

EBB

European Biodiesel Board

Sustainable biofuels for Europe: towards practical operability

Raffaello GAROFALO
EBB Secretary General

***Confrontations Europe debate
Brussels, University Foundation, March 24th 2010***



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What is EBB

- **The European Federation of biodiesel producers**
 - Co-ordinates and represents the industry at EU and national level
 - Headquarters in Brussels

- **Representing 80% of the EU biodiesel production and more than 50% of worldwide biodiesel output**

- **71 members (full members and associates)**

- **Private companies are directly members of the EBB**
 - Many medium size industries active in rural areas
 - Multinational companies of the agricultural processing and vegetable oils sectors (ADM, Bunge, Cargill, Diester Industrie International)
 - Companies from the fuel and renewable energy sector (Verbio, EHN, Fox, Petrotec)



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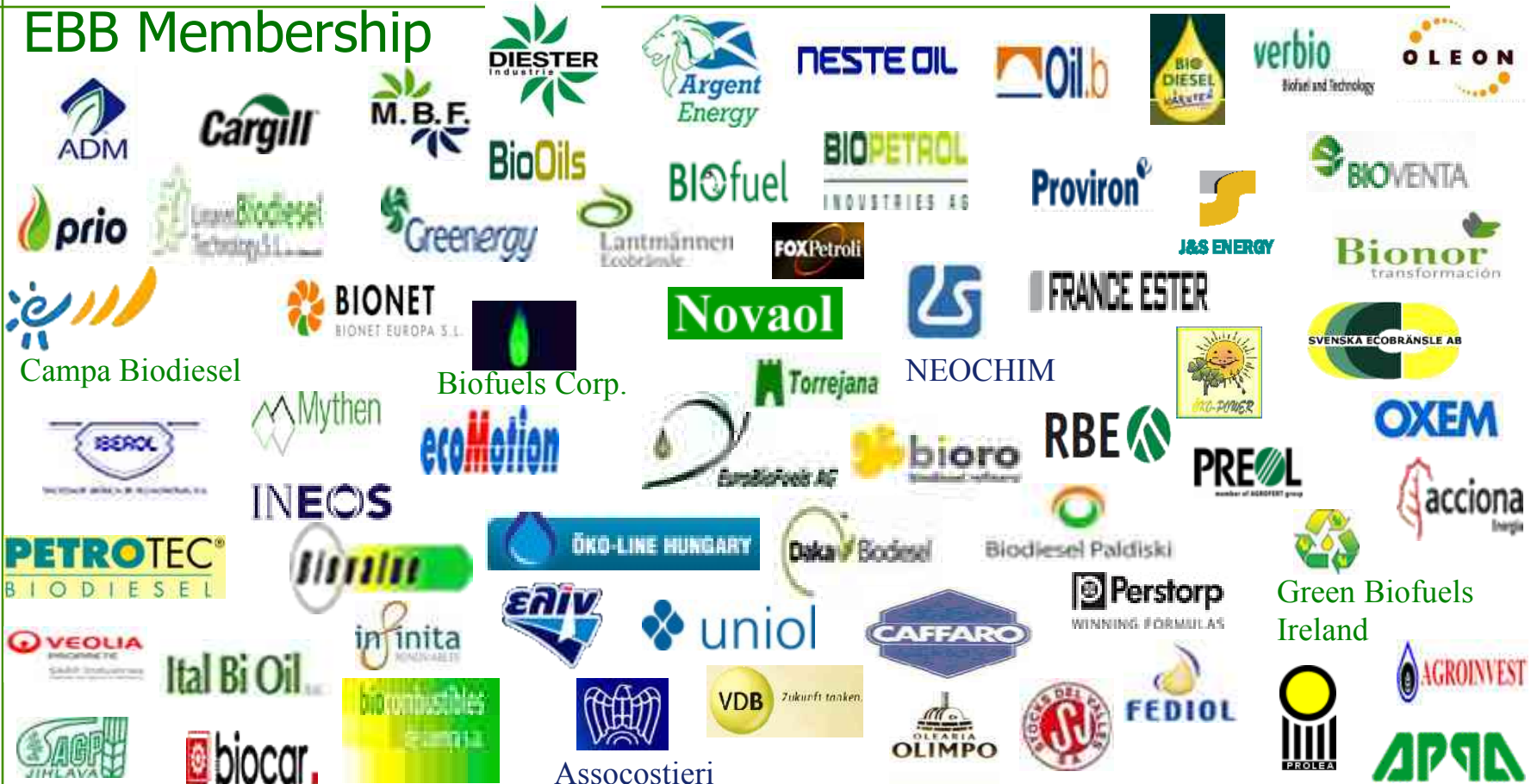
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EBB Membership

