

Renewable Energy Directive

A step forward on the phase out of worst performing biofuels, but no change on the food and feed cap and weakening of the sustainability safeguards for renewable hydrogen

This briefing focuses on the outcome of the plenary vote from 14th September that sealed the position of the European Parliament on which renewables in transport will be supported.

Overview

The European Parliament voted for the immediate phase out of palm and soy which would remove some of the worst biofuels feedstocks in terms of climate, biodiversity and social impacts. However, they ignored the good progress on the food and feed cap proposed by the Parliament's Environment Committee, suggesting a significant reduction of the maximum share of these 'first generation' biofuels.

A reduction of food and feed based biofuels would have been an important response to the unprecedented global food crisis that is [pushing millions of people](#) to the brink of starvation and many more into severe food poverty. Food prices, already high, skyrocketed in the wake of Russia's invasion of Ukraine. Record droughts across Europe and other parts of the world will only add to the crisis. It is therefore crucial to move away from burning crops for fuels and focus on cleaner alternatives, notably renewable electricity in electric vehicles for the road sector and green hydrogen and efuels to aviation and shipping where

electrification is more challenging. On the positive side, the Parliament sent a clear signal that renewable electricity will play a major role in achieving higher targets for renewables in transport, in particular by allowing not only public, but also private charging to contribute to the targets.

In the trilogues it will be crucial to ensure that the earlier palm and soy phase-out enables a bigger role for renewable electricity and targets green hydrogen and efuels to planes and ships.

What's good? What's bad?

The Parliament's decision to phase out palm and soy is good for the climate, biodiversity and human rights' protection. It is now essential that the Council and the Commission confirm this in the trilogue agreement. Unfortunately, the plenary followed the ITRE Committee on keeping the status quo on the overall food and feed

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cap, as in the Commission's proposal – set at the respective national 2020 shares and a maximum of 7%. Without a reduction in the limit, there is a high risk that soy and palm will be replaced by other food crops like rapeseed or sunflower oil.

The greenhouse gas intensity reduction target for transport proposed by the Commission to be 13% was increased to a staggering 16%. Without additional safeguards, this very ambitious target will have negative impacts. It will lead to more pressure on the uptake of cheaper renewable options such as biofuels and in particular those that are not capped at the moment, such as intermediate and energy crops. In addition to that, the Parliament included the option to further increase the cap on waste-based biofuels (Annex IX, parts A and B), without any consideration of their limited availability in sustainable quantities in Europe.

Members of the European Parliament took some positive decisions, especially by ensuring that green hydrogen and efuels (Renewable Fuels of Non-Biological Origin) are available to help shipping move away from fossil fuels, by setting a mandatory 1.2% subtarget for the maritime sector. Unfortunately, the Parliament also set a very high 5.7% overall target for green hydrogen and efuels, to which the 1.2% shipping target will contribute. This 5.7% target more than doubles the initial 'fit for 55' target for green hydrogen/efuels and goes well beyond the 1.6% target that T&E advocated for to start decarbonising the shipping and aviation sectors. This focus on 'quantity over quality' also led to a very slim majority

of Members of the European Parliament voting to weaken the article in the RED that requires green hydrogen and efuels to be produced with additional renewables. In doing so, the Parliament risks derailing the ongoing efforts by the Commission to lay down minimum sustainability criteria for green hydrogen and efuels.

How should the proposals be improved?

The trilogues will be crucial to ensure:

- the immediate phase out of the worst performing biofuels (palm and soy) and deduction of their share when setting the food and feed cap.
- the RES-T target is kept to 13% as suggested in the Commission's proposal and as adopted in the Council General Approach. This will now be key so as to prevent a major uptake of crop biofuels.
- [intermediate crops](#) are limited, since the current text leaves the doors open for soy and other crops to be eligible under the RED outside the crop cap, if in the form of intermediate crops.
- the boost of the role of renewable electricity charged by EVs, by also allowing private charging to contribute to transport target.
- the commitment to the additionality principle for green hydrogen and efuels. T&E calls on the Commission to publish as soon as possible a

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proposal for a delegated act on Renewable Fuels of Non-Biological Origin, keeping a high level of ambition on additionality.

- a return to the Commission's proposal on Annex IX biofuels - no possibility to further increase the targets of these biofuels

Transport targets and limits as adopted by the EP:

- overall GHG reduction target: 16%
- Energy sub-targets and caps:
 - Food & feed crops - limit at 2020 share (1% flexibility & max 7%)
 - Annex IX
 - part A: 2,2%
 - part B: 1,7% cap
 - RFNBOs: 5.7%
 - 1.2% for shipping

Next steps to deliver on Europe's climate goals

The plenary vote in the European Parliament marks the end of this stage of negotiations and a shift to the trilogue process that will be under way this autumn of 2022. The final decision on the RED between the Parliament, the Commission and the Council is expected for the end of 2022 or for early 2023. **It is necessary to ensure that the final compromise builds on the positive signals in these institutions towards cleaner alternatives in transport that go beyond burning crops for fuel.**

Link to our press release

<https://www.transportenvironment.org/discover/eu-lawmakers-fail-to-prioritise-food-over-fuels-in-midst-of-global-hunger-crisis/>

Further information

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