

## **P6\_TA(2006)0604**

### **Biomass and biofuels**

#### **European Parliament resolution on a strategy for biomass und biofuels (2006/2082(INI))**

*The European Parliament,*

- having regard to the Commission communication entitled 'Biomass action plan' (COM(2005)0628),
  - having regard to the Commission communication entitled 'An EU Strategy for Biofuels' (COM(2006)0034),
  - having regard to Directive 2001/77/EC of the European Parliament and of the Council of 27 September 2001 on the promotion of electricity produced from renewable energy sources in the internal electricity market<sup>1</sup>,
  - having regard to Directive 2003/30/EC of the European Parliament and of the Council of 8 May 2003 on the promotion of the use of biofuels or other renewable fuels for transport<sup>2</sup>,
  - having regard to its resolution of 14 February 2006 with recommendations to the Commission on heating and cooling from renewable sources of energy<sup>3</sup>,
  - having regard to the mandate given to the European Commission for the WTO negotiations in the field of agriculture, as laid down in the EC's proposal for the modalities in the WTO Agriculture Negotiations (ref 625/02, January 2003),
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on Agriculture and Rural Development, the Committee on the Environment, Public Health and Food Safety, the Committee on International Trade and the Committee on Transport and Tourism (A6-0347/2006),
- A. whereas greater use should be made, inter alia, of biomass in the long term as an energy source and its energy use should be exploited to the fullest extent possible, above all in forestry, agriculture and waste,
- B. whereas sustainable solutions to the energy challenge are to be achieved through remarkable, indispensable improvements in energy efficiency, through energy savings and, at the same time, through the expansion of renewable energy sources;
- C. whereas the primary potential uses of biomass lie in electricity generation, heating and

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<sup>1</sup> OJ L 283, 27.10.2001, p. 33.

<sup>2</sup> OJ L 123, 17.5.2003, p. 42.

<sup>3</sup> OJ C 290 E, 29.11.2006, p. 115.

cooling, hydrogen and methane production, fuel manufacture and the chemical, food, paper and woodworking industries,

- D. whereas biomass is the only carbon carrier among the renewable energies and both energy use and the manufacture of carbonaceous products therefore merit attention,
- E. whereas increased use of biomass can make a contribution to the three main objectives of energy policy, namely security of supply, competitiveness and environmental sustainability, by reducing greenhouse gas emissions,
- F. whereas the type of bio-energy use and the choice of crop and the characteristics of the agricultural system in which the crop is grown will determine whether the use of bio-energy will reduce the production of greenhouse gases,
- G. whereas the transport sector is responsible for more than 20% of greenhouse gas emissions although this sector is not included in the emissions trading mechanism; whereas these emissions are expected to continue to increase in future years and biofuels are one way of improving the sector's environmental performance,
- H. whereas biomass could be a means of reducing dependence on external energy sources and of unlocking new economic development and employment opportunities in rural areas,
- I. whereas some Member States are not complying with Directive 2003/30/EC concerning biofuels for transport, and are setting very low targets,
- J. whereas, today, there are still logistical and technical barriers to the use of biomass that are attributable to comparatively low energy content, decentralised availability, the variety of substances employed and fuel synthesis,
- K. whereas second-generation biofuels ('Biomass-to-Liquid (BTL)' fuels) have a much higher energy use potential than first-generation biofuels (vegetable oils, biodiesel, ethanol),
- L. whereas Community legislation on petrol quality prohibits the use of mixtures with more than 5% bioethanol;
- M. whereas the technology is available for the production of second-generation biofuels, demand is increasing for higher-quality fuels and infrastructure and drive systems are in place as well,
- N. whereas, worldwide, the switch to the production of carbonaceous products using synthetic fuels is economically feasible, as demonstrated by examples in South Africa and Trinidad; nevertheless, this production of second-generation biofuels must not impede the production of first-generation fuel initiated by Member States in accordance with Directive 2003/30/EC,
- O. whereas the framing of an EU-wide policy for the promotion of biomass requires an integrated approach that opens up competition to all types of use,
- P. whereas, in keeping with the subsidiarity principle, the biomass action plan must allow Member States the necessary discretion and flexibility to decide for themselves their own

goals and political measures as well as the instruments for promoting bioenergy, provided that those policies do not distort competition between Member States,