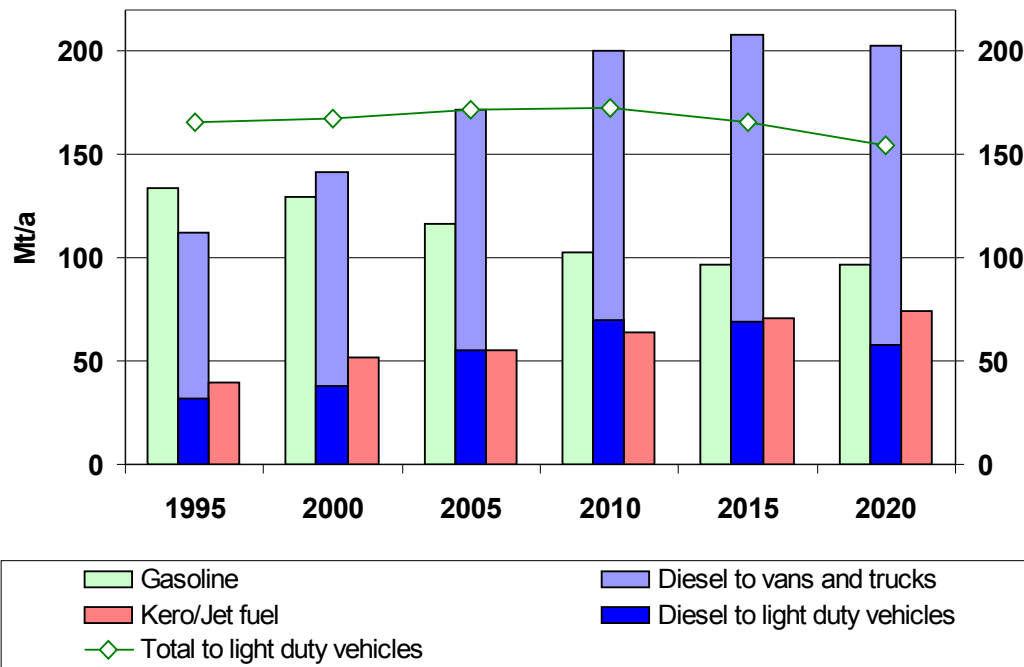


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Future trends for EU road and jet fuel demand



