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ADVANCED BIOFUELS COALITION CALLS FOR A CONSISTENT POLICY FRAMEWORK TO UNLEASH THE FULL POTENTIAL OF ADVANCED LOW CARBON FUELS

POSITION ON THE EU 'FIT FOR 55- CLIMATE PACKAGE PROPOSAL

The Advanced Biofuels Coalition LSB, representing the leading companies in the advanced biofuels industry, strongly supports the EU target for climate-neutrality by 2050 and the need for more ambitious 2030 intermediate targets.

We believe that our sector will play an important role in achieving the EU targets. However, while we recognize that advanced biofuels have been given a growing role within the proposed revision of the Renewable Energy Directive (RED), the advanced biofuels industry is concerned about the overall framework conditions, growing regulatory complexity and the impact on investment planning.

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Advanced biofuels are among the sustainable solutions with low CO2 abatement costs in the transportation sector and need to be strongly promoted alongside eFuels and electromobility.

The primary focus of EU climate and transport policies should be on phasing out the use of fossil fuels and creating effective incentives for the production and deployment of all relevant decarbonization technologies. Drastic CO2 reduction will only be possible through a smart and realistic combination of emission-reduction pathways, so that different technologies can complement each other, and by keeping abatement costs as low as possible. Advanced biofuels are amongst the solutions with the lowest CO2 abatement costs in the transportation sector. Supporting a stronger contribution from sustainable feedstocks can therefore provide a strong response to the need of ensuring a socially just decarbonization of transport energy, while help achieving the EU objective of improving energy security, by replacing imported fossil products with EU domestically produced biofuels.

Advanced biofuels coalition calls for more ambition and less complexity

In this context, LSB believes that advanced biofuels are undervalued concerning their decarbonization potential in this and the next decades and that proper policy provisions can help to further unlock their potential. Both the overall RES-T target, as well as the dedicated target for advanced biofuels sustainably produced from feedstocks listed in Part A of Annex IX (1) should be increased in order to support industry in ramping up investments in sustainable renewable fuels and accelerate the decarbonization of transport, now also requiring an increased use of advanced biofuels in aviation and maritime.

LSB also believes that introducing a binding trajectory, including an intermediate 2025 milestone, would be helpful to encourage member states to reach the target in 2030. This would also ensure consistency with the existing RED II provisions and support Member States' continuous de-fossilization efforts. And beyond 2030, EU policy-makers should set a vision for the target for advanced biofuels, based on the technological and capital intensity.

Investments may also be negatively affected because legislation increases complexity while important milestones are still pending: the Commission is proposing a new RED baseline, Member States' transposition of RED II rules are not yet fully implemented, and RED II Delegated Acts and Implementing Regulations are still pending. Furthermore, the announcement of a (de facto) sunset date for ICEs and the target to reach zero emission vehicles (proposed for 2035) can put at risk investments considering the uncertainty for planning beyond 2030.

Advanced biofuels can play a major role in Aviation and Maritime, but a dedicated mandate should be established in addition to the sub-target under the RED.

LSB supports the proposed obligation to gradually phase-in Sustainable Aviation Fuels (SAFs) and renewable fuels for the maritime sector. Advanced biofuels are expected to play a major role in supporting the transition to cleaner mobility, as recognized by the European Commission, alongside synthetic fuels. While several sustainable aviation

fuels pathways are certified to be used in aviation, policy incentives are needed to scale up production capacity and secure lower production costs over time. This is an essential condition in order to meet the EU ambitious policy and decarbonization targets.

However, a dedicated Annex IX A fuels sub-mandate under the ReFuel EU Aviation Regulation and the Fuel EU Maritime is missing and is needed to ensure regulatory certainty and stability in demand creation over the next two decades. Such a target should be additional to the RED target also to avoid a risky and abrupt shift in feedstock use from road.

The proposed CO2 emission standards for Cars & Vans is a major concern for the advanced biofuels industry

Finally, the building blocks of the EU 'Fit for 55' package should be consistent with each other. By focusing solely on tailpipe emissions (Tank-to-Wheel), the CO2 standards misleadingly label battery electric and fuel cell vehicles as 'zero emission', distort competition between powertrain technologies and contradict the principle of technology neutrality. It completely ignores the contribution of renewable fuels and their potential to lower the GHG emissions of existing and new vehicles. An ICE vehicle can also use fuels which make it low emission and even zero emission. Technology neutral methodologies must be the core and at the forefront of this ambitious package and all renewable and sustainable fuels must be able to contribute on the basis of an objective well-to-wheel measurement (incl. electricity). The proposed CO2 emission standards for cars and vans can jeopardize developments on the whole biofuels' value chain. The EU legislator cannot afford distorting technology neutrality, especially sustainable routes and available technological options for cutting greenhouse gas (GHG) emissions.

The Advanced Biofuels Coalition invites policy makers to support the following policy recommendations:

- **Consider an increase of the renewable energy target in the transport sector (RES-T mandate) and the sub-target for Advanced Biofuels** (Annex IX Part A feedstocks), considering technology readiness and the need to support the proposed obligation to increase the share of SAFs in aviation and reduce the greenhouse gas intensity in maritime transport. Such an ambition should be supported by the introduction of a binding trajectory including intermediate targets as an important factor to secure consistency at Member States' level.
- **Adopt a dedicated Annex IX A fuels sub-mandate under the ReFuel EU Aviation and FuelEU Maritime.** Such targets should be additional to the overall RES-T and sub-mandate for Advanced biofuels under the Renewable Energy Directive to provide visibility beyond 2030 and support investments.
- Finally, we are deeply concerned about the calculation method applied under the CO2 for Cars Regulation, as measuring emissions only at the tailpipe is discriminating advanced biofuels. The EU should instead **consider an approach that accounts for the nature of the energy powering vehicles (Well-to-Wheel)**, distinguish between fossil and biogenic CO2, and account for the production and end-of-life emissions of the vehicles. **In the meantime, an incentive for adequately taking into account the positive contribution of sustainable renewable fuels should be introduced.**

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(1) Under the RED II Directive, and within the 14% sub-target, there is a dedicated target for advanced biofuels produced from feedstocks listed under Part A of Annex IX.

About the Advanced Biofuel Coalition LSB: LSB is a coalition of leading advanced biofuels producers and technology providers committed to making a strong contribution to meet the EU ambitions of reducing transport emissions. LSB is working closely with the EU institutions and the Member States and promote the use of advanced biofuels in the European Union. info@advancedbiofuelscoalition.eu