- Q. whereas cost effectiveness and sustainability are important guiding principles for the ecologically rational promotion of bio-energy combining a high level of environmental safety with an economically viable long-term funding base,
  - R. whereas to fulfil the objectives of environmental sustainability and a reduction in greenhouse gases it is necessary to ensure that the overall life cycle of biofuel from field to fuel tank, including all transportation, results in significantly lower carbon emissions than are produced by fossil fuel,
  - S. whereas the issue of the domestic generation and import of biomass must be viewed from the angle that the development of an autonomous biomass sector in the European Union is worth promoting, in view also of the additional income potentially available to agriculture,
  - T. whereas the emergence of a European biofuels sector offers opportunities for biofuel technology transfer to developing countries crippled by rising oil prices,
  - U. whereas the lack of clear environmental standards and safeguards, especially in the case of biofuels, could have significant negative effects, such as an increase in tropical deforestation, while failing to reduce greenhouse gas emissions significantly,
  - V. whereas existing legislation in the European Union should be reviewed with a view to better utilisation of biomass,
  - W. whereas a balanced mix must be found between goods production and energy use and energy use is only one of several potential uses of biomass,
  - X. whereas the chemical utilisation of products derived from animal fats and vegetable oils is a competitive economic sector, the existence of which must not be jeopardised,
  - Y. whereas the industrial use of wood and woody by-products as materials is a competitive sector that creates jobs and value, the existence of which should not be jeopardised,
  - Z. whereas other, non-European countries have taken significant steps to promote biofuels and have already succeeded in achieving a high level of penetration of the fuel market,
1. Welcomes the two Commission communications on the biomass action plan and on an EU strategy for biofuels;
  2. Shares the Commission's assessment of the current state of biomass use and of the barriers to its further spread throughout the energy sector;
  3. Is convinced that the European Union strategy for promoting biofuels, particularly against the background of the Lisbon Strategy, must be guided by efficiency and sustainability and that measures must not be allowed to generate a disproportionately high level of administrative expenditure;
  4. Believes that there is a need to create at regional, national and European level transparent and open markets for biomass and biofuels which meet sustainable production standards

and that these markets should be integrated into the system of the World Trade Organisation (WTO) and be compatible with a single, transparent and competitive energy market;

5. Takes the view that the producers of biofuels need a consistent investment and pricing policy for the medium term at Member State level and European Union level that will make it possible to recover investments made within a reasonable period;
6. Urges the Commission to work towards a European market for biomass and calls on the Member States to eliminate barriers at Member State level and between Member States;
7. Assumes that the biomass action plan and the communication on a strategy for biofuels are the basis for specific and effective measures;
8. Urges the Commission to re-examine the goals set in the biomass action plan for heat production, electricity generation and biofuels production with reference to the competitiveness, efficiency and energy output of each sector;
9. Considers that the Commission should reconsider all action plans and directives with a view to permitting the rational production and use of bioenergy and biofuels and that this should be done principally in the fields of plant production, forestry and waste management;
10. Agrees with the Commission that the use of biomass in stationary applications such as power, heating and cooling can contribute optimally to the achievement of the EU's stated objective of reducing greenhouse gas generation; urges support for the cost-effective and sustainable production and use of biomass in the areas of electricity generation, methane production, transport and heating and cooling if necessary by means of appropriate measures consistent with achieving the Kyoto targets and the longer-term 2°C climate objective; calls in this connection for special attention to be given to converting district heating networks;
11. Considers that aid and assistance in connection with biomass-based renewable energies should not distort competition on raw material markets in the long term;
12. Assumes that more rapid development and increased use of biomass and biofuels can also be brought about by means of voluntary agreements and calls on the Member States and the Commission to encourage the use of biomass for energy generation, including by applying environmental requirements to emissions rather than to the choice of fuel;
13. Believes that wood biomass is particularly suitable, given the size of the market and the potential uses available, for developing markets operating on a Europe-wide basis, although existing market shortages and rising prices must be borne in mind; therefore endorses the Commission's intention to put forward as soon as possible an action plan for forestry;
14. Considers however that the use of forest biomass must not lead to increased pressure on natural forests, halt the recovery of historically over-exploited forests or lead to expansion in monocultures or exotic species plantations and must always be promoted in ways that are compatible with improving the ecological quality of forests;