- Road fuel demand is steadily shifting from gasoline to diesel

- Heavy duty diesel demand is expected to grow while light duty peaks

- Kerosene/jet fuel demand is expected to grow

Source Wood Mackenzie



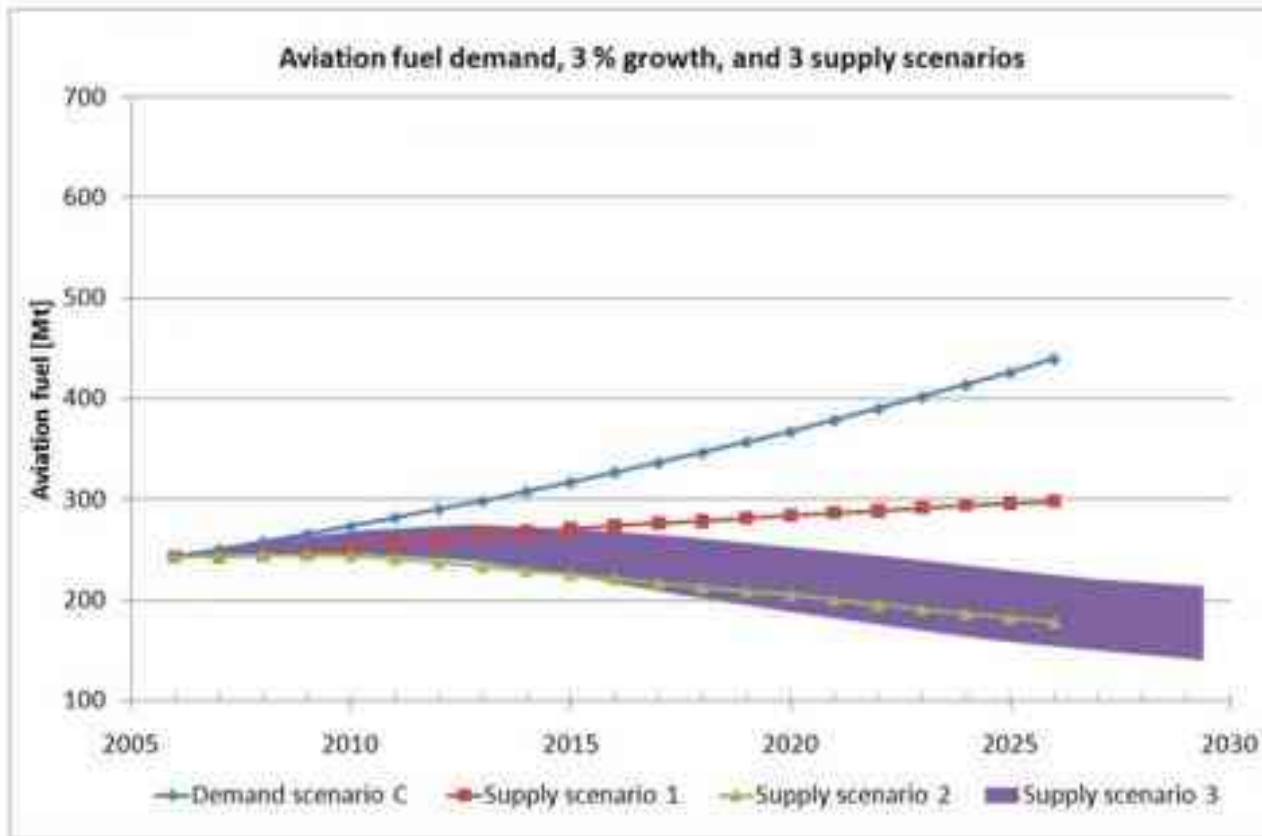
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- Air traffic is predicted to grow by 5% per year to 2026, fuel demand by about 3% per year.
- Today jet fuel is only one of many products that can be derived from crude oil. Jet fuel is extracted from the middle distillates fraction and competes, for example, with the production of diesel.



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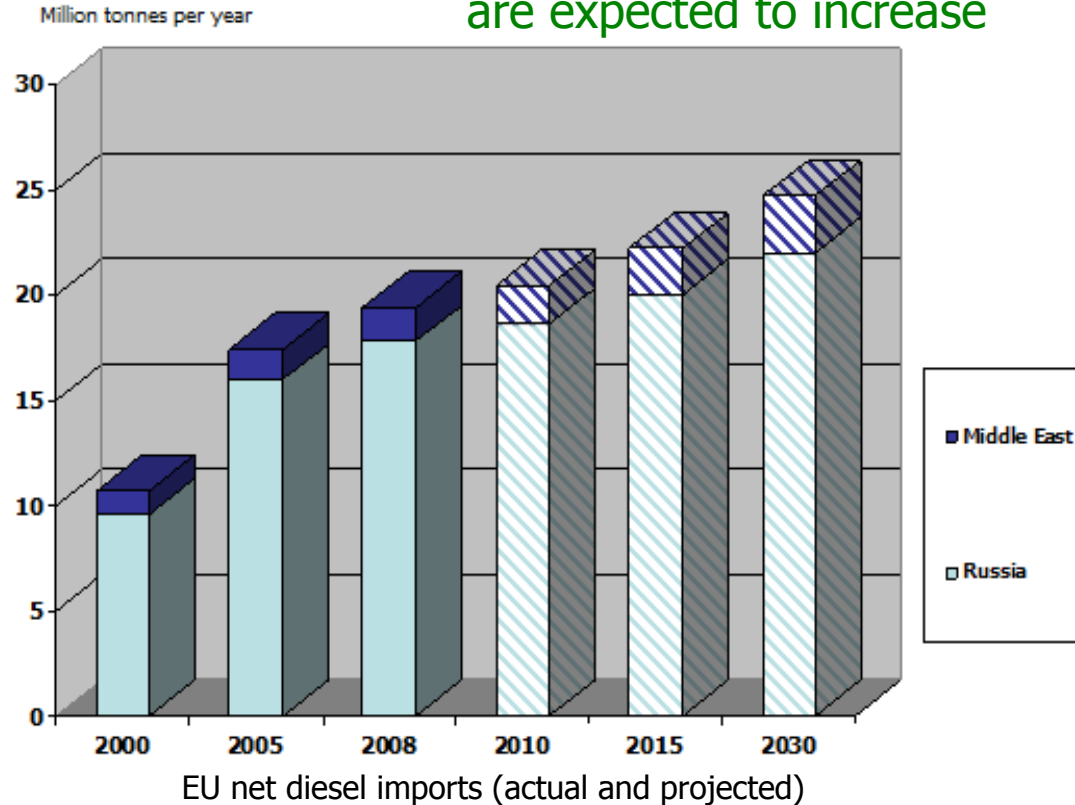
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Imports of diesel from Russia and Middle East countries are expected to increase



