

Strategy for Biomass and Biofuels

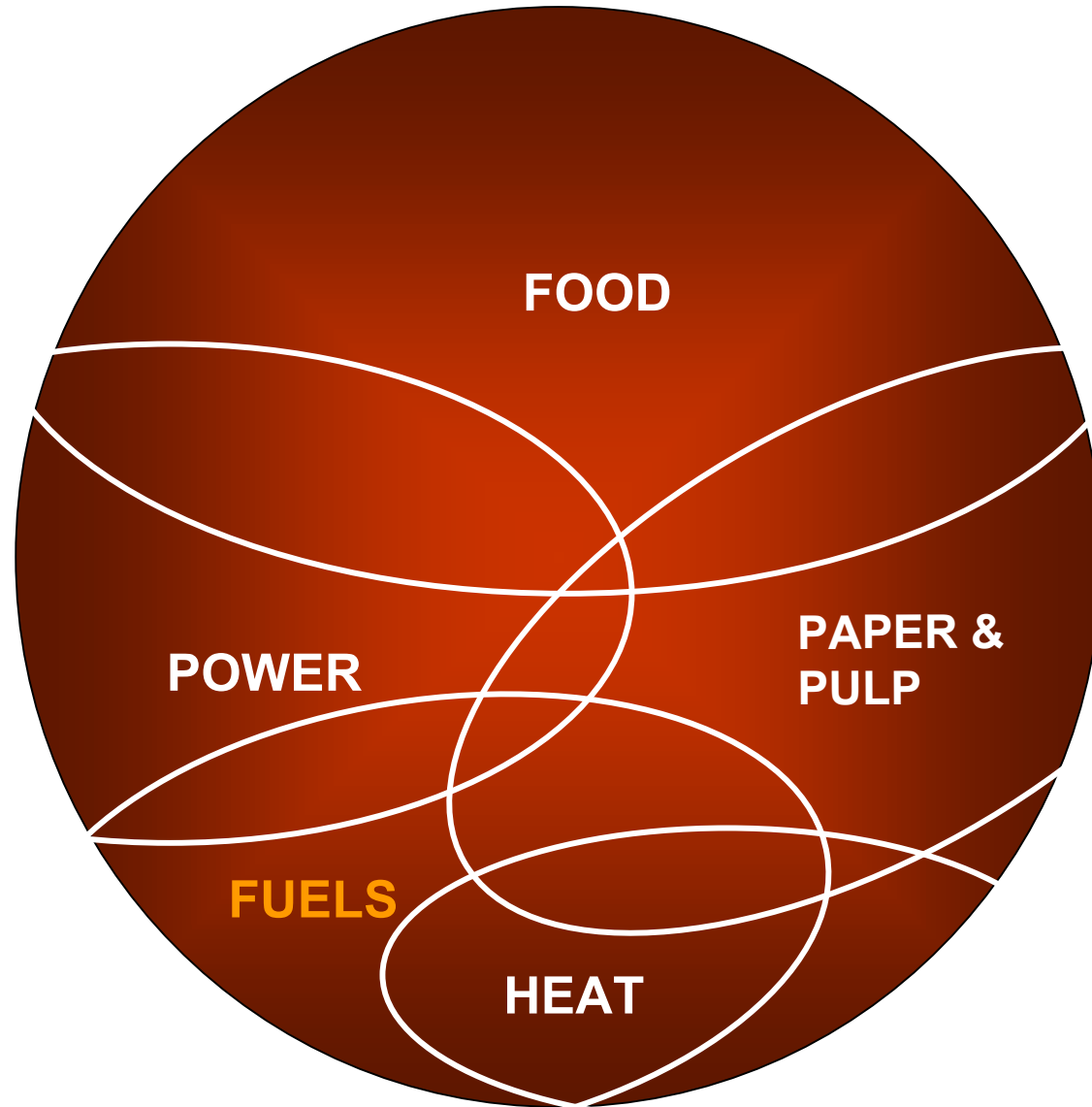
Peter Tjan
Secretary General

European Petroleum Industry Association (EUROPIA)

