

2023 Renewable Energy Directive fact sheet

Transport targets in the Renewable Energy Directive

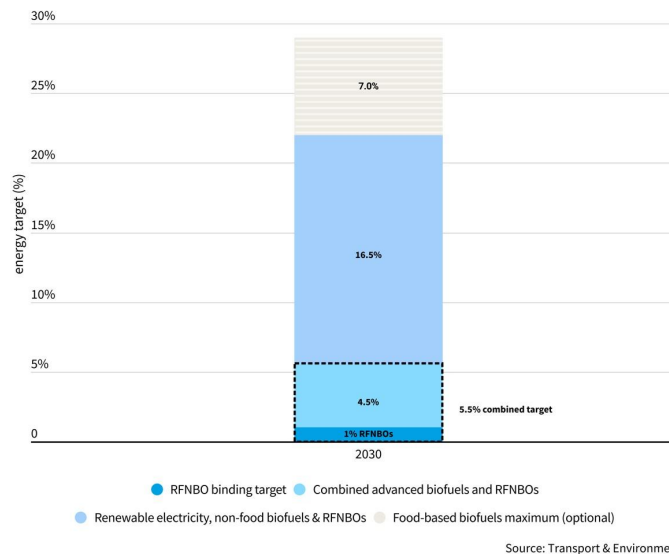
Increased overall transport target on renewables will drive the uptake of the most unsustainable biofuel feedstocks

This T&E’s fact sheet discusses the transport targets for renewables in the Renewable Energy Directive (RED). There is a substantial increase in the overall transport target for renewables. It drives higher ambition for the sub-targets and pushes for the uptake of most unsustainable biofuels.

Overall transport target for renewables

The EU increased its **target for renewables in transport from 14% to 29% in energy terms, and adopted a parallel target with a reduction in the carbon intensity of 14.5%** of transport fuels. The level of the target doubles the level of ambition. It also increased the volume of renewables needed to reach the target since it no longer refers to only the road and rail sector, but encompasses ‘all fuels and electricity supplied to the transport sector’, including aviation and shipping. Hence, the doubling of the target will result in countries continuing to rely on biofuels from food and feed and intermediate crops to achieve the target and pinning too high hopes on advanced biofuels made from (limited quantities of) waste and residues.

Ever since the last revision of the RED in 2018 (that resulted in RED II), member states have been allowed to reduce the level of the target for renewables in transport (RES-T target) by phasing out support for crop-based biofuels. Member states can immediately or progressively reduce the support for food and feed crop-based biofuels and in doing so they can reduce the level of the target RES-T target accordingly.



Source: Transport & Environment

Revised RED 2030 targets in transport (expressed in energy terms)

GHG or energy based approach ?

The choice between a target requiring a 29% share of renewable fuels or a 14.5% carbon intensity reduction is a complex one. A GHG approach encourages in theory those fuels with the highest GHG savings to be deployed, but the current accounting rules have major loopholes. These do not account for all emissions, in particular land-use emissions of crop based biofuels and indirect displacement emissions of advanced biofuels. These loopholes not only allow biofuel companies to ignore these negative impacts, but even claim difficult-to-verify carbon savings. The uncertainty around the actual vs. claimed emissions savings from biofuels makes it more difficult to predict the volumes of especially biofuels likely to be placed under a GHG based target. It should also be added that the use of renewable electricity in EVs is more generously rewarded in an energy-based system with the 4x multiplier than the fossil fuel comparator of 183 gCO₂eq/MJ for RES-E in a GHG-based system. Finally, the 1.2 multiplier for advanced biofuels and the 1.5 multiplier for RFNBOs supplied to aviation and shipping (counted as 1.2 and 1.5 times their energy content respectively) only apply in the case of energy-based targets, enabling these targets to be met with significantly less actual renewable energy.

Combined advanced biofuels and RFNBOs target

- The RED III introduced a **combined subtarget for green hydrogen and advanced biofuels** of 5.5%, of which at least 1% needs to be supplied by Renewable Fuels of Non-Biological Origin (RFNBOs), i.e. green hydrogen and e-fuels, thus dedicating for the first time a binding sub-target for these fuels. However, this target includes double counting for all RFNBOs and advanced biofuels (made from waste and residue feedstocks listed Annex IX) in order to help close the cost gap with crop biofuels. As a result, the actual energy supplied is only half of the 5.5% target, 2.75%. In addition, the amount of energy under this combined target will be further reduced below 2.75%, because - if these fuels are delivered to ships and planes - advanced biofuels from Annex IX Part A and RFNBOs benefit from a multiplier (1.2 and 1.5 respectively). This should steer these liquid fuels to those transport modes, where direct electrification is not feasible. The target on advanced biofuels in real terms is a maximum 2.25% (an increase compared to the previous RED (1.75% in real terms), while the 1% RFNBO subtarget

amounts to 0.5% in real terms. T&E recommends to split the 5.5% combined subtarget into a 3.5% subtarget for Annex IX Part A advanced biofuels (in line with the 2018 RED) and to increase the RFNBO minimum 1% target to 2.%.

The combined target also includes an **indicative 1.2% subtarget for the supply of RFNBOs to shipping** for Member States with maritime ports. This 1.2% refers to fuels supplied only to the maritime sector, *not* to all transport fuels.

The cap on UCO and animal fats

- For the **waste biofuels listed in Part B of Annex IX** (used cooking oil and animal fats category 1 and 2), a 1.7% cap stays in place to limit fraud and competing uses. However, the 1.7% cap can increase on the basis of an assessment of the availability of feedstocks. Furthermore, member states still have the right to ask the Commission to increase the cap on Part B of Annex IX, on the condition that the member state can justify an increase based on an assessment of the availability of feedstocks.

Key recommendations

- 1** Progressively reduce the cap on crop biofuels at the national level & phase them out by 2030
 - 2** At the national level, keep the target on advanced biofuels to 3.5% with double counting, as agreed in the 2018 RED, while increasing the minimum target for RFNBOs to 2% under the combined 5.5% subtarget. In addition to this, keep the limit on used cooking oil & animal fats at the 1.7% agreed in the 2018 RED
 - 3** Implement a credit mechanism for renewable electricity as transport fuel, as soon as possible and with a broad scope that includes both public and private recharging of electric vehicles.
-

Further information:

Barbara Smailagic
Fuels Policy Officer
barbara.smailagic@transportenvironment.org

Geert Decock
Electricity & Energy Manager
geert.dc@transportenvironment.org