Source: Eurostat,
OPEC World Oil Outlook
2008

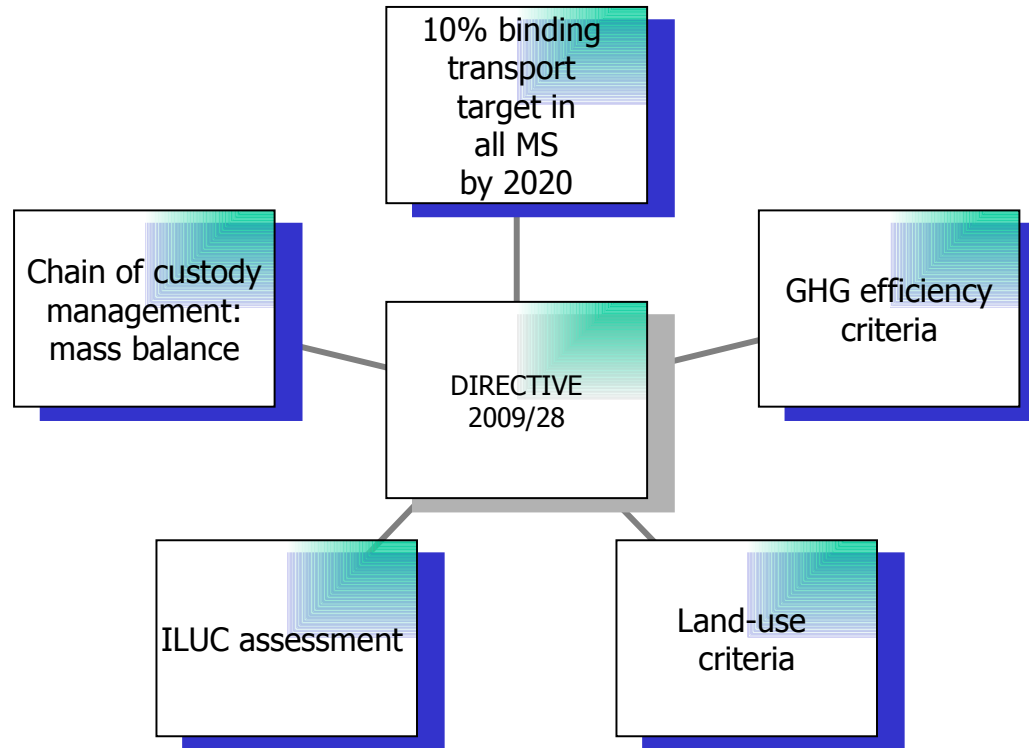


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The Renewable Energy Directive (RE-D): key provisions



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Biofuels sustainability under Directive 2009/28

Three « pillars »

- 2. Greenhouse gas efficiency criteria:** 35% savings from the onset, 50% in 2017, 60% in 2018 for new plants
- 4. Land use criteria:** biofuels feedstock should not be sourced from « no-go » areas (highly biodiverse grasslands, high carbon stock land...)
- 6. Chain of custody management:** mass balance system