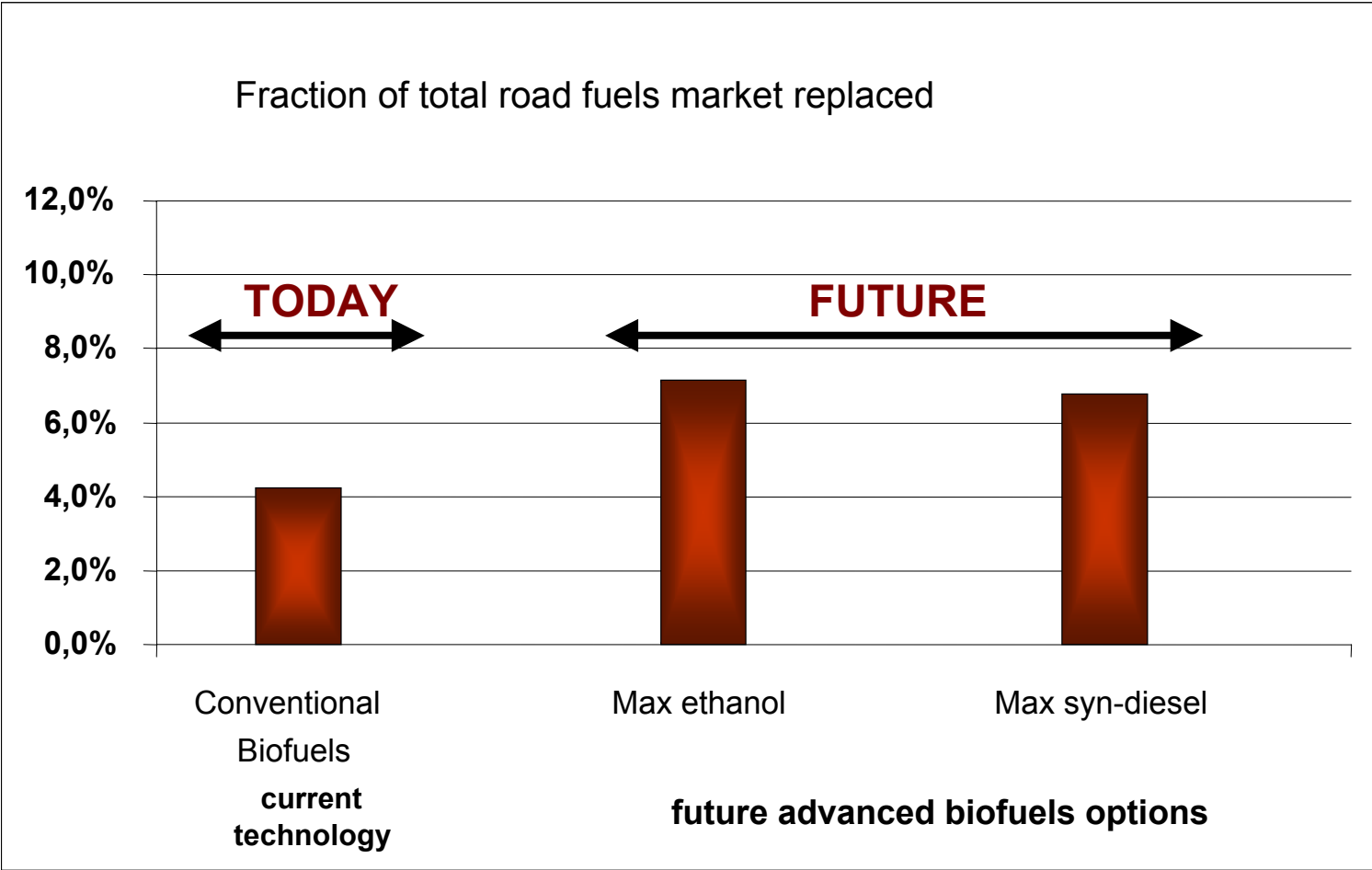


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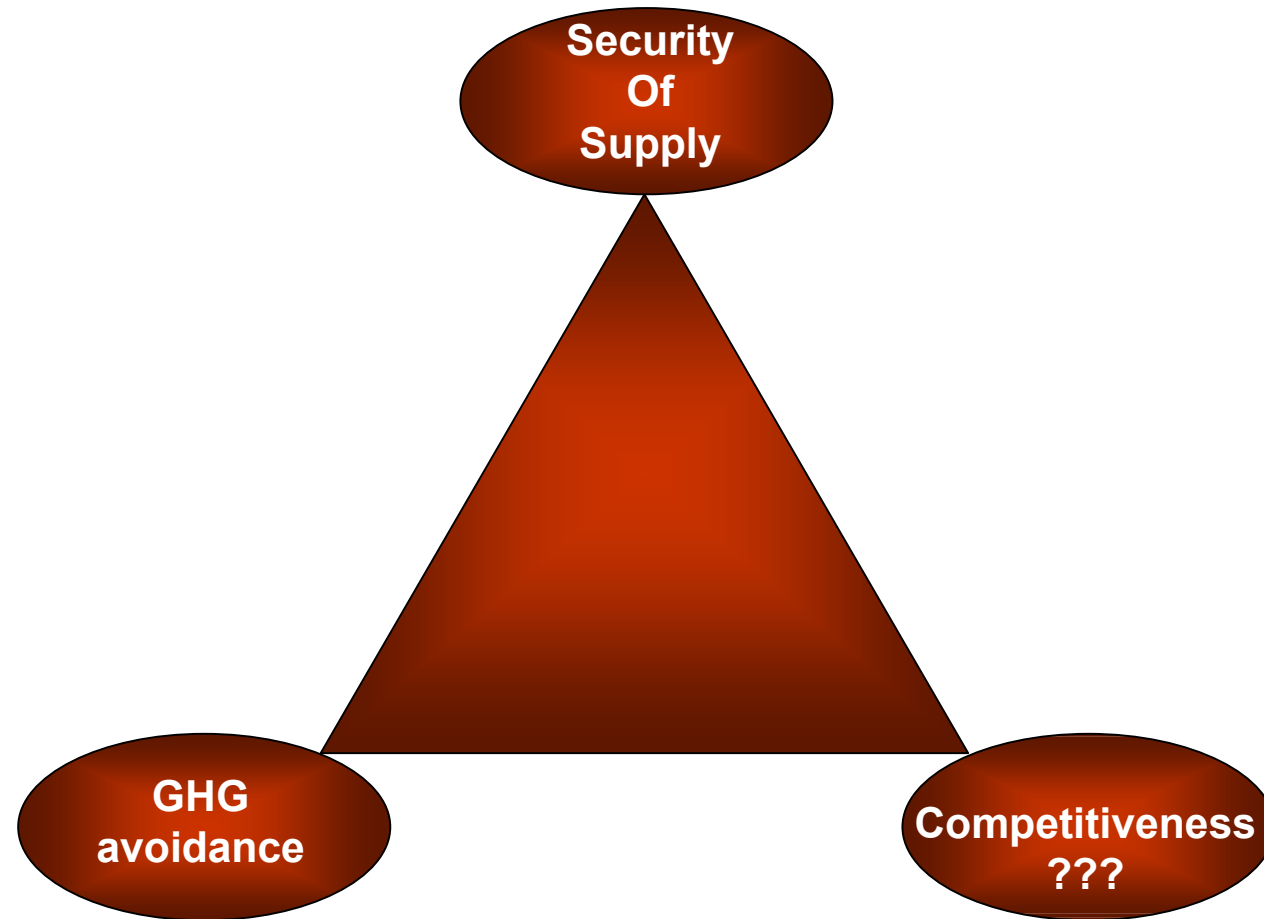
Biomass is a limited resource for which there are competing demands



