

# Renewable Energy Directive

## Beyond burning biofuels, cleaning up transport fuels?

One year after the European Commission's landmark climate package, 'Fit for 55', the Renewable Energy Directive (RED) is now in the hands of the European Parliament (EP). We look at what is at stake for the European Green Deal and Europe's climate ambitions. On 17 May, the Environment committee of the EP adopted its report on the RED.

### Context

The main challenge for the review of the Renewable Energy Directive was to significantly reduce the EU's reliance on crop biofuels to decarbonise transport. Crop biofuels blended with petrol and diesel have contributed to widespread deforestation. In addition to that, the recent war in Ukraine has also shown how blending of crop-based biofuels like wheat – [the daily equivalent of 15 million loaves of bread](#) – adds to greater food prices volatility. Phasing out crop-based biofuels ASAP remains priority number one. The review of the RED offers an opportunity to chart an alternative course, focusing instead on more sustainable fuels: incentivising the use of renewable electricity in electric vehicles, channeling the limited availability of waste-based biofuels to aviation and promoting the use of green hydrogen and e-fuels in aviation and shipping.

Discussions in Parliament have shown that it remains difficult to decisively turn the page on crop biofuels. Many MEPs tabled amendments supporting high targets for renewables in transport, which will continue the EU's dependency on biofuels. Pro-biofuel parliamentarians are also

actively trying to diminish the role that renewable electricity charged in electric vehicles can play.

**Will the EU Parliament start the beginning of the end of crop-based biofuels in transport?**

### What's good? What's bad?

The Environment committee voted in favour of immediately phasing out the support for the worst-performing biofuels like palm oil but [also soy oil](#), which drive deforestation. On other crop-based biofuels like rapeseed or wheat, the Environment committee decided to lower by more than half the maximum share of food and feed biofuel. However, the high target of 13% greenhouse gas intensity reduction for transport fuels is likely to lead to more intermediate crops, which also lead to deforestation. There is still much enthusiasm about the potential of so-called advanced, waste-based biofuels, without much discussion about the limited availability of the feedstocks used or their competing uses by other industries.

## Fit for 55 Committee Votes

The introduction of a credit mechanism to enable renewable electricity to count towards the transport target is generally accepted. Unfortunately, attempts to reduce the role that renewable electricity can play were successful, but the Industry committee can still reverse this decision.

The Parliament did not change the ambition of the Commission's proposal for green hydrogen and e-fuels in transport. The ENVI committee did include a provision to ensure that e-fuels will be available for the shipping sector, addressing one of the key weaknesses of the Commission's proposal for a FuelEU Maritime regulation.

crop-based biofuels – food and feed crops as well as intermediate and energy crops. A reality check on what is available in terms of advanced biofuels would be much welcomed, hopefully leading to a more realistic subtarget. Ensuring a better coordination between the ambition levels for green hydrogen and e-fuels in the Renewable Energy Directive and the proposals under discussion in RefuelEU Aviation and FuelEU Maritime will improve the policy coherence and deliver a targeted use of these e-fuels.

## How should the proposals be improved?

The Parliament needs to immediately phase out support for palm and soy oil. Lowering the greenhouse gas intensity target for the transport sector will also help to decrease the reliance on all

## Next steps to deliver on Europe's climate goals

It is critical that we avoid failed solutions from the past and focus on more sustainable fuels of the future. The next steps for the review of the Renewable Energy Directive are the vote in the ITRE Committee in July and parliamentary plenary vote in September 2022, followed by trilogue negotiations (TBC).

## T&E Comment

Geert De Cock, electricity and energy manager at T&E, said: *"In the face of a global food crisis we cannot afford to burn crops in our cars. The ENVI committee has rightly chosen food over fuel. Phasing out palm and soy immediately and further limiting other food crop biofuels are major – albeit overdue – improvements to the EU's green fuels law, that will reduce Europe's destructive impact on communities and ecosystems around the world. The vote is not perfect, but we are finally moving in the right direction. Now it's down to Europe's elected MEPs to vote in favour of a green fuels law that is truly 'green'."*

