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Reaction of the European Power Plant Suppliers to the ENVI Committee REDII Draft Opinion – Advanced Synthetic Fuels –

EPPSA supports the EU’s energy targets for 2030 and beyond, as well as its ambition to become a global leader in renewable energy, including dispatchable renewable energy sources (RES) such as biomass or advanced bioenergy using renewable electricity as input. EPPSA also acknowledges the importance of renewable energy sources’ contributions to the environment through the reduction of greenhouse gas emissions and promotes energy production with high efficiency technology in the Renewable Energy Directive (COM(2016) 767 final/2).

But the potential for cross–sectoral integration as well as the decarbonisation of other sectors by using advanced synthetic fuels as energy vectors need to be tackled if the 2050 targets want to be achieved.

EPPSA urges EU policy–makers to take the following recommendations into consideration when reviewing the Directive:

- **Include sectoral integration in the toolbox of decarbonisation**, increasing the efficiency of the energy system, by linking e.g. renewable electricity and transport.
- **Define advanced synthetic fuels and grasp the decarbonisation potential they have in a carbon constrained environment.** By utilising the energy content of those fuels in a more efficient way these advanced synthetic fuels contribute to increased GHG savings.

With these key points in mind, EPPSA puts forward the following specific recommendations to be taken into account when reviewing the Directive:

Commission Proposal 30/11/2016	ENVI Draft Opinion Proposed Amendments 02/06/2017	Amendment Proposal 04/07/2017
<p>Recital (3) In particular, increasing technological improvements, incentives for the use and expansion of public transport, the use of energy efficiency technologies and the promotion of the use of energy from renewable sources in the electricity, heating and cooling sectors as well as in the transport sector are very effective tools, together with energy efficiency measures, for reducing</p>		<p>Amendment proposal In particular, increasing technological improvements, incentives for the use and expansion of public transport, the use of energy efficiency technologies and the promotion of the use of energy from renewable sources in the electricity, heating and cooling and <i>transport sectors as well as in energy intensive industries (so called sectoral integration, ie. the integration of power, heat and transport) via e.g. energy storage</i> are very effective tools together with energy efficiency measures for reducing greenhouse gas emissions in the Union and the Union's dependence on imported gas and oil.</p>

<p>greenhouse gas emissions in the Union and the Union's dependence on imported gas and oil.</p>		<p>Justification Sectoral integration is increasingly important for a more efficient energy system, which goes beyond the electricity system. Energy storage is amongst the solutions available and the importance of sectoral integration should be acknowledged.</p>
<p>Recital (26) To create opportunities for reducing the cost of meeting the Union targets laid down in this Directive and to give flexibility to Member States to comply with their obligation not to go below their 2020 national targets after 2020, it is appropriate both to facilitate the consumption in Member States of energy produced from renewable sources in other Member States, and to enable Member States to count energy from renewable sources consumed in other Member States towards their own renewable energy share. For this reason, cooperation mechanisms are required, to complement the obligations to open up support to projects located in other Member States. Those flexibility measures mechanisms include take the form of statistical transfers, joint projects between Member States or joint support schemes.</p>		<p>Amendment proposal To create opportunities for reducing the cost of meeting the Union targets laid down in this Directive and to give flexibility to Member States to comply with their obligation not to go below their 2020 national targets after 2020, it is appropriate both to facilitate the consumption in Member States of energy produced from renewable sources in other Member States, and to enable Member States to count energy from renewable sources consumed in other Member States towards their own renewable energy share. For this reason, cooperation mechanisms are required, to complement the obligations to open up support to projects located in other Member States. Those mechanisms include statistical transfers, joint projects between Member States, <i>including sectoral integration projects</i> or joint support schemes. Justification Sectoral integration is increasingly important for a more efficient energy system, which goes beyond the electricity system. Sectoral integration projects will contribute to a more cost-efficient energy system.</p>
<p>Recital (65) The promotion of low carbon fossil fuels that are produced from fossil waste streams can also</p>	<p>Amendment 13 The promotion of low carbon fossil fuels that are produced from fossil waste streams can also contribute towards the policy</p>	<p>Amendment proposal The promotion of low carbon fossil fuels <i>and advanced synthetic fuels</i> that are produced from fossil waste streams <i>industrial by-product/residues with a useful energy content and/or low</i></p>