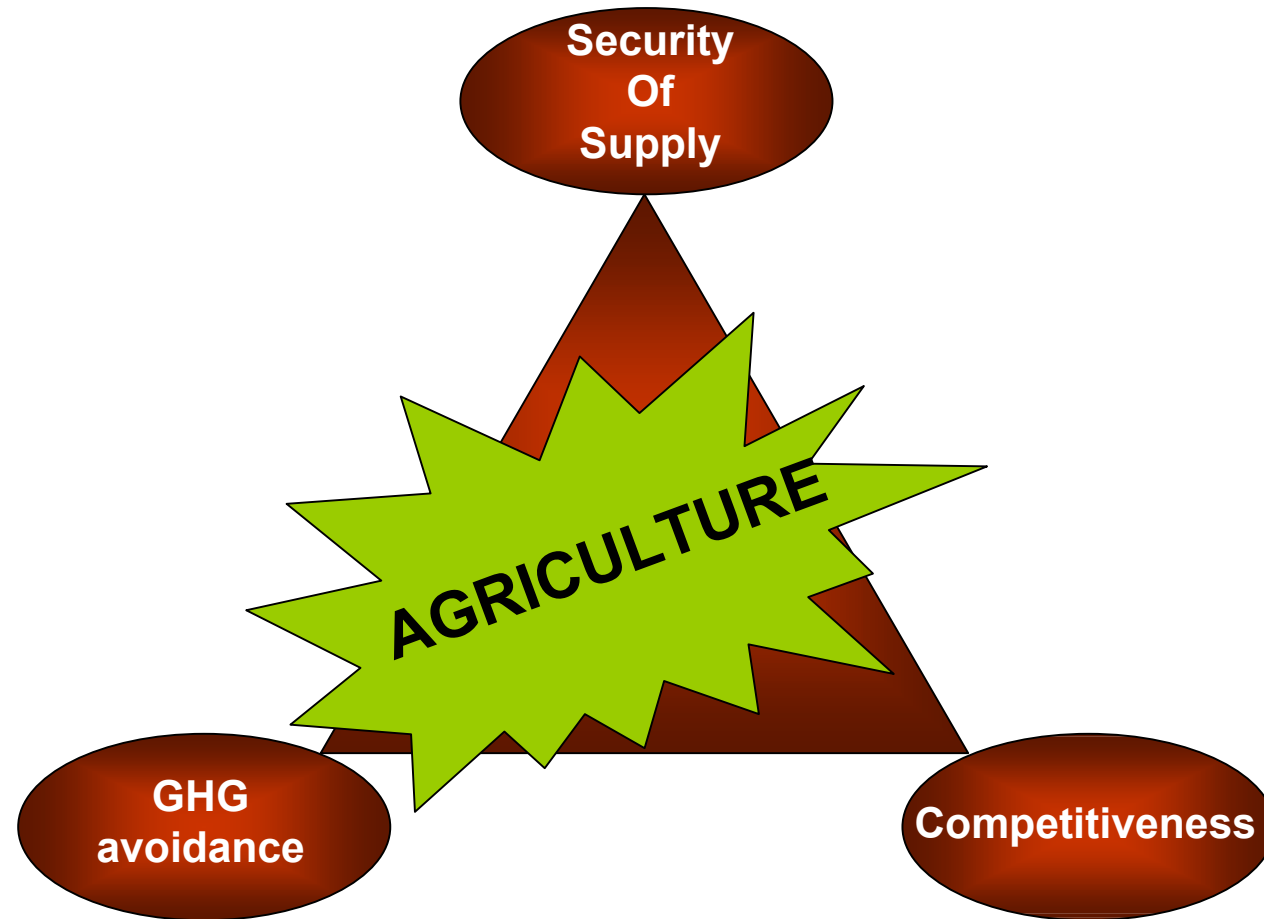
EU cannot produce enough conventional biofuels to meet current indicative targets



