High ILUC Risk Biofuels in the RED2 – Panel Discussion
Background: UK Biofuels Policy

- UK biofuel policy driven by climate policy & carbon budgets
  - Transport biggest emitting sector
  - Focus on GHG savings
  - Promote sustainable biofuels with highest possible GHG savings

Source: UK Committee on Climate Change
To achieve genuine GHG savings, indirect land use change (ILUC) impacts need to be taken into account.

Studies (e.g. Gallagher report 2008) highlighted ILUC risks for crop-based biofuels, in particular oil seeds.

Transition to waste-based biofuels through e.g.
- Double rewards for waste-based biofuels
- GHG savings thresholds
- Crop cap
- Reporting on ILUC impact
- Development fuel target
- Etc.
UK policy mechanisms have been successful…

Biofuels supported under the UK Renewable Transport Fuel Obligation (wastes vs non-wastes by %)

…in promoting waste-based biofuels…

Source: Renewable Transport Fuel Obligation statistics, period 9 2016/17, report 6
... in terms of increasing GHG emission savings (including ILUC)...

Source: Renewable Transport Fuel Obligation statistics, period 9 2016/17, report 6
…and at feedstock level

Share of feedstocks with high ILUC risks (in particular oil seeds) is minimal in UK at present

Source: Renewable Transport Fuel Obligation statistics, period 9 2016/17, report 6
“Phase-out” of high ILUC risk biofuels “for which a significant expansion of the production area into land with high carbon stock is observed”
  - 1st phase: Freeze at 2019 levels
  - 2nd phase (from 2023): Phase out to 0% by 2030

Exemption for biofuels certified as low ILUC risk biofuels, i.e. avoid displacement effects through
  (a) improved agricultural practices (yield increases) or
  (b) using “unused” land

Additional policy tool(s) to
  - Help promote biofuels with the highest possible GHG savings
  - Encourage best practices (“race to the top” approach?)

Welcome work in this complex, technical area
Key questions

- **Definition of high ILUC risk feedstocks**
  - Needs to be based on scientific evidence & objective and clear criteria

- **Certification of low ILUC risk biofuels**
  - How will projects prove they are additional and avoid displacement effects? How do we avoid “free rider” problem?
    - What will be the evidence and baselines to judge what is a “normal” yield (given e.g. natural variations & different agricultural crops/practices)?
    - What will be the criteria for “unused land”? How do we safeguard land rights and existing ecosystem services?
  - At what point do we judge compliance and/or provide reward to projects (management plans vs outcome)?
  - How will this link to existing compliance checks on sustainability and GHG criteria?
  - How to ensure the administrative burden is not too high for schemes actually being used?
  - Will there be any regular review points? What will be the mechanism to fix any problems encountered in the implementation?
Key points for consideration

- Promote biofuels with highest possible GHG savings (including ILUC)
- No unintended consequences or regulatory gaps/loopholes
- Objective and clear criteria
- Compatibility with WTO rules
- Practical implementation (responsibilities, costs etc.)

Other policy and strategic considerations
- Could low ILUC risk certification be used to certify other crops to promote best practices?
- Interaction with other policy mechanisms (at EU and international level)?