RENEWABLE ENERGY ASSOCIATION

Briefing June 2013

UK Biofuels Sector – Key Facts & Figures

Investment

- c. £1 billion to date
- This figure could double if stable policy enabling a stable market, allows planned and potential investment in conventional and advanced biofuels plant to be realised
- The UK sector turnover in 2010/2011 was £485 million

Jobs

- The sector currently employs 3,500 people across 200 companies[i]
- By 2020 it is estimated that the job figure could rise to over 6,000 if investment goes ahead. These are high-value, skilled jobs in the manufacturing sector based on science and engineering

UK Transport Sector

- Transport is responsible for over 25% of all CO_2 emissions in the UK. To decarbonise the transport sector and help to combat climate change the EU Renewable Energy Directive (RED) has set a UK target of 10% renewable transport by 2020
- Currently, liquid biofuels represent 3.8% of the transport sector in the UK, almost entirely from first generation biofuels
- Under the Renewable Energy Directive, 4.4 billion litres of biofuel were supplied under the RTFO from April 2008 – April2011 (figures released March 2012 by DfT)
- In the year 2010/11 the figures for biofuels were as follows[ii]:
    - The largest proportion of biofuel came from the feedstock, used cooking oil (459m litres, 30% of total biofuel supplied)
    - The most widely reported feedstock for a single country for biodiesel was soy from Argentina (196m litres, 22% of biodiesel supplied)
    - The most widely reported feedstock for a single country for bioethanol was US corn (156m litres, 25% of bioethanol). This overtook sugarcane from Brazil (124m litres, 20% of bioethanol supplied)
    - The majority of feedstock has been imported; 22% of the biofuel was reported as coming from UK feedstocks
    - 84% of the fuel reported as coming from UK feedstocks met environmental sustainability standards
    - Greenhouse gas (GHG) savings of 57% were achieved against a Government target of 50%. UK produced biofuels gave a 75% GHG saving

Food & Fuel

Investing circa £350 million in a 1 million tonne wheat facility in the UK producing bioethanol gives:

- c. 60% GHG saving compared to fossil fuel
- 400 million litres of bioethanol
- New sources of high-protein feedstock for the UK's livestock industry in the form of 350,000 tonnes of high-protein animal feed, which can substitute for imported soymeal (itself a source of high GHG emissions)
- 300,000 tonnes of carbon dioxide for the soft drinks and food industry
- Up to 2,000 direct and indirect jobs
- New outlets for UK cereal farmers thereby encouraging increased agricultural productivity

Indirect Land Use Change (ILUC)

- **In October 2012 the European Commission published proposals to manage ILUC.** These proposals are currently under active discussion in the European Council and Parliament.
- **The UK Government supports "ILUC factors"** to account for GHG emissions from ILUC – UK industry does not because:
  - **The ILUC factors proposed by the Commission are currently based on a model that was not designed for the purposes of ILUC** and already the Commission's own Joint Research Centre is revising the factors before the ILUC proposals have even been agreed.
  - **Biofuels used in the UK are some of the most sustainable in the world** and encourage farmers to engage in more sustainable practices so that their crops are open to all markets.
  - **ILUC modelling contains serious flaws and errors** including failing to incorporate the significant benefits of high-protein co-products. This demonstrates the fact that the science of ILUC is still in its infancy and subject to uncertainty, and therefore should not be the foundation of European legislation at this time.
  - **ILUC is not just a phenomenon for the biofuels sector** and one the industry has little control over. This issue is one of overall land use irrespective of the end use product.
  - **Policy should be directed at measures to mitigate ILUC risks** – controls on deforestation, rules on appropriate land use, the production of co-products, as well as the range of carbon and sustainability measures that have yet to be fully applied in EU legislation.
- **Managing ILUC, which is intended to account for GHG emissions, should not be confused with the argument as to whether land should be used for growing feedstocks for fuel.**
- **Land is used for a wide range of end uses** – food, feed, fuel, clothing, cosmetics, buildings, recreation etc. The key is **smart land use** which makes the best of global land resources.
- According to FAO, **one third of the world's food is wasted**[iii] – 1.3 billion tonnes.

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[i] Renewable Energy: Made in Britain
[ii] https://www.gov.uk/government/publications/renewable-transport-fuel-obligation-statistics-obligation-period-4-2011-12-report-6
[iii] FAO "Global Food Losses and Food Waste", 2011 - http://www.fao.org/docrep/014/mb060e/mb060e00.pdf