Clear priorities need to be set to evaluate biomass application options



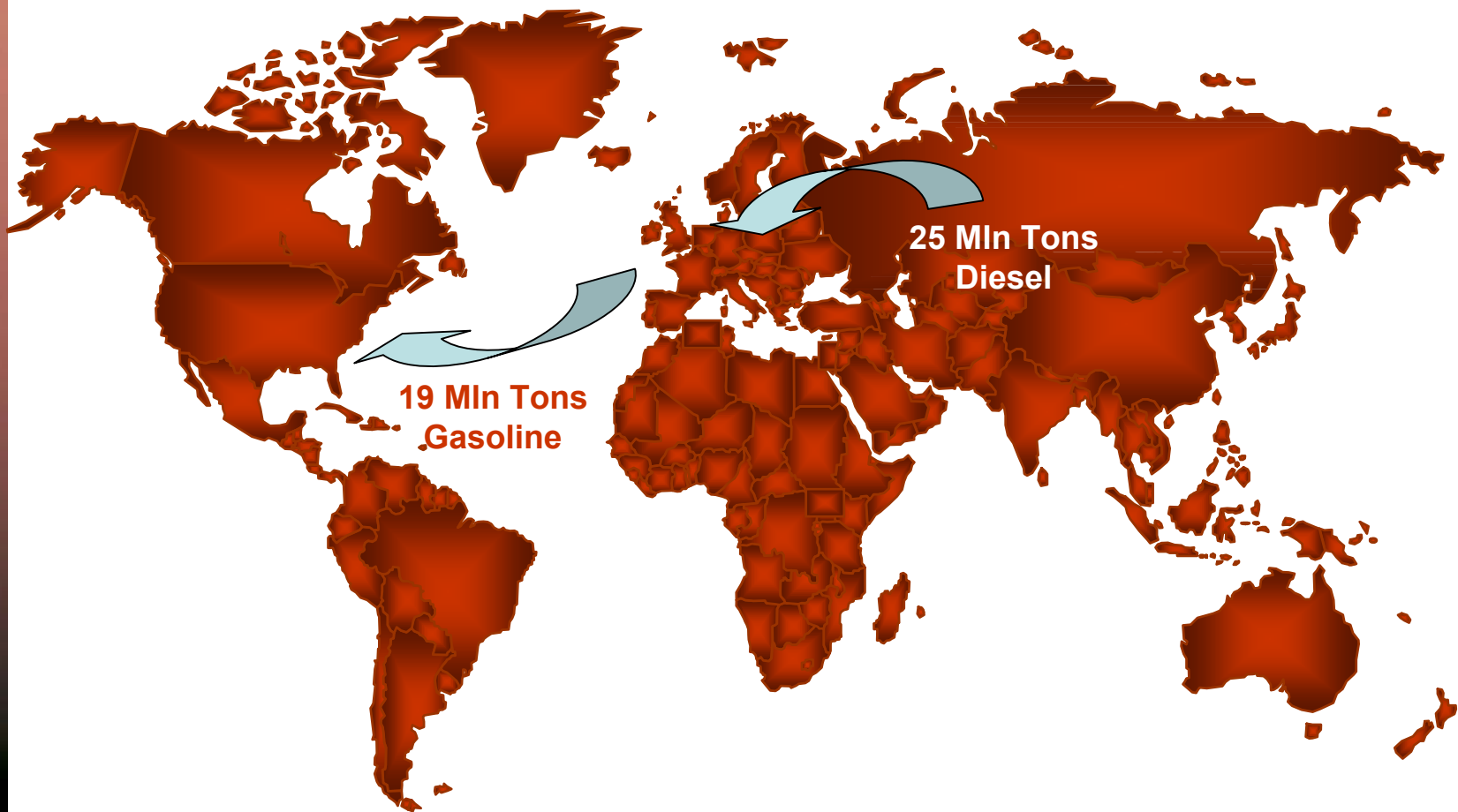
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Only biodiesel will contribute to SoS