15. Calls on the Member States to make financial support for biomass conditional not on the size but on the efficiency of the installation in question, on there being a significantly positive greenhouse gases balance as well as on noticeable benefits for the environment and security of supply, in accordance with the principle of additionality, having regard to the type and amount of support necessary to achieve market penetration for a given type of biomass;
16. Calls on the Commission to develop a tool which can assess the sustainability of production and use of (bio) fuels; believes that a common methodology should be developed to objectively measure the environmental, social and economic-sustainability aspects of mineral fuels and bio fuels, which could also serve as a reference point in policy incentives in favour of the most sustainable (bio) fuels;
17. Calls on the Member States as a matter of priority to provide incentives for energy production achieved pursuant to supply chain contracts between farmers and companies which use biomass for energy purposes;
18. Expects Member States to come up with investment incentives for the production and use of biomass and biofuels that are the most efficient from a climatic point of view and compatible with structural and agricultural policy rules, taking particular account of environmentally-compatible, regionally-adapted and traditional varieties; believes that such incentive schemes must under no circumstances lead to the replacement of sustainable local food production;
19. Expects Member States to develop national biomass action plans, to combine them in due course with their own structural and agricultural policy measures and to update such national action plans at specified intervals; furthermore expects them do everything possible to attain the objectives of Directive 2003/30/EC;
20. Calls on the Commission to examine, on the basis of scientific well-to-wheel comparisons of various types of imported and EU-produced biomass, the sustainability of biomass and biofuels in all applications, to publish a review of compatibility with the Community *acquis* and to forward a report to Parliament and the Council by the end of 2007;
21. Calls on the Commission and the Member States, in connection with increased use of biomass for energy purposes, to ensure respect for nature conservation, landscape management, rural management and forest management interests and constraints;
22. Expects the Commission, following a strategic environmental assessment, to put forward proposals for promoting the cost-effective and sustainable use of biomass for heating and cooling purposes in both the public and private sectors ;
23. Considers that, given the conflicting demands on biomass from waste, it is important that bio-energy should not be used as an excuse to promote waste incineration over more resource-saving options such as reuse, recycling or composting;
24. Expects the use as fuel of waste that cannot subsequently be recycled as matter, including by-products of agricultural food production, except for those originating in areas affected by desertification, to be facilitated, account being taken of energy efficiency, in connection with the review of the legal framework for waste; notes, however, that this should be subject to the condition that it does not present an obstacle to the reuse of

recyclable materials;

25. Calls on the Commission to eliminate any obstacles based on European legislation so as to render possible and to promote the fermentation of manure or organic waste to produce biogas;
26. Urges the opening up of gas networks to receive biogas and transport it on a non-discriminatory basis where it is technically possible to inject it into and transport it safely in the natural gas system;
27. Expects the administrative procedures for bioenergy production and use to be simplified and extended to all Member States;
28. Stresses that support for the promotion of energy crops was introduced as part of the reform of the common agricultural policy;
29. Emphasises that, in the interests of sustainability, when exploiting biomass, encouragement should be provided for exploitation as close as possible to the location where the agricultural raw material originates, thus eliminating energy waste caused by transport; calls on the Commission and the Member States, therefore, to use rural development funding for the purpose of converting rural public institutions to the use of bioenergy as a heat source;
30. Urges the recognition and promotion of whole-crop incineration, for example, the incineration of cereals;
31. Welcomes the Commission's emphasis on the importance of using up Community stocks of intervention cereals to produce bioenergy; highlights the fact that this will make it possible to reduce the quantity of intervention cereals going for export, and thus make it easier for the EU to fulfil the obligations it has undertaken in the WTO; calls, therefore, on the Commission to devise appropriate incentives with a view to ensuring that as large a quantity as possible of intervention cereals is used up in this way;
32. Welcomes the objective underlying the Commission communication of continuing to promote the use of renewable energies, including biofuels, including their use in the transport sector, without prejudice to the freedom of the Member States to choose other renewable technologies as well as the sector and application in which biomass achieves the highest greenhouse and energy benefits;
33. Calls on the Member States to promote the use of biofuels through the taxation and excise system so as to make the production and use of biofuels more attractive; calls on the Member States to increase their support for a coordinated policy in this field; supports therefore the Commission in its aim to propose biofuel obligations as outlined in the EU strategy for biofuels (COM(2006)0034); calls on the Commission to set new, more ambitious, long-term targets until 2020, in order to create investment security;
34. Calls on the Commission, through dialogue with the oil and gas companies and vehicle manufacturers, to improve access to environmentally-friendly vehicles, and the distribution of and consumer access to biofuel;
35. Calls on the Commission to remove any unjustified barriers to the market of biomass and

