Biofuelwatch Consultation Response to "Renewable Transport Fuel Obligation Draft Post-Implementation Review

General comments:

Since the RTFO was introduced in April 2008, evidence about the negative impacts of large-scale biofuels has grown substantially. This includes a large volume of evidence about carbon emissions from Indirect Land Use Change (ILUC)[1], about impacts on global food prices and on food security and access to food [2] as well as about the links between the demand for biofuels in Europe and land-grabbing in developing countries.[3]

We believe that in view of this evidence the RTFO must be abolished because it undermines rather than meets climate and environmental objectives. Under no circumstances must the current 4.75% target be increased.

Furthermore, as confirmed in the Ecofys report on Used Cooking Oil (UCO)[4] and from the DfT Consultation paper, it appears that companies may have falsely declared biofuels as having been made from UCO from the Netherlands, biofuels which, it appears, either included totally different feedstocks or UCO from other countries of origin. We note that DfT states: "*Through communicating this risk, and enforcing the requirements for suppliers and verifiers to be able to trace material back to its origin to verify sustainability claims, the volume of Dutch UCO has decreased to realistic levels and there is greater assurance that virgin oils are not being passed off as wastes*." However, suppliers have been legally obliged to ensure the accuracy of their feedstock reports first to the Renewable Fuel Agency and then the DfT since 2008 and further requirements for verification were introduced when the Renewable Transport Fuel Obligation and the new Fuel Quality Directive were transposed into UK legislation from November 2011 and January 2013 respectively. If, as Ecofys and DfT suspect, inaccurate information about UCO imports was given then this would have been in breach of existing legal requirement and, we presume, fraudulent on the part of biofuel suppliers who have in recent years benefited from double counting of waste biofuels. Yet it appears no action appears to have been taken against any suppliers. We believe that the questions over UCO declarations put the accuracy and reliability of the entire RTFO reporting system into serious doubt. If some biofuels were wrongly declared to have been UCO from the Netherlands, how can anybody be certain that, say biodiesel declared to be made from tallow is not actually be made from Indonesian palm oil?

Finally, we would like to express our serious concerns about DfT's exclusive reliance on Ecofys reports for the RTFO Post Implementation Review. Ecofys is part of Eneco Group,

[1] See for example studies listed at http://www.transportenvironment.org/what-we-do/what-science-says-0
[2] See http://www.fao.org/fileadmin/user_upload/hlpe/hlpe_documents/HLPE_Reports/HLPE-Report-5_Biofuels_and_food_security.pdf and http://www.fao.org/fileadmin/user_upload/hlpe/hlpe_documents/HLPE_Reports/HLPE-Report-5_Biofuels_and_food_security.pdf
[3] See for example http://www.actionaid.org/sites/files/actionaid/fuel_for_thought.pdf
[4] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/266089/ecofys-trends-in-the-uco-market-v1.2.pdf

a Dutch energy company. Biofuels trading is part of Eneco's portfolio, through Eneco Energy Trading[5]. This means that the DfT is relying exclusively on consultancy reports from a company with vested interests in seeing the European (or global) biofuels trade grow.

Questions:

Q 2.1 Do you agree that the RTFO is an effective mechanism to ensure supply of sustainable biofuels in line with Government targets?

No, for the reasons briefly set out above, we believe that the RTFO cannot ensure the sustainability of biofuels.

+ As the problems with UCO reporting in Year 4 confirms, there are no guarantees regarding the accuracy of feedstock reporting and even in this one case, where questions were raised by DfT, no action was taken against any suppliers;

+ 'Verification' of standards being met mainly takes the form of voluntary certification, especially ISCC (66%) and Abengoa RED Bioenergy Sustainability Assurance (9%). ISCC provides no effective monitoring and evaluation at all and transparency is very limited. For example, audit reports are only published on a voluntary basis, if companies agree. The Abengoa RED Bioenergy Sustainability Assurance scheme has no monitoring and evaluation in place at all[6]. This further undermines the reliability of the reports and the conclusions drawn from them;

+ Some of the most serious impacts are indirect impacts, including but not limited to ILUC. The RTFO does not and we believe cannot possibly address those;

+ The majority of biofuels declared to be waste are imported, mostly from countries which themselves depend heavily on land-based biofuels, including palm oil and soya imports. The displacement effect of buying waste biofuels from such countries has not even been considered by DfT;

+A significant amount of UK biofuels are declared to be food crops, especially corn and maize and those are very much linked to higher food prices and indirect land use change.