Bio-ethanol will only add to large gasoline surpluses

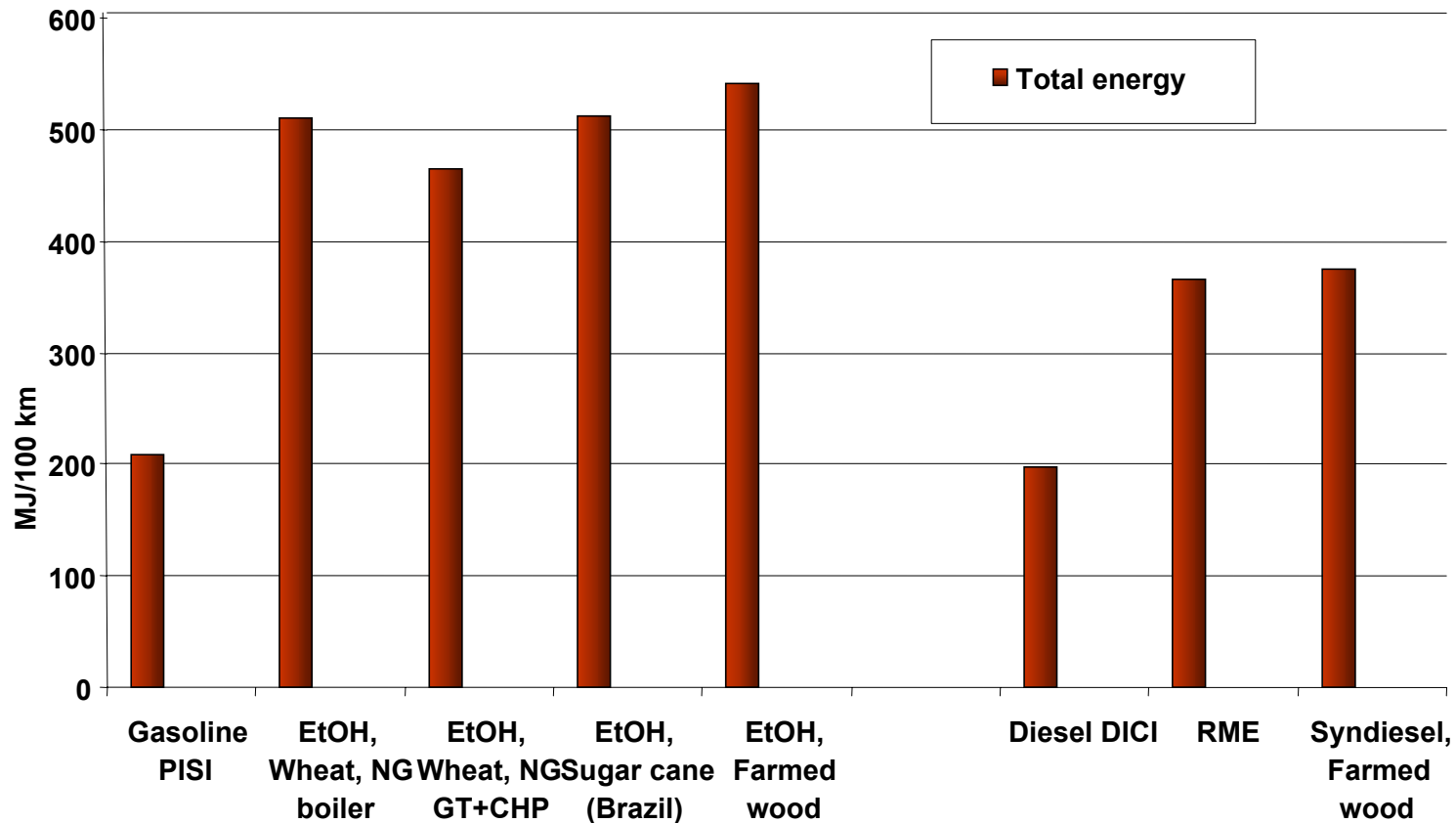
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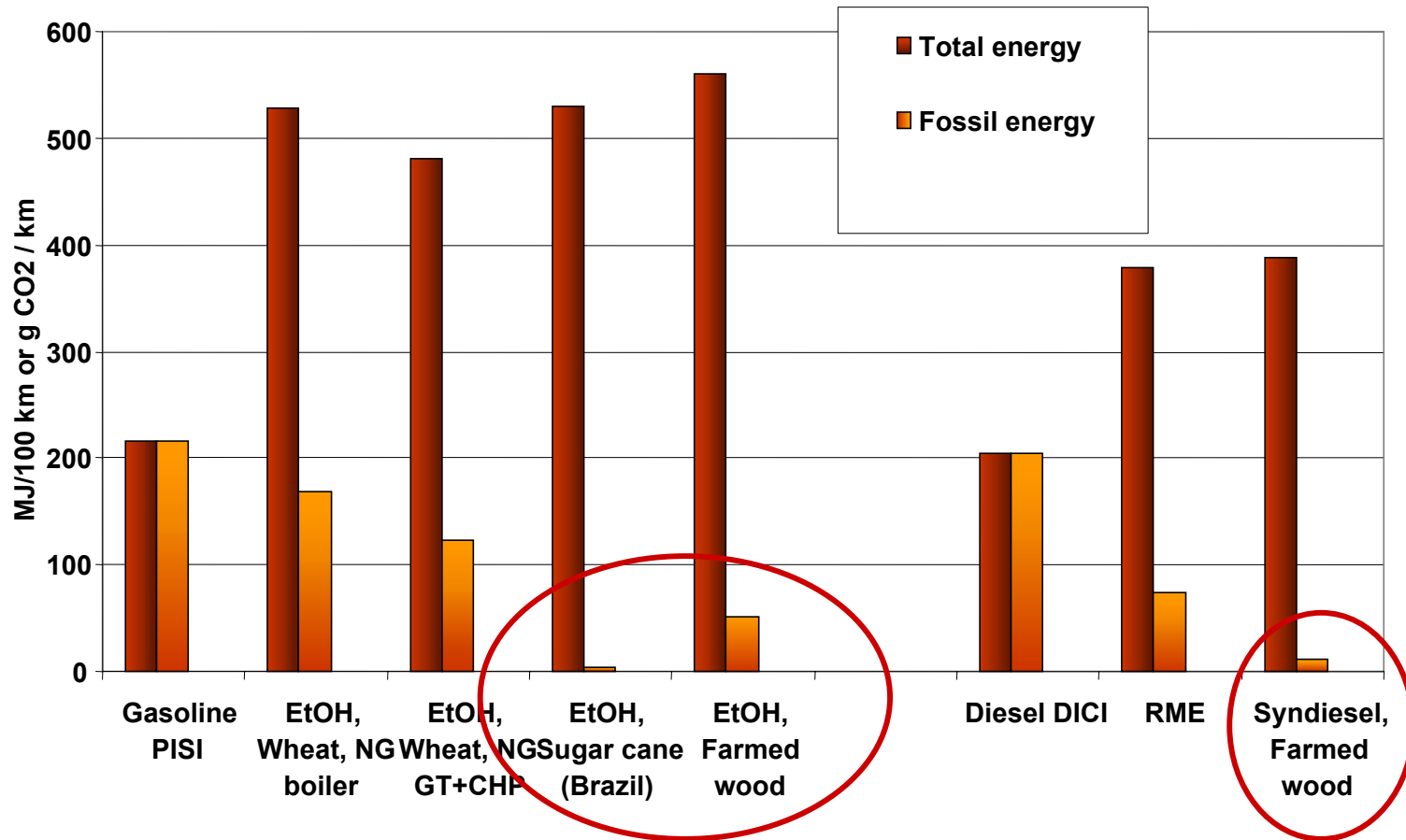
Conversion of biomass to biofuels consumes significant energy

