



Brussels, 24th of October 2016

To:

Mr. Maroš Šefčovič, Vice-President of the European Commission, Energy Union

Mr. Jyrki Katainen, Vice-President of the European Commission, Jobs, Growth, Investment and Competitiveness

Mr. Miguel Arias Cañete, Commissioner, Climate Action & Energy

Cc:

Mr. Phil Hogan, Commissioner, Agriculture & Rural Development

Ms. Violeta Bulc, Commissioner, Transport

Mr. Carlos Moedas, Commissioner, Research, Science and Innovation

Mandates for sustainable renewable fuels will be key to meeting the EU's ambitious 2030 energy and climate objectives

Dear Vice-Presidents, Dear Commissioner,

Timely and decisive actions to decarbonise the transport sector are needed for the EU to make good on its own GHG reduction targets as well as global commitments by 2030 and beyond.

The Commission Communication on "A European Strategy for Low Emission Mobility" recently outlined a number of key areas to achieve transport decarbonisation, which includes accelerating the transition towards low- and zero-emission vehicles and speeding up the deployment of low-emission alternative energy for transport.

In the medium term in the EU, combustion engines and therefore liquid fuels will continue to largely dominate across the sector. Within that time horizon, there will also be very limited feasible alternatives to fossil fuels in heavy duty transportation and aviation other than renewable liquid fuels. This means that sustainable biofuels will have to play an important part if the EU is to meet its 2030 GHG emission reduction commitments as well as its 2030 renewable target.

What is more, there is recent evidence that replacing fossil fuels with sustainable biofuels by 2030 will provide the most cost effective solution to reduce emissions using current technology vehicles and refuelling infrastructure¹.

¹ Roland Berger Integrated fuels and Vehicles Roadmap to 2030+, for the EU Auto Fuel Coalition

In light of the above, [REDACTED] Shell [REDACTED] call on the European Commission to formulate policies that will ensure a sufficient supply of high quality, low-emission sustainable biofuels through mandates for sustainable advanced biofuels. Such mandates should promote diversified advanced biofuel technologies with no restrictions on feedstocks to enable a broad raw material base. They should be set at achievable levels and should meet all EU sustainability regime under legislation in force. In the event of insufficient volumes being available for compliance, a marginal alternative compliance mechanism could be set up to prevent supply shortfalls.

Investment support could also be considered for the construction of plants for non-commercially mature technologies through for example the EU Innovation Fund established by the EU Emissions Trading System.

Renewable fuel mandates are already widely in place across the EU, as a result of the Renewable Energy Directive implementation. We believe this could be easily extended and adapted to integrate sustainable biofuels and to incentivise advanced biofuels.

The upcoming revision of the Renewable Energy Directive should therefore contain an EU-wide blending mandate for fuel suppliers to provide a certain share of renewable alternative energy, i.e. advanced biofuels and synthetic fuels, which should be subject to simplified sustainability criteria including GHG emission saving thresholds based on the existing methodology under that Directive. According to our experience, this is the best and most effective means to reduce GHG emissions and air pollution in the transport sector in the EU.

Yours sincerely,

Ivan Martin,
Head of EU Affairs,
Shell