Q 2.3 Do you have any further comments on the analysis in this chapter?
As discussed above, the reliability of suppliers' reports and thus the conclusions drawn from them is clearly not guaranteed.

Q 3.1 Do you have comments on the methodology used to assess ILUC effects (see Annex A)?
Neither Annex A nor the rest of the consultation paper give any indication of the methodology used to assess ILUC effects. We have been forwarded an email by Samiul Chowdhury of DfT sent to Friends of the Earth, which explains how the average biodiesel and ethanol ILUC factors were calculated. None of this has been published and consulting on an unpublished methodology appears quite improper to us.

Furthermore, Samul Chowdhury has admitted for Friends of the Earth that the ILUC factors used are actually wrong: They were supposed to have been taken from a

[5] http://www.eneco.com/en/organisation/eneco-group/#tab5
[6] http://wwf.panda.org/?212777/Europes-biofuels-not-guaranteed-sustainable-finds-new-study

European Commission document (for which the wrong url is given in the consultation paper), but the figures are different from those found in that document.

Calculating average ILUC factors by adding those of different feedstocks and dividing them equally, regardless of the actual proportion of different feedstock used, as DfT has done, seems entirely unscientific.
Although the IFPRI-Mirag-Biof model is widely regarded as the best available science on ILUC, its relatively low ILUC factors for ethanol are based on the assumption that one quarter of the calories from grains diverted from food to biofuels will not be replaced because people poorer countries will be unable to afford higher food prices and will thus eat less and less well. Optimistic ILUC factors thus reflect the expectation that more people will go hungry[7].

Q 3.2 Do you have evidence indicating whether the GHG performance of biofuels delivered under the RTFO will improve or worsen in the period to 2020 (including the effects of ILUC)?

The Ecofys UCO report illustrates the limits to increasing UCO supplies in future. If the RTFO target was further raised, this would therefore mean more land-based biofuels being burned, which will result in more direct and indirect land use change and associated ghg emissions (assuming that feedstocks are in future correctly declared which appears questionable).

Q 5.4 Do you consider that there have been unintended consequences as a result of the RTFO amendments to include mandatory GHG and sustainability criteria?

Given the complete lack of any credible monitoring and evaluation and the evidence of misrepresentations by suppliers, we believe that few meaningful conclusions can be drawn about the actual origin and the direct impacts of UK biofuel supplies.

The fact that indirect impacts are not being addressed in any way further undermines any claims regarding ghg and sustainability 'benefits' of biofuels.

Q 6.4 Do you consider that there have been any unintended consequences as a result of the double counting of waste based biofuels in the RTFO?

Firstly, since double counting was implemented, concerns about inaccurate feedstock declarations have been raised even by DfT. This raises the question whether double counting of waste-based biofuels, in the absence of effective monitoring, evaluation and enforcement, is simply an invitation to fraud.

Secondly, most UCO burnt in UK biofuels is imported, some of it from other continents and nearly all from countries which themselves use land-based biofuels. Long-distance trade in UCO appears highly undesirable and likely linked to increased virgin biofuel use elsewhere, with serious consequences in terms of land use change.

Q 7.6 How would you develop the RTFO further?

We believe that the RTFO must be abolished and that under no circumstances must the blending target be further increased.

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7 http://www.foeeurope.org/sites/default/files/press_releases/searchinger_paper_foee_briefing_understanding_biofuel_trade-offs_july2013.pdf