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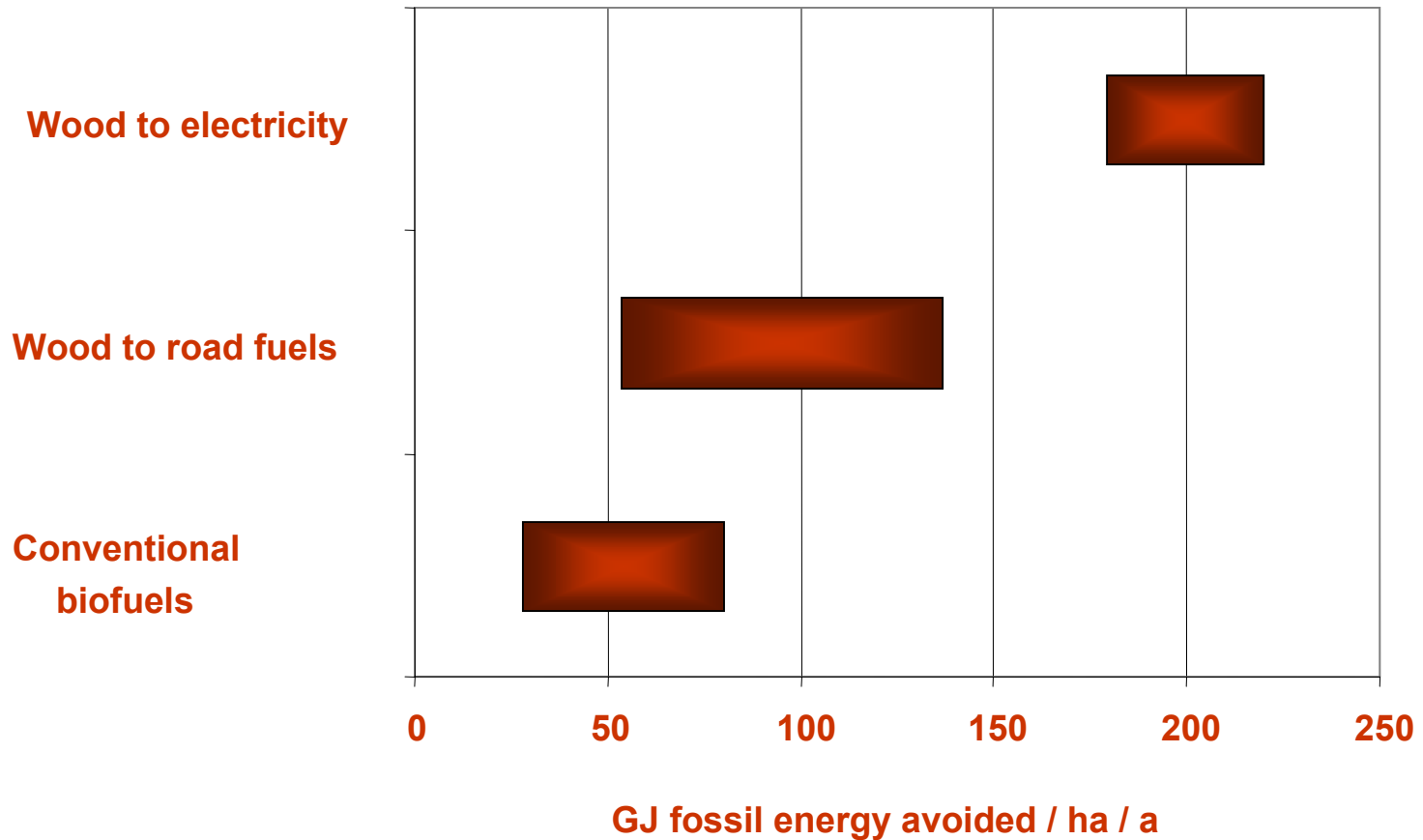
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...but advanced biofuels (and Brazilian ethanol) reduce the fossil energy required