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Biofuels sustainability in the RE-D

1. GHG efficiency criteria
 - **Ensure regular review of the biofuels default values**
 - **Provide for a realistic fossil fuels benchmark**
 - **Apply the same methodology to biofuels and fossil fuels GHG assessment**
 - **Secure participation of biofuels and agricultural experts to the JEC Consortium**



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Biofuels sustainability in the RE-D

1. Land use criteria

- **Provide for unambiguous definition of the different land types, allowing immediate classification**
- **Rely on already existing tools (Natura 2000, IUCN « red lists »)**
- **Combine remote sensing data and limited ground sampling/auditing → balance burden and environmental benefits**
- **Provide for more robust assessment of possible ILUC effects, before considering policy options**



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Biofuels sustainability in the RE-D

1. Chain of custody management: mass balance
 - **Provide a time and spatial scaling for the mass balance → in line with trade in commodities and industry practices**
 - **Avoid physical mass balance, *de facto* « track and trace »: more burdensome without additional sustainability benefits**
 - **Allow for a realistic definition of the concept of « mixture » (blend): aggregation of carbon and sustainability data should be allowed**



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Case study: the biodiesel chain of custody

- § oilseeds are harvested
- § oilseeds are stored in a silo by the farmer
- § oilseeds are transported by lorry to a broader grain trader
- § oilseeds are transferred into another storage tank by the grain trader
- § oilseeds are loaded on a barge towards a crushing company dispatching point
- § oilseeds are loaded on a train towards one of the crushing facilities
- § oilseeds are unloaded into a silo at the crushing facility
- § oilseeds are brought to a production line to be washed
- § oilseeds are brought to a crushing line
- § vegetable oil is refined
- § vegetable oil is stored into a tank
- § vegetable oil is loaded on a train
- § vegetable oil is unloaded at a trader's facility into a tank
- § vegetable oil is loaded on a truck towards a biodiesel processing facility
- § vegetable oil is unloaded into a tank
- § vegetable oil is brought into a production line for de-acidification
- § vegetable oil is brought into a production line for esterification
- § vegetable oil is brought into a production line for transesterification
- § biodiesel is distilled
- § biodiesel is stored in a tank
- § biodiesel is loaded on a truck towards a fuel suppliers facility
- § biodiesel is unloaded at a fuel suppliers facility
- § biodiesel is blended with fossil fuel
- § biodiesel blend is loaded on a truck towards a regional storage facility
- § biodiesel blend is unloaded into a tank at the regional storage facility
- § biodiesel blend is loaded on a truck towards a tank station
- § biodiesel blend is unloaded into a tank at tank station



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Case study: the biodiesel chain of custody

Oilseeds origin	Similar vegetable oils in the mixture	Similar biodiesel in the mixture	Sustainability characteristics
4	2	3	24
5	3	6	75
8	3	10	240 !!



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EBB Secretary General

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Raffaello Garofalo
Secretary General