<p>contribute towards the policy objectives of energy diversification and transport decarbonisation. It is therefore appropriate to include those fuels in the incorporation obligation on fuel suppliers.</p>	<p>objectives of energy diversification and transport decarbonisation. Member States should consider incorporating fuels in the policies they introduce to implement the obligation on fuel suppliers. The Commission should assess further incentives for such fuels in the context of policies for decarbonisation of the transport sector and circular economy.</p>	<p>carbon electricity can also contribute towards the policy objectives of energy diversification and transport decarbonisation. Member States should consider incorporating fuels in the policies they introduce to implement the obligation on fuel suppliers. The Commission should assess further incentives for such fuels in the context of policies for decarbonisation of the transport sector and circular economy. Justification By-products from industrial processes such as hydrogen are today combusted to generate steam and/or electricity according to Best Available Techniques. The efficiency of the conversion of these by-products into advanced synthetic fuels is much higher than their combustion efficiency into electricity. The greenhouse gas saving potential of advanced synthetic fuels should be taken into consideration. This concept also supports the idea of sectoral integration.</p>
<p>Recital (79)</p> <p>The minimum greenhouse gas emission savings threshold for biofuels and bioliquids produced in new installations should be increased in order to improve their overall greenhouse gas balance as well as to discourage further investments in installations with a low greenhouse gas emission savings performance. This increase provides investment safeguards for biofuels and bioliquids production capacities.</p>	<p>Amendment 22</p> <p>The minimum greenhouse gas emission savings threshold for biofuels and bioliquids produced in new installations should be increased in order to improve their overall greenhouse gas balance. Similarly, the modernisation of installations with a low greenhouse gas emission savings performance should be encouraged by setting a higher threshold for all installations as of 2025.</p>	<p>Amendment proposal</p> <p>The minimum greenhouse gas emission savings threshold for biofuels and bioliquids produced in new installations should be increased in order to improve their overall greenhouse gas balance as well as to discourage further investments in installations with a low greenhouse gas emission savings performance. This increase provides investment safeguards for biofuels and bioliquids production capacities. Justification The Commission’s proposal aims to provide security for investors. We have already seen a substantial reduction of investments in the sector due to similar changes made to the market in the past 10 years. Sustainability and GHG saving criteria are already introduced in this recast and should prove to be enough. A revision of this should only take place in 2030 after an adequate impact assessment.</p>
<p>Article 2 Definitions</p>		<p>Amendment proposal vv. ‘sectoral integration’ means the</p>

		<p><i>integration of the power sector with the transport and the heating and cooling sectors via the use of energy technologies and energy carriers to achieve European climate and energy goals;</i></p> <p>Justification Sectoral integration is increasingly important for a more efficient energy system, which goes beyond the electricity system. The importance of sectoral integration should be acknowledged.</p>
<p>Article 2 Definitions</p>		<p>Amendment proposal <i>ww. ‘Advanced synthetic fuels’ means fuels from industrial by-product/residues with an useful energy content and which are today, according to Best Available Techniques, flared or combusted to produce electricity and/or heat.</i></p> <p>Justification By-products from industrial processes such as hydrogen are today combusted to generate steam and/or electricity according to Best Available Techniques. The efficiency of the conversion of these by-products into advanced synthetic fuels is much higher than their combustion efficiency into electricity. The greenhouse gas saving potential of advanced synthetic fuels should be taken into consideration. This concept also supports the idea of sectoral integration.</p>
<p>Article 4 Financial support for electricity from renewable sources</p> <p>2. Support for electricity from renewable sources shall be designed so as to integrate electricity from renewable sources in the electricity market and ensure that renewable energy producers are responding to market price signals and maximise their market revenues.</p>		<p>Amendment proposal Support for electricity from renewable sources shall be designed so as to integrate electricity from renewable sources in the electricity market, <i>to establish sectoral integration and cross-sectoral energy storage</i> and ensure that renewable energy producers are responding to market price signals and maximise their market revenues.</p> <p>Justification Sectoral integration and cross-sectoral energy storage is increasingly important for a more efficient energy system, which goes beyond the electricity system and for the intake of RES in</p>