...however, stationary applications give greatest fossil energy savings

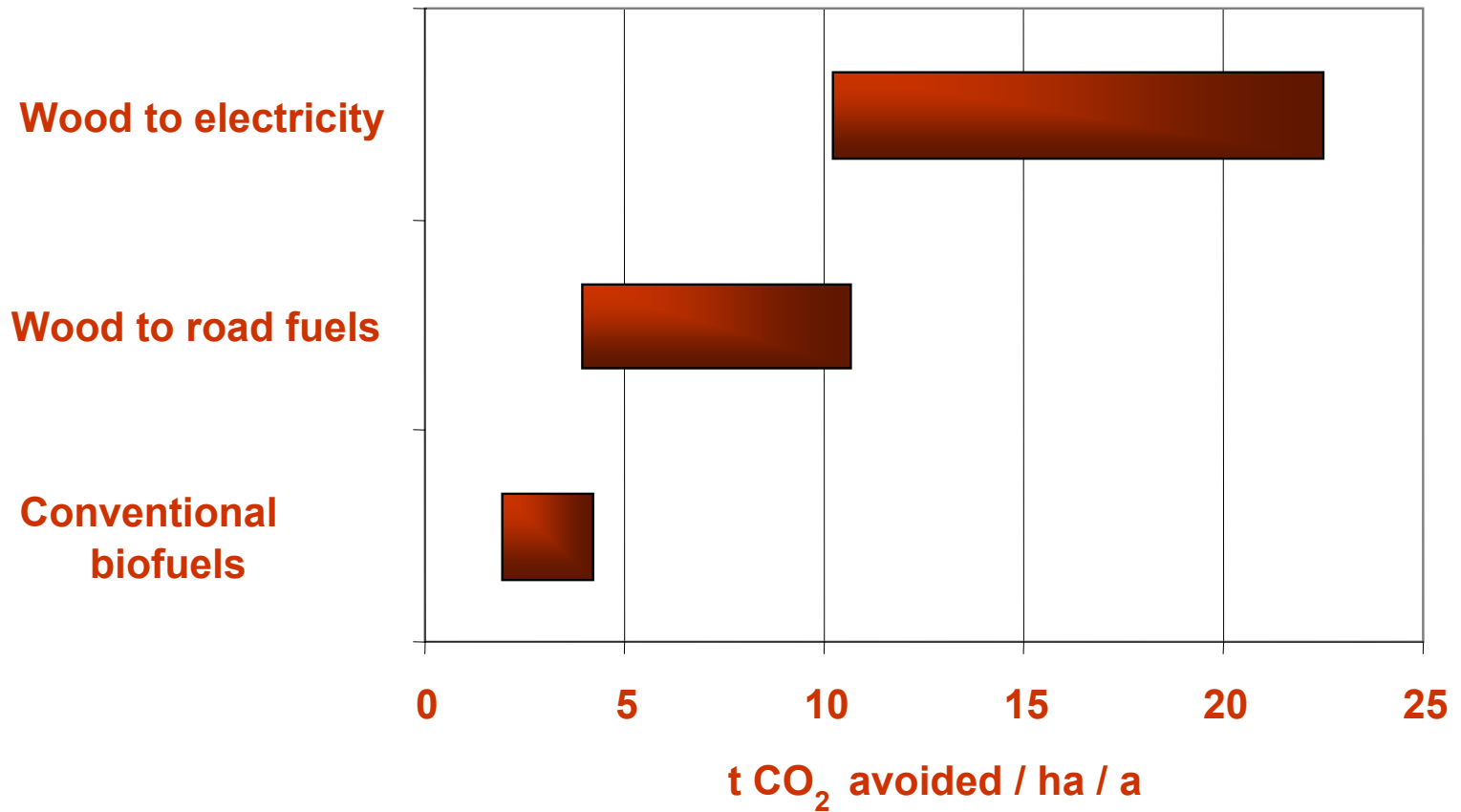
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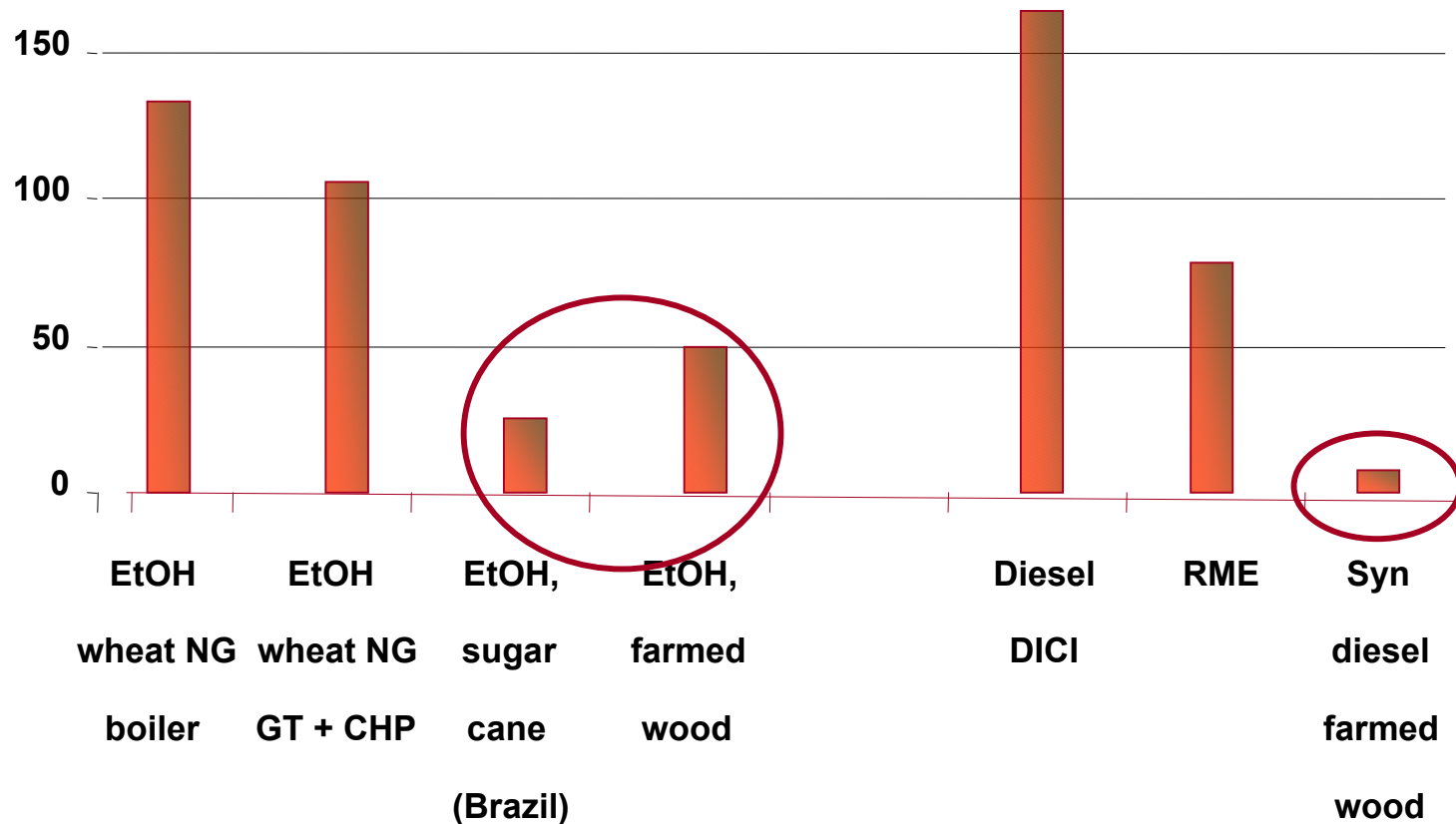
Stationary applications also give greatest GHG avoidance

