

EWABA calls for urgent action to stop imports of potentially dubious Chinese biodiesel

"Nearly half of EU waste-based and advanced biodiesel plants are currently halted or operating considerably below their normal production"

To:

Frans Timmermans, Executive Vice-President for European Green Deal, European Commission Valdis Dombrovskis, Executive Vice-President and Commissioner for Trade, European Commission Kadri Simson, Commissioner for Energy, European Commission Thierry Breton, Commissioner for Internal Market, European Commission Ditte Juul-Jorgensen, Director General of DG ENER, European Commission Sabine Weyand, Director General of DG TRADE, European Commission Nina Paffenholz, Head of Unit 523, German Federal Office for Agriculture and Food (BLE) Dr. Anita Breyer, Head of Department C, German Federal Ministry for the Environment Bernt Farcke, Head of Department 5, German Federal Ministry of Food and Agriculture Vivian Koura, Head of Renewable Energy for Transport, Dutch Emissions Authority (NEa) Kees van der Burg, Director General Mobility, Dutch Ministry of Infrastructure and Water Management (IenW) **Petrouschka Werther**, Director Mobility, Dutch Ministry of Infrastructure and Water Management (IenW) **CC:**

Andreas Feige, Managing Director of ISCC System

Dear key decision-makers in the European biofuels sector,

We write to call for urgent measures to save the European Waste-based and Advanced Biodiesel industry. As it is publicly known, a recent enormous spike of Chinese exports of biodiesel, with volumes deemed to be potentially fraudulent, has depressed biodiesel markets across the EU. The situation is so dire that currently no less than 11 plants from our members' network have stopped production, while 10 additional plants are operating considerably below their normal production and considering halting in the short term. This represents nearly half of all the plants in our network.

The EU and its Member States have traditionally promoted waste-based and advanced biodiesel on account of their superior qualities in terms of circularity and greenhouse gas emissions savings. This promotion is set to continue in the years to come given the recent political agreements on the revision of the Renewable Energy Directive (REDIII) and the FuelEU Maritime Regulation. However, the promotion to waste-based and advanced biodiesel has to be accompanied by effective policing and worldwide sound auditing and verification practices to ensure that the certification procedures are reliable, thus avoiding dubious or fraudulent activity and its consequent severe damage to EU market dynamics.

Market practices in exporting countries, China in particular, are challenging the EU policy and certification practices. In this context concurrent bold measures should be undertaken by different competent authorities. The promotion of waste-based and advanced biodiesel, substantiated in many Member States by the double counting mechanism should only be granted to products whose sustainability and traceability are beyond doubt. For this reason we believe that:



- 1. Double counting should be discontinued with immediate effect for biodiesel originating in third countries in which witness audits cannot be conducted by Member State authorities and/or integrity audits cannot be conducted by EU voluntary certification schemes.
- 2. The withdrawal of voluntary schemes' certificates to third country exporters must result in retroactive effects with respect to their sales to European buyers in the preceding 3-month period.
- 3. Certificates awarded by Member States (e.g. HBEs in NL) and subsequently found to be earned fraudulently should be withdrawn regardless of any onward sales of those certificates.

If no speedy and effective measures from both the EU and national authorities are urgently taken to safeguard the European waste-based and advanced biodiesel industry, we will soon be on a path which will irremediably spiral into the complete collapse of the EU industry. This would result in deindustrialisation and damaging job losses across Member States while the EU will be in the paradoxical situation of promoting renewable energy produced almost exclusively in third countries to meet RED and FuelEU targets, among other relevant Green Deal instruments.

Many thanks for your kind consideration.

Kind regards,

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About EWABA

EWABA is a Brussels-based association representing the interests of the European waste-based and advanced biofuels industry before EU institutions, national governments, industry, civil society and the media. We promote the inclusion of waste-based and advanced biofuels in the EU fuel mix as a sustainable means of reducing greenhouse gas emissions in EU transport. Our <u>45+ members</u> active in most EU Member States collect and use waste and advanced feedstocks listed in parts A and B of Annex IX of the Renewable Energy Directive (REDII) to produce sustainable biodiesel with the highest GHG savings (up to +90%) when compared with fossil fuels, thus enabling "near-term decarbonization" of the EU road and maritime transport sectors. <u>www.ewaba.eu</u>