		<p>other sectors. The importance of sectoral integration should be acknowledged.</p>
<p>Article 7 Calculation of the share of energy from renewable sources</p> <p>4. For the purposes of paragraph 1(c), the following provisions shall apply:</p> <p>(a) The gross final consumption of energy from renewable sources in transport shall be calculated as the sum of all biofuels, biomass fuels and renewable liquid and gaseous transport fuels of non-biological origin consumed in the transport sector. However, renewable liquid and gaseous transport fuels of non-biological origin that are produced from renewable electricity shall only be considered to be part of the calculation pursuant to paragraph 1(a) when calculating the quantity of electricity produced in a Member State from renewable energy sources.</p>		<p>Amendment proposal</p> <p>4. For the purposes of paragraph 1(c), the following provisions shall apply:</p> <p>(a) The gross final consumption of energy from renewable sources in transport shall be calculated as the sum of all biofuels, biomass fuels and renewable liquid and gaseous transport fuels of non-biological origin consumed in the transport sector. However, renewable liquid and gaseous transport fuels of non-biological origin that are produced from renewable electricity shall only be considered to be part of the calculation pursuant to paragraph 1(a) when calculating the quantity of electricity produced in a Member State from renewable energy sources.</p> <p><i>However, this calculation should be made without prejudice to the calculation of the minimum shares of energy from renewable transport fuels of non-biological origin in Annex X, part B, following article 25.</i></p> <p>Justification</p> <p>To provide guidance and clarity concerning the links between article 7 and article 25.</p>
<p>Article 25 Mainstreaming renewable energy in the transport sector</p> <p>1. With effect from 1 January 2021, Member States shall require fuel suppliers to include a minimum share of energy from advanced biofuels and other biofuels and biogas produced from feedstock listed in Annex</p>	<p>Amendment 37</p> <p>With effect from 1 January 2021, Member States shall require fuel suppliers to include a minimum share of energy from advanced biofuels and other biofuels and biogas produced from feedstock listed in Annex IX, from renewable liquid and gaseous transport fuels of non-biological origin and from renewable electricity in the total amount of</p>	<p>Amendment proposal</p> <p>1. With effect from 1 January 2021, Member States shall require fuel suppliers to include a minimum share of energy from advanced biofuels and other biofuels and biogas produced from feedstock listed in Annex IX, from renewable liquid and gaseous transport fuels of non-biological origin, from <i>advanced synthetic fuels</i> and from renewable electricity in the total amount of transport fuels they supply for consumption or use on the market in the</p>