Range of CO₂ avoidance from biomass use



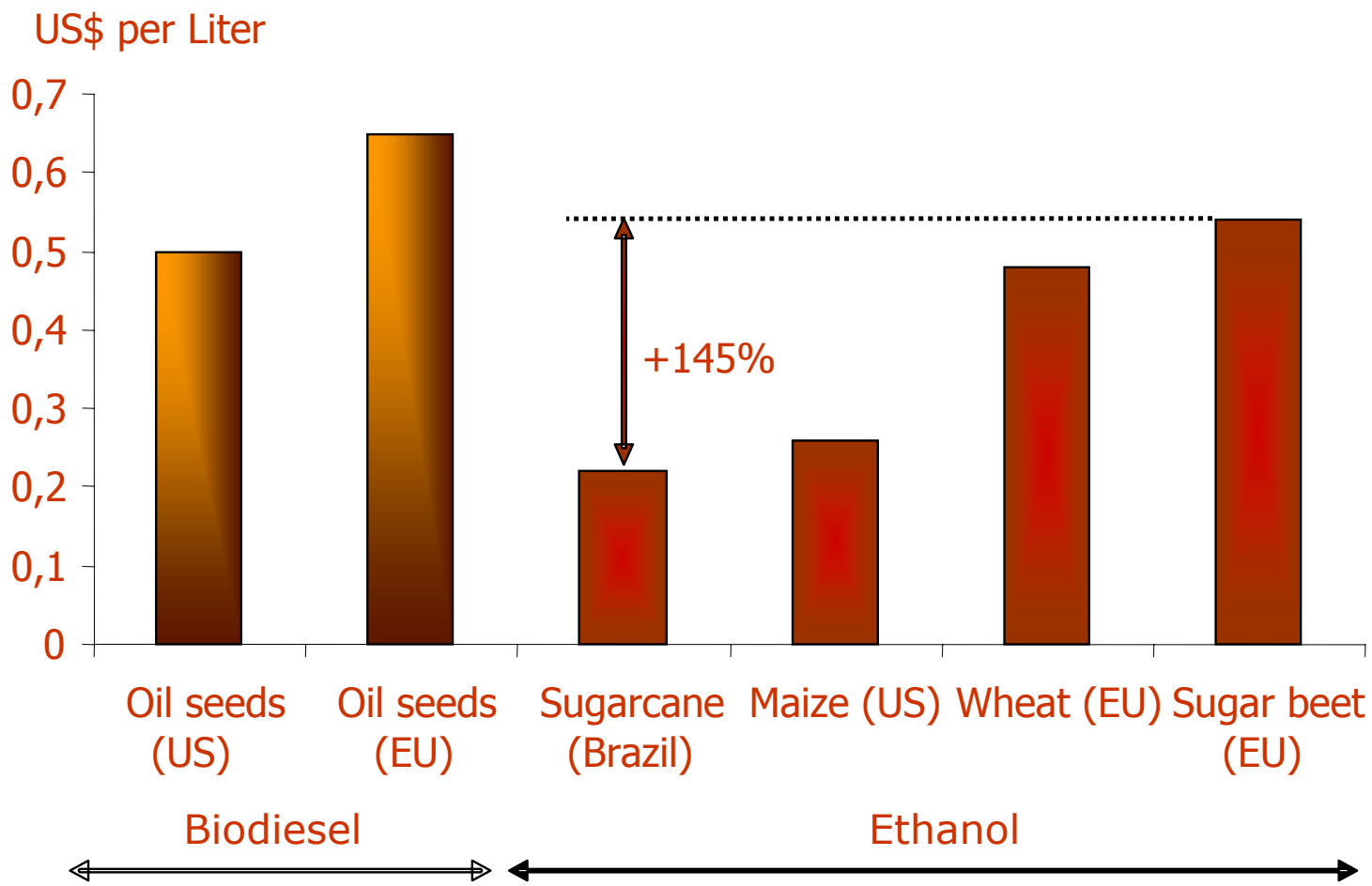
Large variations in GHG performance, dependent on source and production pathway

WTW GHG Emissions g CO2 eq / km



EU biofuels are costly: imports are attractive (and necessary)

Source: 2002 World Bank



Conclusions

- Biomass is limited resource therefore clear EU policy objectives must be set to evaluate competing options for biomass use.
- The EU cannot produce enough conventional biofuels to meet current indicative targets.
- Within the energy sector biomass in stationary applications like power and heat offer best energy efficiency and GHG avoidance.
- The costs of today's biofuels exceed significantly those of conventional fuels.
- Any future ambitions should reflect:
 - A realistic assessment of domestic crop availability that can be grown in a sustainable manner
 - Competing demands for crops and land use and their impact on raw material costs and food prices
 - Access to imported crops and biofuels
 - Specific Member State conditions for cultivation and use of biomass



Conclusions (2)

- Achievement of aspirations will require unrestricted access to imported biofuels and crops with the added benefit of reduced costs and enhanced GHG benefits.
- Given the large differential in biofuels performance, any legislation or tax treatment should promote the development and use of biocomponents that deliver greatest GHG avoidance and energy substitution potential at lowest costs
- Promotion of bioethanol only adds to Europe's already large surplus of gasoline. Only biodiesel will contribute to Security of Supply.
- Any EU Biofuels & Biomass regulation should provide flexibility to cope with large differences among Member States.



Thank You



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