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Report Name: Call for Technology Neutrality Dominates Fuel of the Future Congress

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Report Highlights:

The 18th edition of the annual, international "Fuels of the Future" congress was held on January 18-22, 2021, in a purely digital format, due to the COVID-19 pandemic. Hot topics included the EU's renewable energy directive RED II and its transposition into German national law; biofuels and its alternatives (e-mobility, hydrogen, electricity-based fuels); and market conditions for biofuels and their feedstocks. Multiple speakers stressed that governments should remain neutral regarding which technologies to use for achieving greenhouse gas (GHG) emission reduction goals. They criticized the trend of favoring e-mobility over other options and demanded that sustainable biofuels must continue to play an important role in the foreseeable future.

The 18th edition of the annual, international "Fuels of the Future" congress was held on January 18-22, 2021, in a purely digital format, due to the COVID-19 pandemic. The congress included a mixture of political and technical sessions. It was organized by the following five associations from the German biofuels sector: German Bioenergy Association (BBE), Association for the Promotion of Oil and Protein Plants (UFOP), Federal Association of the German Bioethanol Industry (BDBe), German Biofuel Industry Association /VDB), Professional Association Biogas (FvB). More details and the conference program are available at www.fuels-of-the-future.com/en.

The event consisted of 15 forums in which over 70 experts from the biofuels sector; the mineral oil, automotive and chemical industries; the mobility, logistics and transport sector; scientists; and politicians presented strategies, concepts, and measures for greater climate change mitigation in the transport sector. They also discussed policy developments like the EU renewable energy directive RED II and its transposition into German national law. Additionally, speakers from around the globe presented on developments in their countries. The United States was represented by two speakers. Patrick Serfass, with the American Biogas Council, talked about the development of biomethane projects and Brian Healy, with the U.S. Grains Council, explained the role of the United States in the global bioethanol market. The 560 participants from 26 countries were able to pose their questions via the slido app chat function and network with one another via their attendee profile.

The following re-occurring themes emerged during multiple presentations:

Call on Policy Makers to Remain Technology Neutral

Several speakers directly or indirectly criticized the German government for favoring e-mobility[1] over other options to reduce greenhouse gas (GHG) emissions. They argued that:

- E-mobility is a promising option, but in itself is not sufficient to achieve the GHG reduction goals and all options are needed.
- Not all consumers will be able or willing to buy an electric car in the next ten years.
- Combustion engines will continue to have a significant share in the German vehicle mix for the foreseeable future. Low carbon fuels, such as biofuels, hydrogen, e-fuels, and biomethane, will be needed for these vehicles.

[1] In this context, electric or e-mobility refers to the use of vehicles that are powered by electricity. It does not include the use of vehicles powered by a combustion engine that run on e-fuels (fuels generated with the use of electricity.)

Call for Modification of German GHG Saving Mandates

The German draft RED II transposition law[2] proposes the following GHG emission saving mandates:

	Current Mandate	Proposed Mandates by Year					
		2022	2023	2024	2026	2028	2030
Minimum GHG saving	6 %	6.5 %	7 %	8 %	10%	14.5 %	22 %

While speakers were pleased with the fact that there is an increase, many demanded a higher increase and/or the increases to be more linear rather than towards the end of the period. This would provide a stronger incentive for the development of advanced fuels.

Criticism of Multiple Counting Rules in Draft RED II Transposition Law

The draft text of the law to transpose the RED II into national German law includes a provision for triple counting of electricity used in electric vehicles and double counting for hydrogen and electricity based (PtX) fuels. The BBE, VDB and Prof. Dr. Thomas Willner (with the Hamburg University of Applied Sciences) criticized the double and triple counting of select fuels/engines as advanced mathematics to fulfill the goals on paper and pointed out that multiple counting did not result in any additional GHG emission saving. Instead, they would drive other alternative fuels out of the market.

GHG Emission Calculation Method Should be Equal for All Options

Multiple speakers expressed their disappointment with the fact that e-mobility is credited with zero GHG emissions regardless of how the electricity was generated[3]. In contrast, first generation biofuels are attributed with all GHG emissions in the supply chain, even those for the by-products, such as rapeseed meal.