<p>IX, from renewable liquid and gaseous transport fuels of non-biological origin, from waste-based fossil fuels and from renewable electricity in the total amount of transport fuels they supply for consumption or use on the market in the course of a calendar year.</p>	<p>transport fuels they supply for consumption or use on the market in the course of a calendar year.</p> <p>Justification It is not appropriate to include fossil fuels mandates - even waste based - to the Renewable Energy Directive. The Rapporteur considers that waste-based fossil fuels should be promoted through other instruments in the context of Union Circular Economy Strategy, and has included an amendment to the effect in the review article (Article 30 – paragraph 2 a (new)).</p>	<p>course of a calendar year.</p> <p>Justification By-products from industrial processes such as hydrogen are today combusted to generate steam and/or electricity according to Best Available Techniques. The efficiency of the conversion of these by-products into advanced synthetic fuels is much higher than their combustion efficiency into electricity. The greenhouse gas saving potential of advanced synthetic fuels should be taken into consideration. This concept also supports the idea of sectoral integration.</p>
<p>Article 25 Mainstreaming renewable energy in the transport sector – paragraph 1 – subparagraph 4 – point a</p> <p>a) for the calculation of the denominator, that is the energy content of road and rail transport fuels supplied for consumption or use on the market, petrol, diesel, natural gas, biofuels, biogas, renewable liquid and gaseous transport fuels of non-biological origin, waste-based fossil fuels and electricity, shall be taken into account;</p>	<p>Amendment 40 a) for the calculation of the denominator, that is the energy content of road and rail transport fuels supplied for consumption or use on the market, petrol, diesel, natural gas, waste-based fossil fuels and electricity, shall be taken into account;</p> <p>Justification In order to simplify the implementation, the incorporation obligation should be calculated as a share of fossil fuels for transport.</p>	<p>Amendment proposal a) for the calculation of the denominator, that is the energy content of road and rail transport fuels supplied for consumption or use on the market, petrol, diesel, natural gas, biofuels, biogas, renewable liquid and gaseous transport fuels of non-biological origin, <i>advanced synthetic fuels</i> and electricity, shall be taken into account;</p> <p>Justification By-products from industrial processes such as hydrogen are today combusted to generate steam and/or electricity according to Best Available Techniques. The efficiency of the conversion of these by-products into advanced synthetic fuels is much higher than their combustion efficiency into electricity. The greenhouse gas saving potential of advanced synthetic fuels should be taken into consideration. This concept also supports the idea of sectoral integration.</p>
<p>Article 25 Mainstreaming renewable energy in the transport sector – paragraph 1 – subparagraph 4 – point</p>	<p>Amendment 41 b) for the calculation of the numerator, the energy content of advanced biofuels and other biofuels and biogas produced from</p>	<p>Amendment proposal b) for the calculation of the numerator, the energy content of advanced biofuels and other biofuels and biogas produced from feedstock listed in Annex IX, renewable liquid and gaseous transport</p>

<p>b</p> <p>b) for the calculation of the numerator, the energy content of advanced biofuels and other biofuels and biogas produced from feedstock listed in Annex IX, renewable liquid and gaseous transport fuels of non-biological origin, waste based fossil fuels supplied to all transport sectors, and renewable electricity supplied to road vehicles, shall be taken into account.</p>	<p>feedstock listed in Annex IX, renewable liquid and gaseous transport fuels of non-biological origin, and renewable electricity supplied to all transport sectors, shall be taken into account.</p> <p>Justification It is not appropriate to include fossil fuels mandates - even waste based - to the Renewable Energy Directive. The Rapporteur considers that waste-based fossil fuels should be promoted through other instruments in the context of Union Circular Economy Strategy, and has included an amendment to the effect in the review article (Article 30 – paragraph 2 a (new)).</p>	<p>fuels of non-biological origin, advanced synthetic fuels and renewable electricity supplied to all transport sectors, and renewable electricity supplied to road vehicles, shall be taken into account.</p> <p>Justification By-products from industrial processes such as hydrogen are today combusted to generate steam and/or electricity according to Best Available Techniques. The efficiency of the conversion of these by-products into advanced synthetic fuels is much higher than their combustion efficiency into electricity. The greenhouse gas saving potential of advanced synthetic fuels should be taken into consideration. This concept also supports the idea of sectoral integration.</p>
<p>Article 25 Mainstreaming renewable energy in the transport sector</p> <p>6. The Commission is empowered to adopt delegated acts in accordance with Article 32 to further specify the methodology referred to in paragraph 3(b) of this Article to determine the share of biofuel resulting from biomass being processed with fossil fuels in a common process, to specify the methodology for assessing greenhouse gas emission savings from renewable liquid and gaseous transport fuels of non-biological origin and waste-based fossil fuels and to determine minimum greenhouse gas emission savings required</p>		<p>Amendment proposal</p> <p>6. The Commission is empowered to adopt delegated acts in accordance with Article 32 to further specify the methodology referred to in paragraph 3(b) of this Article to determine the share of biofuel resulting from biomass being processed with fossil fuels in a common process, to specify the methodology for assessing greenhouse gas emission savings from renewable liquid and gaseous transport fuels of non-biological origin and advanced synthetic fuels and to determine minimum greenhouse gas emission savings required for these fuels for the purpose of paragraph 1 of this Article.</p> <p>Justification By-products from industrial processes such as hydrogen are today combusted to generate steam and/or electricity according to Best Available Techniques. The efficiency of the conversion of these by-products into advanced synthetic fuels is much higher than their combustion efficiency into electricity.</p>

