



Brussels, 11 July 2011

TO: Commissioner Günther Oettinger

CC: [REDACTED] Head of Cabinet, [REDACTED] Director General

Dear Commissioner Oettinger,

RE: The upcoming legislative proposal to address indirect land use change (ILUC) impacts of biofuels

I am writing on behalf of the Green 10 group of environmental organisations to urge you to present a legislative proposal which obliges producers to take account of ILUC impacts in evaluating the carbon footprint of biofuels. Only by doing so, can the Commission fulfil the legislative mandate provided in the Renewable Energy Directive and the Fuel Quality Directive, to introduce a *"concrete methodology for emissions from carbon stock changes caused by indirect land-use"*. These provisions must be based on the *"best available scientific evidence"*, indicating that some level of unavoidable uncertainty in scientific models should not be used to justify inaction or further delay.

In its report last December, the Commission acknowledged that an absence of intervention on ILUC could affect the objective to reduce GHG emissions from biofuels. It also stated that "if action is required, indirect land use change should be addressed under a precautionary approach".

Several studies, including the Commission's own impact assessment study (leaked to the press last month), show that ILUC impacts will be significant and will differ between different types of biofuels. Some types of biofuels will lead to emissions that are higher than those of fossil fuels. This should be more than enough to trigger policy change guided by a precautionary approach.

Of all the policy options assessed by the Commission, we wish to emphasise that only 'option D' (attribute a quantity of greenhouse gas emissions to biofuels reflecting the estimated indirect land-use impact) is in line with scientific consensus and the legislative mandate. Only correct accounting for GHG emissions of biofuels, including those associated with ILUC, enables the necessary distinction between biofuels that reduce emissions and those that don't.

The other option under closer consideration, 'option B' (an increase in required direct GHG savings), would do little to prevent the emissions from ILUC, as it only regulates direct emissions from biofuel production. If the Commission decided to opt for option B, biofuels would keep displacing agricultural land elsewhere and hence cause ILUC emissions. The absence of a link between direct and indirect land use change emissions requires that policy differentiates between biofuel feedstocks (see Annex).

Only by addressing ILUC through feedstock-specific ILUC factors can EU biofuels policy be aligned with science. This would not only benefit our climate system and forests and biodiversity worldwide,

it would also help restore the necessary clarity and security for investors and would be consistent with the approach chosen in the United States, helping provide the right signal to global markets.

Thank you for considering these important points. We would appreciate an opportunity to meet with you to discuss this matter further.

Yours sincerely,



Transport and Environment

On behalf of:

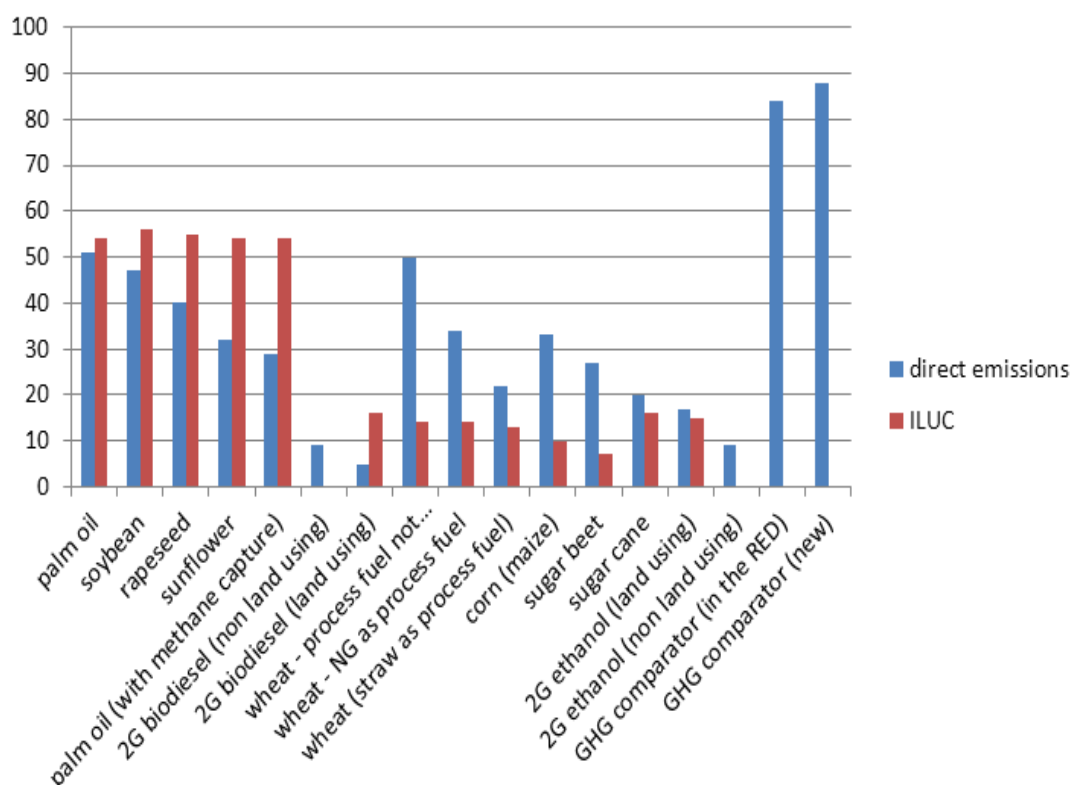
BirdLife Europe
Climate Action Network Europe
CEE Bankwatch Network
Europe Environmental Bureau
Friends of the Earth Europe
Greenpeace European Unit
Health and Environment Alliance
World Wildlife Fund Europe

Annex: GHG threshold vs. ILUC factors

There is a scientific consensus that only the introduction of feedstock-specific ILUC factors would adequately deal with GHG emission from ILUC and thus ensure long term security of investments in biofuels that are environmentally sustainable. This Annex looks specifically at this option compared to the option of increasing the thresholds for GHG emissions of biofuels.

As the graph 1 shows, the absence of a link between direct emissions and ILUC emissions requires that policy differentiate between feedstocks.

Graph 1: There is no link between magnitude of direct emissions and magnitude of indirect land use change emissions¹



Additional to the fact that option B is not in line with the scientific consensus and does not address ILUC, there are other considerations:

- It is not a step towards more correct carbon accounting.
- As it is not scientifically robust it would not provide the much needed investment certainty.
- GHG threshold was never intended to tackle ILUC emissions. It was supposed to ensure that biofuels that are supported by the EU policy actually decrease emissions compared to fossil fuels.

¹ Direct emissions are typical GHG default values from RED, while feedstock specific ILUC figures are taken from the IFPRI report.

- Increasing the GHG threshold will occur anyway in 2017 as a result of existing legislation. Also, all the existing installations can be grandfathered from ILUC measures until 2017. So this option would achieve nothing at all.
- As illustrated in graph 2, biofuels producers would be able to reach the raised threshold by slightly decreasing their direct GHG emissions (lower/blue column), but the big chunk of indirect emissions (top/red column) would be left unaddressed.

Graph 2: Increasing the GHG threshold would not tackle emissions from ILUC.