[2] For the TRIS notification of the law to the European Commission see https://ec.europa.eu/growth/tools-databases/tris/de/search/?trisaction=search.detail&year=2021&num=11

[3] i.e., whether the electricity was generated with hydropower or by burning coal.

Key statements from the session dedicated to climate protection policy

Artur Auernhammer, Member of the German Bundestag[4] and Chairman of the Board of the German Bioenergy Association (BBE), emphasized in his opening speech that there is no alternative to biofuels when shaping and further developing a sustainable transport and climate protection policy in the coming decades. He called for "a spirit of openness to technological options in the political design of future climate protection policy. Without sustainable biofuels, the level of GHG emissions per annum in the transport sector would be almost 10 million MT CO2-equivalent higher." He pointed out that "other promising measures such as e-mobility, hydrogen, and other electricity-based fuels will only have a tangible effect on climate change mitigation after 2030" and concluded that sustainable biofuels will need to be a "part of the toolbox for climate protection policy in [the] coming decades."

Parliamentary State Secretary[5] Steffen Bilger represented the **Federal Ministry of Transport and Digital Infrastructure (BMVI)** and addressed the importance of alternative fuels in the German Federal Government's 2030 Climate Change Program. "The GHG reduction targets for transport are ambitious and demanding yet feasible. In addition to battery-based electric mobility, renewable fuel options are indispensable in this context, especially hydrogen, e-fuels, and advanced biofuels." He announced that the German government has earmarked 1.5 billion Euro in funding for the support of the market ramp-up of these fuels, development projects, and production facilities between 2021-2024.

Hildegard Müller, President of the **German Association of the Automobile Industry (VDA),** called for the Bundestag and the federal states to significantly increase the targets for the GHG reduction quota during the legislative process in order to trigger further investment in renewable fuels. She also demanded that biofuels be counted against the CO2-fleet targets.

Karsten Schulze, Chief Technical Officer of the **German Car Owner Association (***Allgemeiner Deutscher Automobil-Club e. V.,* ADAC) assessed national and EU biofuel policy in the context of climate change mitigation targets in transport and expressed the following core demand: "If we want to make rapid progress on transport-sector decarbonization, we need alternative fuels as well as boosting electromobility. That is the only way to involve all car owners in Germany by responding to the realities of their daily lives, thus ensuring that they are on board as we move towards greater climate change mitigation in the transport sector."

Prof. Dr. Thomas Willner, Hamburg University of Applied Sciences (HAW Hamburg), underscored that tackling the urgent climate protection challenges in the transport sector must involve all available options in a spirit of openness to a range of different technologies. "We need a transparent and technology-neutral climate protection policy that concentrates on genuine physical GHG reductions

[4] In the German legislative process, the German Bundestag is comparable to the House of Representatives in the United States.

[5] The position of a state secretary is comparable to an Under Secretary in USDA. A parliamentary state secretary also holds a mandate in the German Bundestag at the same time.

across the entire global value chain. The political regulatory framework must ensure that all potential solutions, which must include sustainable alternative fuels, ranging from biofuels or waste-based fuels to electricity-based fuels, can compete freely and fairly on a level playing field in the light of their actual performance." He also reminded the audience that "intensive international cooperation in implementation is crucially important as climate change mitigation is a global challenge." Dr. Willner further cautioned against overrating the effect of e-mobility on GHG emission reductions. He urged policy makers to keep in mind that e-mobility could export large amounts of GHG to other countries or sectors (e.g., for battery production, for new infrastructure, or for power production).

Conference Background:

"Fuels of the Future" is normally a two-day in-person event in Berlin. This year, for the first time, the conference was turned into a five-day digital format, due to the COVID-19 pandemic. The congress was attended by 560 participants from 26 countries and was organized by the following five associations from the German biofuels sector: German Bioenergy Association (BBE, www.bioenergie.de), Association for the Promotion of Oil and Protein Plants (UFOP, www.ufop.de), Federal Association of the German Bioethanol Industry (BDBe, www.bdbe.de), German Biofuel Industry Association (VDB, www.biokraftstoffverband.de), Professional Association Biogas (FvB, www.biogas.org).

The 19th Conference on Renewable Mobility "Fuels of the Future 2022" is scheduled for January 24-25, 2022, in Berlin. Further information is available at: www.fuels-of-the-future.com/en

Attachments:

No Attachments.