<p>for these fuels for the purpose of paragraph 1 of this Article.</p>		<p>The greenhouse gas saving potential of advanced synthetic fuels should be taken into consideration. This concept also supports the idea of sectoral integration.</p>
	<p>Amendment 73 Article 30 – paragraph 2 a (new) 2a. By 31 December 2018, in the context of policies for decarbonisation of the transport sector and the circular economy, the Commission shall publish a report, accompanied with legislative proposals as appropriate, on promoting waste-based fossil fuels for transport.</p> <p>Justification This amendment is inextricably linked to amendments to Article 25(1).</p>	<p>Amendment proposal By 31 December 2018, in the context of policies for decarbonisation of the transport sector and the circular economy, the Commission shall publish a report, accompanied with legislative proposals as appropriate <i>such as a recast of the Fuel Quality Directive for post-2020</i>, on promoting <i>advanced synthetic fuels</i> for transport.</p> <p>Justification An adequate recast of the FQD would be a suitable legal framework to avoid additional red tape. By-products from industrial processes such as hydrogen are today combusted to generate steam and/or electricity according to Best Available Techniques. The efficiency of the conversion of these by-products into advanced synthetic fuels is much higher than their combustion efficiency into electricity. The greenhouse gas saving potential of advanced synthetic fuels should be taken into consideration. This concept also supports the idea of sectoral integration.</p>
<p>Annex X. Part B Minimum shares of energy from advanced biofuels and biogas produced from feedstock listed in Annex IX, renewable transport fuels of non-biological origin, waste-based fossil fuels and renewable electricity, as referred to in Article 25(1)</p>		<p>Amendment proposal Annex X. Part B Minimum shares of energy from advanced biofuels and biogas produced from feedstock listed in Annex IX, renewable transport fuels of non-biological origin, <i>advanced synthetic fuels</i> and renewable electricity, as referred to in Article 25(1)</p> <p>Justification By-products from industrial processes such as hydrogen are today combusted to generate steam and/or electricity according to Best Available Techniques. The efficiency of the conversion of these by-products into advanced synthetic fuels is much higher than their combustion efficiency into electricity. The greenhouse gas saving potential of</p>

		<p>advanced synthetic fuels should be taken into consideration. This concept also supports the idea of sectoral integration and removes must-run electric plants from the market opening capacity to for RES.</p>
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The European Power Plant Suppliers Association (EPPSA) is the voice, at European level, of companies supplying power plants, their components and related services. EPPSA members, located throughout Europe, represent a leading sector of technology with more than 100 000 highly-skilled employees.

EPPSA actively promotes awareness of the importance of flexible and efficient, state-of-the-art thermal power generation and its crucial contribution to ensuring a clean, secure and affordable energy supply.

Virtually all thermal power plants in the EU are built by members of EPPSA or equipped with their components, and provide around 50% of Europe's electricity. EPPSA members provide the most advanced thermal power technologies in the world.



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