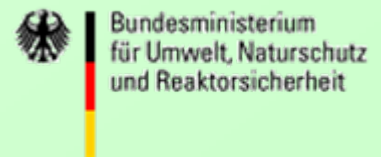


# **Informal Workshop Sustainability Requirements for Biofuels – German Perspectives**

## **The German Biofuel Sustainability Ordinance (BSO): Key Issues**

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# Background I

- “Sustainability Criteria for Bioenergy“ features prominently on the policy agenda in Germany
- Politicians, NGOs, Scientists and others have been discussing the issue for several years
- A general legislative framework is there as far as standards for biofuels are concerned
- The BSO is part of the “Integrated Climate and Energy Programme” from December 2007
- Discussions on sustainability standards for other uses of bio-energy have begun



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# Background II

- The “act on a quota system for biofuels” has entered into force on 01.01.2007.
- It contains provisions that allow the Federal Government to set sustainability criteria for the admixture of biofuels.
- The draft act allows to set requirements
  - for the sustainable use of agricultural land,
  - for the protection of habitats and
  - for the CO2 reduction potential of bio fuels
  - for verification procedures



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# Background III

- The Ministries for Finance, Environment and Agriculture started the preparation of a regulation on sustainability requirements and certification for biofuels.
- Research projects were very helpful analysing current work, possible contributions of existing and evolving certification systems and making proposals for all the difficult detailed questions.
- German government experts and scientists took part in the discussions on EU and international level trying to find common ground.



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# Concept

- The determination of concrete requirements can hardly been done within a government regulation.
- Home production and imports should be covered.
- Verification should make use of existing certification schemes and their experiences.
- To ensure reliability certification schemes and audit bodies would need accreditation by the government
- A phase in period is necessary establishing systems
- Some issues could not be dealt with in the end (e.g. indirect land use, social issues, food security)



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# Overview

- **Chapter 1 - Specifications for biofuels and their production**
  - Recognition of biofuels, sustainable cultivation of land, protection of natural habitats, greenhouse gas reduction potential
- **Chapter 2 - Certification**
  - Certification systems, interfaces, certificates, evidence of conformity, audits, accreditation of certification systems, accreditation of independent audit bodies, suspension and revocation of accreditation of certification systems and independent audit bodies, reporting obligations, supervision
- **Chapter 3 - Miscellaneous provisions**
  - Transmission of data, Fees, DIN and DIN EN Standards, external relations, transition clause, date of entry into force



# *Specifications for biofuels and their production*

## **Section 1 - Recognition of fuels as biofuels**

- (1) Biofuels shall be credited toward the fulfilment of the [quota] provisions [...] and thus eligible for tax relief [...] only if proof can be furnished that
- during the production of the biomass used in their production
    - the requirements regarding sustainable cultivation of agricultural land set forth in Section 2 and
    - the requirements regarding protection of natural habitats set forth in Section 3 are met, and
  - the biofuels exhibit a greenhouse gas reduction potential pursuant to Section 4, paragraph 1.
- (2) The extent of credit [...] shall be granted only in the amount equivalent to the greenhouse gas reduction potential in accordance with Section 4, paragraph 2.



# *Specifications for biofuels and their production*

## **Section 2 - Sustainable cultivation of agricultural land**

- (1) The requirements [...] shall be regarded as fulfilled only where the biomass was produced in accordance with the principles of good practice pursuant to the laws and regulations governing agriculture, forestry and fisheries or in conformity with the rules of cross-compliance.
  
- (2) The requirements [...] shall also be regarded as fulfilled if equivalent laws and regulations regarding the principles of good practice or other comparable laws and regulations (e.g. cross-compliance) are in effect in countries outside the scope of application of this regulation and the biomass used in the production of the biofuels in question was produced there in accordance with these laws and regulations.



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# *Specifications for biofuels and their production*

## **Section 2 - Sustainable cultivation of agricultural land**

(3) The requirements [...] shall also be regarded as fulfilled if, in the absence of the equivalent laws and regulations [...] the following requirements, in particular, with effect on global protectable natural resources are met in producing the biomass used in the production of the biofuels:

1. no significant increase in emissions of acidic, eutrophic, ozone-depleting or toxic substances;
2. no significant deterioration of soil function or soil fertility (e.g. preservation of organic substance, protection against erosion);
3. no significant deterioration of water quality and water supply;
4. no significant deterioration of species and ecosystem diversity and
5. environmentally safe use of fertilizers, pesticides and herbicides.



