO+H2
- Pyrolysis → Biooil
- Direct Conversion
- Hydrotreating

**Fuels**
- F-T
- Jet type
- HBO

**Markets**
- Heavy Duty Fuels
- Maritime Fuels
- Aviation Fuels

Source: DG ENER

**Note:** Synthesis gas requires catalysts for upgrading
Status of Processes

- **Market Potential**
  - High
  - Medium
  - Low

- **Technology Strength**
  - Strong
  - Average
  - Weak

- **Processes**
  - HVO
  - Direct sugar
  - HPO
  - F-T
  - Algal oil
Market Opportunities for Bio-Paraffins

<table>
<thead>
<tr>
<th>Existing Markets</th>
<th>New Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Existing Technology</strong></td>
<td><strong>New Technology</strong></td>
</tr>
<tr>
<td>Market Penetration</td>
<td>Product Development</td>
</tr>
<tr>
<td>HVO</td>
<td>Fischer-Tropsch &amp; HPO</td>
</tr>
<tr>
<td></td>
<td>Algal oil based bio-paraffins</td>
</tr>
<tr>
<td></td>
<td>Direct conversion of sugars</td>
</tr>
<tr>
<td>Market Development</td>
<td>Diversification</td>
</tr>
<tr>
<td>HVO from resources meeting full sustainability criteria</td>
<td>Heavy Duty transport</td>
</tr>
<tr>
<td></td>
<td>Maritime transport</td>
</tr>
<tr>
<td></td>
<td>BioChemicals</td>
</tr>
</tbody>
</table>
Biofuels allocation???

In aviation only Fischer-Tropsch (FT) & Hydrogenated Vegetable Oils can be used....limitations for road transport...

Heavy duty engines rely on FAME, FT and HVO... with EURO 6 heavy duty engines will not be able to run on FAME

.....but so does the maritime transport.....

Availability of HVOs may be limited due to on their weak sustainability/ILUC character...

So where do the above considerations leave us?
80 HVO plants or 290 BTL plants by 2050

Or 2 HVO plants annually, 5Mt capacity, 1Mt for Aviation, €2.2 billion per plant or €176 bn total of which €35.6 bn for aviation.

Or 8 BTL plants annually, 1Mt capacity, 250 kt for Aviation, 2.9 billion per plant or €841 billion to total of which €210 bn for aviation.
Key Issues

How many of the technologies under development will meet the 60% GHG reduction?

What are the costs and how to pay for them?

We need a thorough re-evaluation of the various technologies under development, not on generic value chains, but on the specific processes.

The Commission plans to start this work for the paraffinic biofuels under the Biofuels FlighPath.
Conclusions

The European Commission strongly supports Bioenergy & biofuels with legislative actions & various programmes for technological advances & market penetration.

The EU biofuels sustainability scheme is operational and Member States are implementing.

Biofuels’ progress is solid but not fast enough to meet objectives.

In addition to biofuels we need to develop and use other alternative fuels. The Industry has to play a leading role.

The 2050 Transport targets will create new momentum.
Thank you for your attention

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