- biofuels without compromising the environmental and health considerations on which such measures were based;
36. Endorses the Commission's intention to provide ongoing support for research and development, particularly in the field of second-generation biofuels, and to facilitate their large-scale implementation;
  37. Is of the opinion that second-generation biofuels (BTL fuels) have a much higher energy use potential than first-generation biofuels;
  38. Believes that there is an urgent need to lay down as soon as possible the technical standards for biofuels and to review Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and its relationship to biofuels use, without compromising the environmental and health considerations on which this measure was based; stresses that the existing standards should only be adjusted, or Directive 98/70/EC should only be amended, once the Commission has finalised its assessment of the impact on air quality of the use of higher biofuels blends in petrol and diesel;
  39. Urges, in particular, an overhaul of the existing standard EN 14214 in order to include additional types of biomass;
  40. Calls for the definition of different types of second generation biofuels in order to distinguish, given the impacts on the environment, between silviculture products and products derived from lignocellulosic waste materials, landfill organic waste and raw materials of animal and vegetable origin;
  41. Supports the establishment of a biofuel technology platform jointly with all technology providers involved in the development, production, processing and final use of energy crops,
  42. Expects the Commission to take appropriate account in its support for research of the aim of increasing the use of biomass in connection with distance cooling and heating systems – in accordance with the position adopted by Parliament at first reading on the Seventh Framework Programme for research<sup>4</sup>;
  43. Strongly urges the Member States to indicate as soon as possible their national target for bio-energy, which should be in line with their national Kyoto target as well as the EU agreed long-term target of 2°C;
  44. Asks the Commission to introduce a mandatory and comprehensive certification scheme allowing the sustainable production of biofuels at all stages, including standards for the cultivation and processing phases as well as for the overall life-cycle greenhouse gas balance, applicable to biofuels both produced within, and imported into, the European Union;
  45. Calls on the Commission to support the development and use of the Global Monitoring for Environment and Security (GMES) system to monitor land use in the production of bio-ethanol so as to prevent the destruction of rainforests and other negative impacts on

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<sup>4</sup> OJ C 300 E, 9.12.2006, p. 401.

the environment;

46. Recognises that further increasing palm oil production may affect natural forests and traditional food production, causing bio-diversity loss, land disputes and significant releases of greenhouse gases; calls therefore on the Commission to subject the importation of palm oil-based products into the EU to compliance with sustainable production criteria, defined within a comprehensive certification scheme;
47. Expects any Europe-wide biomass target to be set in line with the agreed EU target of 25% renewables by 2020;
48. Advocates policies and measures as well as alternative technologies in the transport sector that are consistent with EU climate-change targets;
49. Calls on the Commission to take action with a view to reaching a compromise on biofuels between the motor vehicle and petroleum industries at the earliest opportunity, in line with the principle 'biofuels for cars, not cars for biofuels';
50. Calls for the eighth recommendation of the CARS 21 Group, according to which second generation biofuels are a particularly promising technology for reducing carbon dioxide emissions in the transport sector, to be translated into action;
51. Recommends that the possible use of biofuels in all modes of transport be considered in the context of product and technology promotion;
52. Believes that it makes sense, where biofuels are used in selected sectors such as agriculture and forestry, shipping and local public transport, to encourage their use by means of longer-term fiscal incentives for pure fuels based on compliance with an appropriate certification scheme;
53. Calls on the Commission to encourage the addition of biofuels to traditional fuels in every Member State by amending Community provisions on excise duty;
54. Stresses the importance of the use of fiscal measures, such as tax exemptions, but calls on the Commission to be on the alert for distortions of the market;
55. Supports the Commission in its intention to create, in the context of the WTO negotiations, clear rules allowing the development of a European biofuel sector, in particular by establishing an appropriate and coherent commercial and customs framework;
56. Calls on the Commission to increase the priority given to the recognition of non-trade concerns as part of a future WTO agreement; notes that this would enable the EU to ensure that imported biofuels meet certain sustainability criteria, predominantly in the environmental field;
57. Notes that biofuels are now being traded on the world market and that the EU is not yet self-sufficient in this area; considers, however, that the promotion of domestic production should be an absolute priority;
58. Considers that an acceptable rate of penetration of bioethanol imports into the EU should be established for a given period, to fit in with the gradual development of Community



production in conformity with the European strategy in favour of sustainable development, in particular in the energy sector;

