**Fuel Ethers in the context of ILUC**

The European Union is looking at ways of making the European economy more climate-friendly whilst at the same time strengthening its energy mix and energy security. The reduction of greenhouse gas emissions as well as the use of advanced biofuels is not only a political commitment, but also an opportunity for European industry.

It is within the context of its combined transport and energy policies, as well as maintaining environmental and societal standards, that the European Union recently proposed new rules to report the indirect greenhouse gas emissions from biofuels, for inclusion in revisions to the Renewable Energy and Fuel Quality directives.

The European Fuel Oxygenates Association, which represents the fuel ethers industry in Europe, welcomes the European Commission proposal on ILUC (indirect land use change) and agrees that this is part of the solution to strengthen the policy framework on advanced biofuels and GHG savings.

Fuel ethers are a family of biofuels used in petrol that already provide key solutions towards meeting the objectives of the EU’s Renewable Energy and Fuel Quality directives. As an important contributor of the biofuel solutions used today – 50% of all bio-ethanol blended into EU petrol is in the form of bio-ETBE – EFOA supports the European Commission desire to provide an incentive for the development of 2nd generation biofuels, and recalls that another bio-ether, bio-MTBE, is by far the largest 2nd generation biofuel already commercially available in the market. However, the proposed approach – a 5% cap on first generation biofuels and multiple counting of more environmentally-friendly biofuel feedstocks – appears over-simplistic to yield the desired outcome.

Although multiple counting of more environmentally-friendly biofuels is needed, EFOA suggests that the Commission proposal be refined to reward the most innovative feedstock with the lowest land requirement. Equally, any such incentive system should only be a temporary measure, in order to avoid market distortions. Encouragement should also be given to first generation biofuels which offer enhanced greenhouse gas savings.

If real reductions in GHGs are to be achieved then all emissions from well-to-wheel need to be accounted for. This should include the downstream effects on CO2 savings of blending biofuels. In the context of the ILUC proposal this will ensure that the correct choices are made.

In the current proposal, ILUC factors would be included for reporting purposes only and not be part of the biofuels sustainability accounting rules. As the Commission emphasised, ILUC factors cannot credibly be ignored, but science is not yet robust enough. New investments to bring to the market advanced biofuels that will provide additional GHG savings need policy certainty and consistency to incentivise their development. EFOA calls therefore for the development of a more realistic model based on sound science.

Finally, there is no single biofuel solution to the mix and therefore each one must be evaluated on its own merit. This is why EFOA believes that the ILUC proposal should require each specific biofuel to have its own “default” value that will account for its own bio energy contribution. These default values, which are only partly included in the current directives, must be properly evaluated with proper care to sound scientific principles.

EFOA underlines that as advanced biofuels, fuel ethers (bio-ETBE, bio-MTBE, bio-TAME and bio-TAEE) are a necessary part of the solution towards a European low carbon economy, as they provide cleaner energy for road transport with long term improvements in air quality and GHG emissions. These environmental achievements need to be recognized in present and future EU legislation.

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