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Energy research Centre of the Netherlands

elobio

Press release

Pitfalls and policy options concerning biofuels, commodity markets and global sustainability

On march 16, Ayla Uslu, coordinator of the ELOBIO project, will present the key conclusions of the project, commissioned by the EU's Intelligent Energy Europe programme.

Some of the key findings are:

- Issues will arise if biofuels are deployed rapidly and without careful additional measures. Implementing global biofuel targets for 2020 can increase crop prices and cause land use changes that lead to limited green house gas savings.
- Options are available to overcome these negative effects: increase in agricultural productivity can provide additional stimulus for biofuels development. Second generation biofuels that use residues and energy crops produced on marginal lands may help overcome the risks and negative impacts of current biofuel chains.
- The introduction of these biofuels requires significant support on several policy levels.

Implementing ambitious global biofuel targets for 2020 based on current first generation technologies can push international agricultural commodity prices upwards, even with the by-products that substitute animal feed. Furthermore, land use change both through converting land to produce biofuels, and by displacing activities to other areas may decrease and even turn any greenhouse gas emission reductions into net increases of emissions.

However, measures to reduce these risks and negative impacts are at hand. Policy measures that stimulate higher agricultural productivity can increase supply and reduce future land demand for food, feed and fuels. Sustainable yield increases in regions like sub-Saharan Africa would improve regional food security and free up land for biofuels development.

Second generation biofuels produced from residues and crops cultivated on marginal lands will not compete with food crops and they are expected to provide a substantial contribution to reducing greenhouse gas emissions**.** However, those technologies are still at a demonstration stage. Bringing them to the market requires policy measures that take into account their risk profiles and create favourable and stable investment climate. High investment subsidies, for instance, can overcome the initial investment barriers.

Lignocellulosic feedstocks will also be demanded by the energy sector to produce renewable electricity and heat, in addition to the forest-based industries. Yet, strategies and policies like combining production of biofuels and heat can enable the efficient use of resources. Besides, linking second generation biofuels with district heating systems can improve the cost competitiveness of second generation technologies. Improving the sustainable supply of wood raw materials and avoiding restrictions on the export of sustainable wood resources to the EU are other important strategies to follow.

The two-year Elobio project is coordinated by the Energy research Centre of the Netherlands, and implemented by a consortium of seven European institutes with different disciplinary backgrounds. The team will officially present the final results in a press meeting on March 16, during the World Biofuel Markets conference in Amsterdam.

Only for press

You are invited to come to the press meeting at March 16th 2010, 14.00 - 15.00, World Biofuels Markets Congress: press room. The press room is located on the ground level of the RAI in the Forum Foyer. Access is via Hall 10, room number E002. If you plan to come, please send an e-mail with your contact information to demaar@ecn.nl with subject press meeting Elobio.

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