59. Believes that it is essential for a report to be submitted by the Commission by the end of 2007 on the production and export conditions for biofuels in the principal producer countries;
60. Calls on the Commission to promote in the biomass action plan further study and research on biomass-based plastics so as to attain a better understanding of their contribution throughout their life cycle to savings of fossil fuels, to the reduction of greenhouse gas emissions and to savings of energy in recovery operations other than composting; calls on the Commission to investigate the possibility of making use of certain bio-plastics obligatory in the event that they prove to be a good alternative to current plastics;
61. Calls on the Commission to consider, as a pilot project, the establishment of renewable energies parks, where energy needs would be met by a combination of various renewable energy sources, such as biomass, wind energy and solar energy;
62. Is convinced that public support for biofuels is essential and notes the widespread public anxiety about green genetic engineering; believes that the development of energy-intensive biomass must be environmentally safe and must not create a real or perceived threat to non-GM food production; is convinced that Marked Assisted Selection (MAS), which allows the improvement of crops, through 'smart breeding', i.e. the crossing of plants of similar families rather than their genetic modification through the integration of alien genes, must provide a major contribution to the development of energy-intensive and at the same time environmentally safe biomass;
63. Urges all Member States to create appropriate incentives for the sustainable cultivation of energy crops without jeopardising food production, facilitating sustainable access and mobilising additional biomass deriving from agriculture and forests;
64. Calls on the Commission to devote extra attention to small-scale biofuel projects within the primary agricultural sector, such as mobile distillation and fermentation, which could have a major impact on the future processing of primary by-products;
65. Believes that funding from the budget allocated under Heading 2, Pillar 1 of the Common Agricultural Policy (§60) and from the European Agricultural Fund for Rural Development should also be earmarked for the energy use of biomass;
66. Considers that the promotion of biomass in rural areas should be achieved through prioritising research, development and demonstration relating to those biomass applications which have been shown to deliver the greatest and most cost-effective greenhouse gas reduction and energy savings performance and through the creation of a dedicated market in order to improve profitability by means of information campaigns; suggests that particular attention be given to the development and promotion of win-win solutions where biomass production can be combined with habitat restoration, low input agriculture and environmentally-friendly land management;
67. Urges a substantial increase in the guaranteed maximum area fixed at 1,5 million hectares under the subsidy scheme for energy crops and that no crop be excluded from the subsidy scheme for energy crops, although particular emphasis should be given to those offering

high energy efficiency;

68. Urges the Commission to abolish the set-aside scheme and devise new incentives for energy crops;
69. Notes that the cultivation of renewable raw materials must also be carried out in accordance with best practices and that the cross-compliance rules apply to such cultivation;
70. Urges the Commission to extend the list of crops eligible for cultivation for the production of biofuels in the support systems, to ensure that the most suitable energy crops are selected at local and regional level and to encourage the fermentation of manure;
71. Calls upon the Commission to remove the barriers to the development of energy crops in the new Member States, which apply a simplified single area payment scheme;
72. Urges the adoption of a standard framework at European level ensuring that priority is given to the provision of biomass for energy purposes even in those countries where bioenergy does not yet play a part;
73. Is convinced that the sustainable production and use of biomass, which should extend to small scale cultivation and be integrated into rural development policies, offer considerable advantages for developing countries and that technology transfer with these third countries and the export of bioenergy technologies should be supported by the European Union; takes the view, nevertheless, that this policy should be balanced and that these efforts should focus on countries meeting their own energy needs rather than solely developing their export capacity;
74. Calls on the Commission to devise a specific initiative designed to inform, train and increase awareness of the use of biomass and biofuels aimed at the farming world, citizens and local administrators;
75. Considers that the production of biomass and biofuels could contribute significantly to the attainment of Europe's climate control objectives;
76. Calls on the Commission to present a proposal for a directive on heating and cooling from renewable energy sources as part of the energy package in 2007 and recalls its resolution of 14 February 2006 with recommendations to the Commission on heating and cooling from renewable sources of energy;
77. Stresses the need for an EU-wide information policy on biomass and biofuels;
78. Calls on the Commission to include peat, with regard to the life-cycle aspect, as a longterm renewable energy source for biomass and bioenergy production;
79. Calls for reliable general conditions to be laid down for investors and manufacturers in the interests of a long-term strategy to promote a competitive market for biofuels in the European Union, particularly in terms of tax incentives;
80. Calls for greater political and economic attention to be paid to cooperation and integration among the biofuels markets in the EU and its neighbouring European states, particularly

in the framework of the specific partnership agreements;

81. Believes that the Intelligent Energy for Europe programme will help to support local projects relating to energy saving and the appropriate use of natural resources.
82. Calls on the Commission not to offer in biregional or bilateral negotiations more than will have been conceded at the WTO in terms of requests for preferential access to the Community market in bioethanol, and when applying the Generalised System of Preferences (GSP) and GSP+ to implement the provisions enabling reduction or withdrawal of the preferences granted to some countries for bioethanol where these are no longer justified;
83. Encourages the Commission and the Member States to watch for attempted fraud and avoidance of customs duties in respect of bioethanol, while also ensuring, in particular, compliance with the rules of origin and tariff classification and preventing abuses of some suspensive customs procedures;
84. Instructs its President to forward this resolution to the Council and Commission.