EBB - European Biodiesel Board

Bld Saint-Michel 34 – 1040 Brussels

Tel +32 2 763 24 77, email: ebb@ebb-eu.org

Or visit the EBB web-site : www.ebb-eu.org



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EBB Secretary General

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TRADE ISSUES



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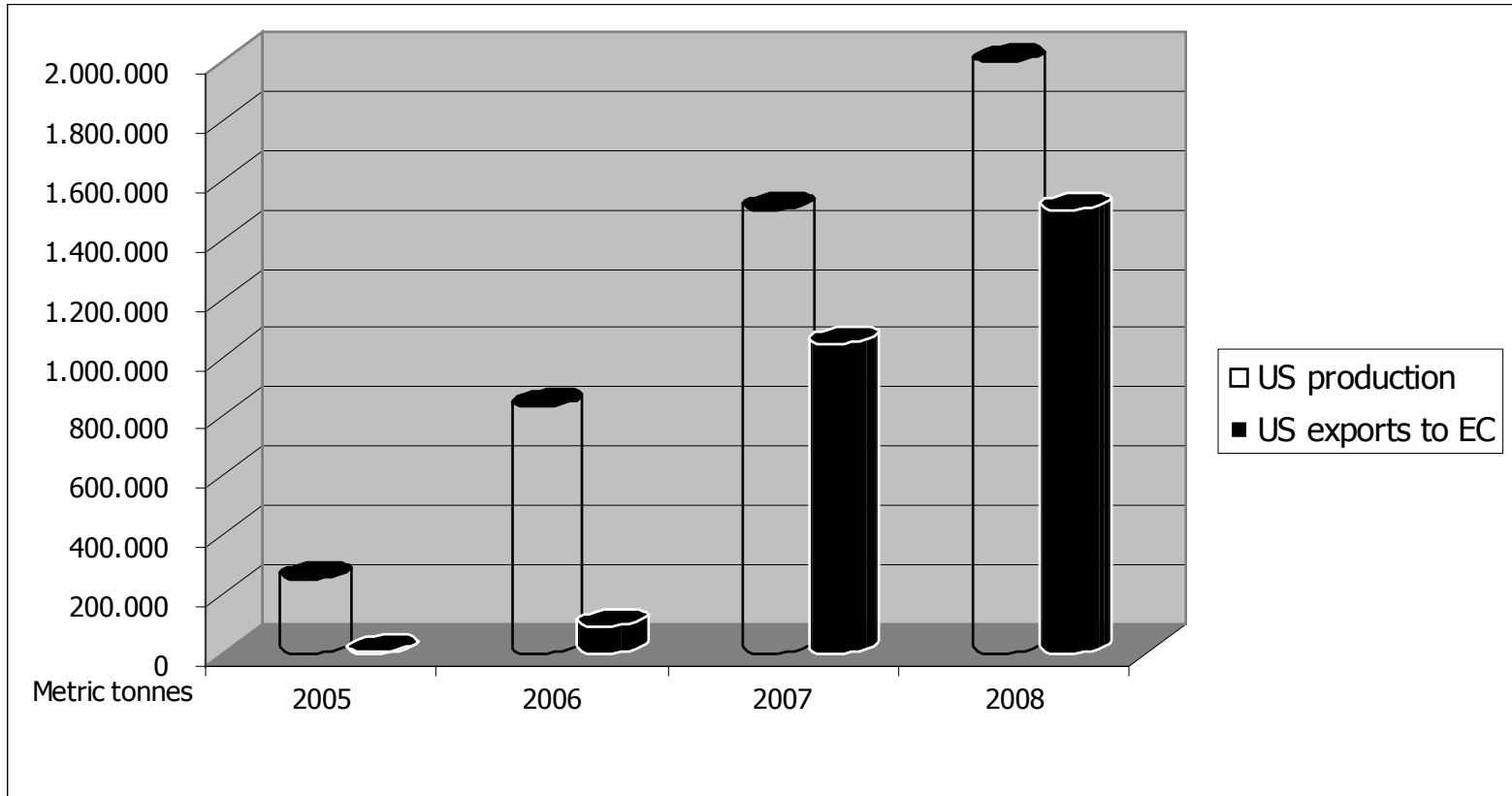
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Before the EU duties: +/- 80% US biodiesel production exported to EC



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EU 5-year anti-dumping/countervailing duties adopted July 2009

Company	Combined duty (€/tonne)
ADM	305,6
Cargill	213,8
Green Earth Fuels	284
Imperium	293,3
Peter Cremer	409,2
Vinmar	326,8
World Energy	293,9
Cooperating non-sampled companies	335
All other companies	409,2



