

# LETTERS

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## How to create a future for biofuels

Liquid biofuels – ethanol and ‘biodiesel’ – have captured the worldwide and European fascination as renewable energy for the transport sector, but the tide seems to be turning now that people are realising the inherent challenges of leaping into a liquid biofuels policy in the absence of adequate consideration of the down-stream results.

Faced with questions about the impacts on food chain products and prices, changes in land use and deforestation at the hands of liquid biofuels producers, the European Parliament, in the fuel quality directive and the renewable resource directive, is struggling with the harshest reality of the March 2007 policy to replace 10% of transport sector petroleum with renewable biofuels by 2020: creating a legislative definition of ‘sustainability’ that distinguishes between ‘good’ renewable biofuels and those that have negative environmental effects and higher social costs than ordinary petrol and diesel.

The 10% renewable target can be salvaged without getting into the cloudy issue of sustainability if EU decision makers redefine biofuels to include biogas and rethink the structure of its financial incentives for liquids.

For legislative purposes the methodology to determine ‘sustainability’ must be defensible and simple to understand without being overly simplistic. The definition must identify measurable, attributable impacts and be implementable and enforceable.

But proving a direct causal relationship of large-scale, worldwide production of biofuels on world food prices, for example, is hard



**GOING GREEN** Biogas can be used for electricity generation or it can be upgraded to ‘biomethane’ for vehicles. EC

if not impossible because there are many other intervening variables such as the price of oil, yearly weather changes affecting harvest yields, increased demand from emerging economy countries, and general economic inflation, to mention a just a few.

Political decision makers must alter their overly enthusiastic policies on liquid biofuels and address the sustainability issue by changing the composition of the 10% renewables, create market-based financial subsidies for bio-liquids, and focus on building a bio-gas infrastructure that ad-

dresses waste management problems and offers an environmentally preferable substitute for petroleum.

Lower targets for liquid biofuels replacement/blending. Target percentages for liquid biofuels must be lowered to a more achievable level from European sources. The addition of 2-5% ethanol in gasoline, for example, is less onerous than 10% or more. More than 10% ethanol requires that the vehicles be built as fuel flexible vehicles (FFVs) with modified fuel system and engine materials to avoid corrosion.

Financial incentives for

biofuels should be market-based. Ultimately biofuels will have to stand on their own economic merit without subsidies. Monetary incentives to farmers or fuel producers should decline proportionately as the market penetration increases. This prevents the creation of an economic ‘false bottom’ for renewable liquid fuels that, at this moment, cost as much as or more than gasoline on an energy-equivalent basis.

Though not stated as policy from the outset, this began to happen in the EU. In 2004 the EU allocated €90 million at €45 per hectare to

grow biofuel crops. In 2007 applications to subsidize liquid biofuel crops increased to 2.84 million hectares from just 0.31 mh in 2004. To avoid over-running the €90 million budget the subsidy was adjusted to apply to €45 per hectare for just over 70% of the requested land used for biofuels. If formalised and planned, such a policy begins to make sense although a direct link to market share makes more sense and can be planned for the long term.

Support gaseous biofuels to achieve the remaining portion of the total 10% target. Percentages decreased

for liquid biofuels can be replaced by renewable biogas. Biogas can be used for electricity generation or it can be upgraded to ‘biomethane’ for transportation applications, or even used as a renewable feedstock to produce hydrogen. Biogas, with a conversion efficiency of 50-70%, has the potential to replace 20-30% of the petroleum in the transport sector by 2030, something now only an aspiration for so-called second generation bio-liquids. Biomethane made from agricultural waste, sewage, or urban garbage is a 100% sustainable European fuel. This strategy also addresses municipal and agricultural waste management concerns and simultaneously supports the energy security objectives of the EU as well as its environment policies. A natural gas vehicle reduces CO<sub>2</sub> over a gasoline car by 20-30% and, running on biomethane, reduces CO<sub>2</sub> on a well-to-wheel basis by more than 100%. Sweden now runs half of its 15,000 natural gas vehicles on renewable biomethane and Madrid has a growing fleet of 200 refuse trucks running on biomethane made from the garbage they collect. (Naples, take a lesson!)

Support to create a European biogas production infrastructure addresses a multitude of waste management, water quality and pollution concerns and eliminates the sustainability issue without throwing out the biofuels baby with the bathwater.

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