

Greenpeace Response to the consultation on the Renewable Transport Fuel Obligation

Whilst Greenpeace recognises that biofuels can play a small part in tackling greenhouse gas emissions from the transport sector, we firmly believe that ‘crops for fuel’ need to be operating in framework of understanding that:

1. Biofuels are not a magic bullet – there is no way that the global transport sector – including shipping and aviation - in anything like its current form will be powered to a significant degree by biofuels. There simply isn’t the land available, or almost certainly, the biomass for ‘2nd generation’ fuels.
2. Far more effective in reducing emissions would be for a stiff programme of mandatory efficiency measures; for example a tougher version than the one proposed in EU for mandatory efficiency standards on cars in Europe.
3. If land is being used for energy, greater carbon savings will be available from that land by the use of biomass for CHP or district heating, which should be preferentially encouraged.
4. Land is already heavily used for the essential purpose of food production. Biofuels or biomass production will either be from efficiency increases, or bringing new land into production. Both of these strategies have significant environmental risks associated with them.

This final point emphasises the importance - if biofuels are to be used at all - of having standards attached to production systems. Without these, it is likely that biofuel will increase greenhouse gas emissions or cause other environmental harm.

In fact, the form of intensive agriculture which looks likely to be associated with biofuel production is also associated with extensive social issues including land denial, poor labour conditions, deepening inequality and rising food prices. Please refer to the submission of Oxfam GB for further information.

The development pressures of a large demand for biofuels look likely, under an Obligation format, to increase pressure on land and labour standards. To explain, it is already clear from the DTI use of the Renewable Obligation that this type of mechanism incentivises large volumes of the lowest cost complying ‘material’ – in the case of renewable power, onshore wind. The Renewable Obligation has been a relative failure in bringing in a variety of other renewable electricity sources such as offshore wind, wave, tidal and solar. It will not be surprising if the RTFO delivers large quantities of the lowest cost biofuels; given that material transport costs remain low, these low-cost biofuels will generally come from places where plant growth is fastest, and land and labour are cheap, i.e. those developing equatorial countries where new land is available for exploitation at low cost. We have particular concerns over Brazil, Indonesia, Congo where forests and grasslands look likely to be exploited to provide biofuel. In terms of climate, peatlands in Indonesia are also of immense concern if they are drained and exploited. According to a report by Delft Hydraulics, the current exploitation of these peatlands puts Indonesia in the top 3 countries of global carbon emitters. Greenpeace first raised these concerns with

Government about the impact of an Obligation mechanism and import from developing countries in 2004.

Clearly these impacts are not just because of UK policy – demand is also growing rapidly in the EU because of the reference target in the Biofuels Directive - but the shaping of a policy around an Obligation measure means that deforestation would appear to be a particular risk from this mechanism.

Greenpeace is, of course, not alone in raising these fears. Over the last month, Co-op Insurance and the UN as well as numerous environment and development NGOs have made very similar points about the rush to biofuels.

We would like to make further specific points about managing biofuels. At present we continue to be supportive of biofuel incentives, and believe that certification is the best way forward. However there remain significant challenges to a certification approach and it is not totally clear that mechanisms can be put in place to ensure that certification is capable of ensuring that overall biofuels can be considered a ‘good thing’ environmentally. In particular the indirect land-use change that will be brought about by large biofuels demand, and the impact on food markets both seem relatively complex issues that a batch-by-batch approach to certification of biofuels is inappropriate for tackling. An alternative governmental approach is required, and how this can be achieved effectively is not clear. However, the scale of the potentially damaging impact from biofuel development is such that Greenpeace support for RTFO and EU target-based policy has to be conditional on effective mechanisms for monitoring and rapidly addressing bad outcomes. We believe that biofuel certification will be difficult for individual commodities e.g. palm oil, where there are uses other than biofuels. It may be that certification of the entire commodity, not just the biofuel part, will be required.

RTFO implementation (and EU wide policy) requires clear and compulsory standards that show not just immediate requirements but, where necessary, direction of travel in terms of tough standards to be introduced. In Greenpeace’s view, if there are not the tools to deliver assurance that biofuels are not damaging pristine habitats or releasing more greenhouse gases than they are saving, biofuel targets should be suspended or postponed until they can.

The certification processes in the RTFO will be critical for its environmental success. Here are some conditions that we believe are necessary for an effective RTFO:

Greenhouse gas certification:

- compulsory standards for greenhouse gas impact assessment, including impact of land use change.
- implementation from the commencement of the scheme
- ‘cut off point’ for greenhouse gases saved where failure to meet savings threshold means fuel is not eligible for RTFO certificates. Given the uncertainty over life-cycle emissions and budgets around GHG from land use (e.g. N₂O emissions) we believe the life-cycle assessment should be 50% carbon-equivalent savings

- Greater rewards within RTFO for greater carbon savings
- threshold date for land use change. Biofuels from land subject to land use change beyond this date should not be allowed into RTFO scheme. We suggest that this date is from before announcement of RTFO scheme
- independent external auditing of company process and validity of information

Sustainability certification:

- Standards scoped to include impact on biodiversity and worker conditions
- Independent and external auditing
- Basic compulsory standards at start of scheme to be tightened over the following 2 years

Governmental overview

- Mechanism in place to assess indirect impact of biofuels on land use change i.e. whether certified biofuel feedstock production is displacing other (uncertified) agriculture into pristine areas, to include watch on global commodity flows
- Similar for food market impacts especially with respect to any changes leading to food insecurity for vulnerable populations
- Legislative tool to rein back biofuel targets in the event of negative impacts being detected and attributed, on a 'balance of evidence' standard of proof.
- Process to establish similar at EU level (indeed this process would be better done at a regional level)

Given the current state of development this is a challenging set of needs for the next 10 months. We hope this is possible and that Greenpeace will be able to continue to support the RTFO.

Answers to specific questions raised in the consultation:

Question 8: We believe that Government has a duty to lead in the development of standards and we believe that the UK Government is indeed doing this. What we need is for the introduction, environmental aspirations and implementation to be world-leading too. We do not believe that international trade is a barrier to certification and we believe that UK should introduce compulsory standards. If the RTFO standards are successfully challenged by other countries under WTO rules we believe **this would strongly demonstrate the need for the WTO to be reformed – it would not be fit-for-purpose in tackling the global threat of climate change.**

Question 13: RTFO credits and greenhouse gas savings: we agree that greenhouse gas savings should be linked to RTFO support. The requirement should be introduced immediately. See above

Question 14: RTFO support and minimum social/environmental standards: we strongly believe that basic standards should be introduced for sustainability immediately. see above for other comments on standards.

Questions 18, 20, 21 and 22: Future targets for biofuels should be dependent on sustainability and greenhouse gas savings being met. Prior to this any further discussion of extending standards is premature. We enthusiastically support UK Government getting standards applied at EU-level, although as outlined above there remain significant challenges to getting the Governmental mechanisms in place that will assess the impact of biofuels. Equally in the EU, revision of the existing target to 10% is highly premature. It is not even clear that an EU target of 5% biofuel can or will be met sustainably.

Question 24: 2nd generation biofuels: We await with interest developments on '2nd generation' technologies but there remain demonstration and commercialisation issues to be dealt with. Further, we have no reason to believe that the sustainability and land-use change issues associated with '1st generation' biofuels will be any different for these new production methods. It may well be cheaper to generate woody biomass by incursions into new (e.g. forested) areas and processing this biomass into biofuel than specifically growing energy crops in developed countries. This depends on the policy support such 2nd generation fuels get. The main point is the notion that they are inevitably environmentally benign is not well-founded.

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