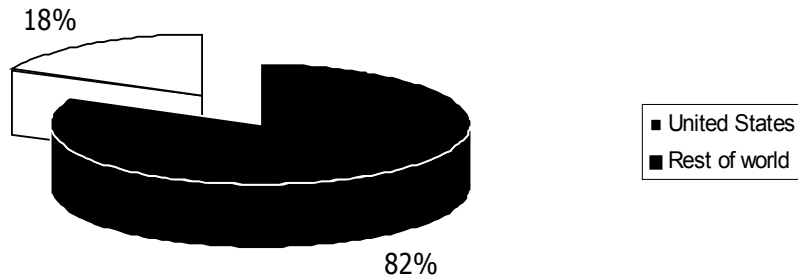
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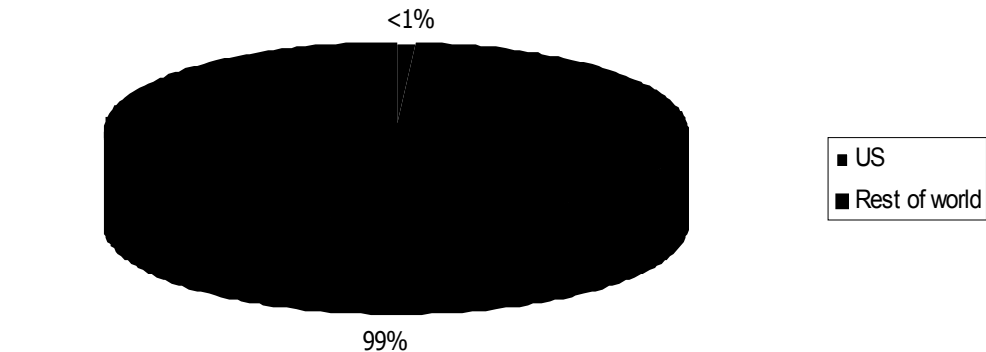
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2008

US share of EU27 biodiesel imports
(38249091) - EUROSTAT



April-December 2009



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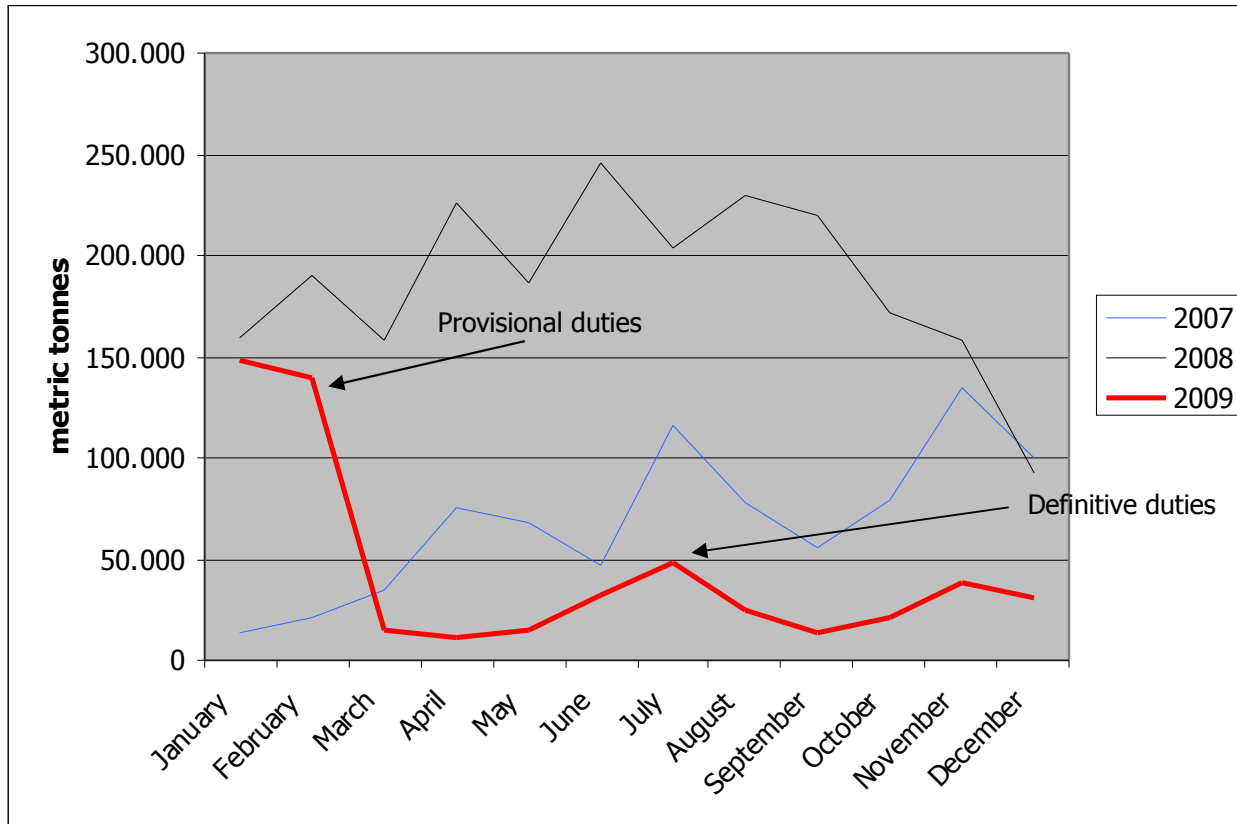
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Circumvention trend: US exports to EU 27 (3824 90 40)



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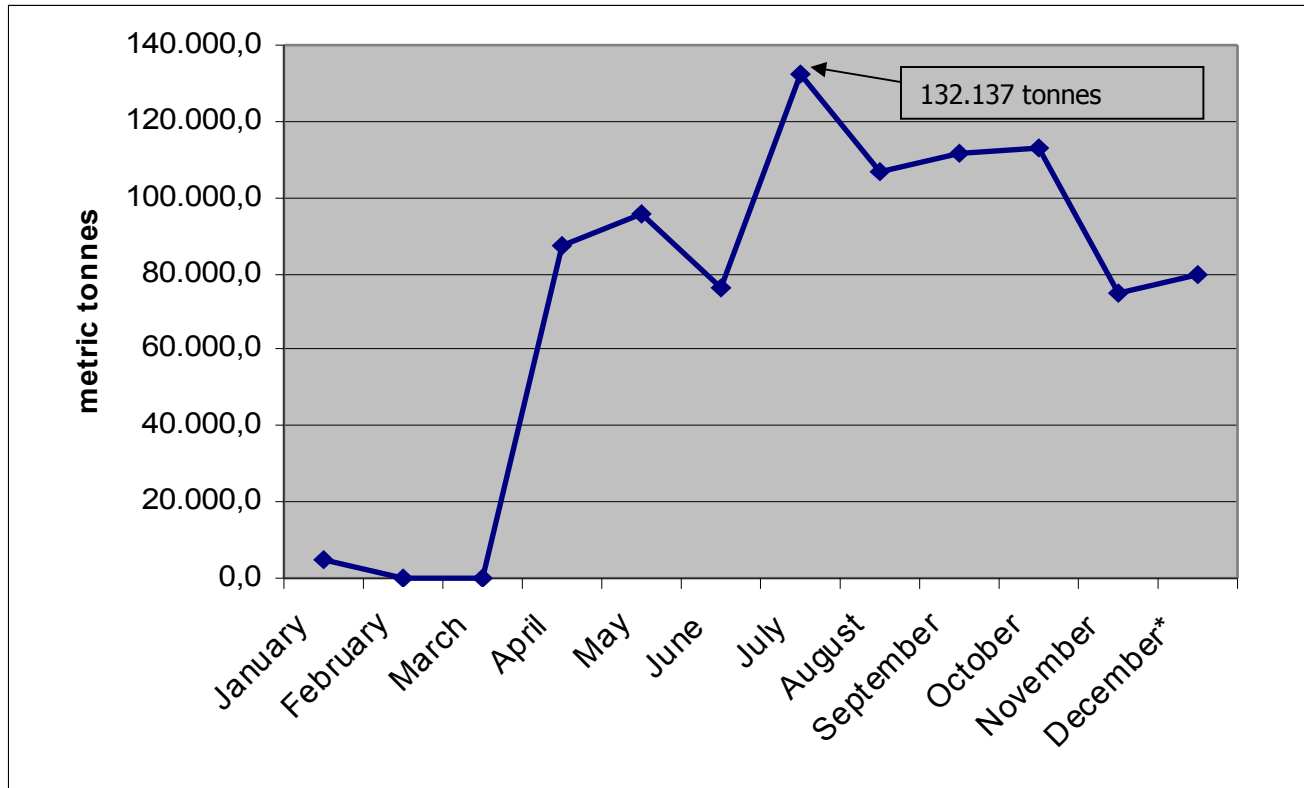
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EU27 Argentine biodiesel imports



**+/- 900 000
tonnes imported
in 2009 !**

Source: Eurostat

* Estimates



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