# *Specifications for biofuels and their production*

## **Section 3 - Protection of natural habitats**

- (1) The requirements pertaining to the protection of natural habitats [...] shall be regarded as fulfilled if the biomass used is not grown in nature reserves or in areas which had been identified as of 1.1.2005 as areas of high natural conservation value (NCV) or subsequently declared as such.
- (2) Areas of high NCV are areas which, as rare ecosystems, have significant NCV or serve as habitats for particularly rare species of plants or animals. These areas are characterized by one or more of the following features:
  - areas which exhibit, in globally or regionally significant levels, accumulations of protectable resources of relevance to biodiversity (e.g. endemic or endangered species, refuges);
  - areas which lie in globally or regional rare, threatened or endangered ecosystems or which encompass such ecosystems;
  - areas which serve fundamental protective functions.



# *Specifications for biofuels and their production*

## **Section 3 - Protection of natural habitats**

(3) Paragraph 1 shall not apply in cases in which cultivation of the biomass is in conformity with the protection objectives of the protected area in question or in which the nature conservation value of an area with a high nature conservation value is not impaired as a result of cultivation of the biomass.

Sentence 1 shall not apply in cases in which forests are converted to agricultural land or plantations.



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# *Specifications for biofuels and their production*

## **Section 4 - Greenhouse gas reduction potential (GGRP)**

- (1) Biofuels must have a greenhouse gas reduction potential of at least 30 % and, from 1.1. 2011, 40 % (base value). The GGRP shall be computed in accordance with the rules set forth in Annex 1. In cases in which specific values are not identified, the values listed in Annex 2 shall be used.
- (2) If the GGRP exceeds the base value, the contribution to the energy quota [...] shall be calculated by multiplying the actual quantity of the biofuel in circulation by a specific computation factor. The computation factor is equivalent [...] to the GGRP, in percent, divided by the average GGRP, in percent, of the biofuels placed into circulation in the previous year to meet the [quota] obligations [...] by all those under obligation; [...]  
The computation factor shall be applied for the first time in 2011.



# *Certification*

## **Section 5 - Certification systems, interfaces**

- (1) A certification system shall establish the specific rules for compliance with the requirements set forth in Sections 1 to 4 [...]
- (2) The facility at which the data required to document compliance with the specific requirements relating to the provisions of Sections 1 to 4 are collected, processed or transmitted for all phases of production, processing and delivery (interface) is the operating facility which produces biofuels from the biomass. If an oil mill precedes this facility in the chain of custody, it shall be regarded as an additional interface. Interfaces must be members of a certification system. [...]



# Certification

## Section 6 – Certificates

- (1) Compliance with the requirements set forth in Sections 1 to 4 shall be shown by way of a certificate issued for a period of one year after the date of the audit [...] by an independent audit body recognized in accordance with Section 10 paragraph 1. The certificate shall be issued to the interfaces. [...].
- (2) Annual average values for greenhouse gas emissions shall be entered in kilograms of carbon dioxide (CO<sub>2</sub> equivalent) per gigajoule of fuel for each interface – itemized by biofuel type and production chain phase – for the purpose of calculating the greenhouse gas reduction potential pursuant to Section 4. [...]
- (4) [Preconditions for issuing a certificate] [...]



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## Section 7 - Evidence of conformity

- (1) Persons under [...] obligations [...] shall furnish evidence of conformity to the requirements set forth in Sections 1 to 4 [...] in the form of an attestation issued to the interface. The attestation named in the first sentence shall contain the following information:
- the contents of the certificate,
  - the energy value of the biofuel quantity to which the attestation refers in gigajoules, and
  - the greenhouse gas reduction potential in kilograms of carbon dioxide (CO<sub>2</sub> equivalent) per gigajoule. [...]
- (2) In the event that the biofuel quantity for which an attestation was issued is subdivided into smaller lots, proof of conformity to the requirements set forth in Sections 1 to 4 shall be furnished in the form of a partial attestation [...].



# *Certification*

**Section 8 – Audits**

**Section 9 - Accreditation of certification systems**

**Section 10 - Accreditation of independent audit bodies**

**Section 11 - Suspension and revocation of accreditation of certification systems and independent audit bodies**

**Section 12 - Reporting obligations**

**Section 13 - Supervision**



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# *Miscellaneous provisions*

## **Section 14 - Transmission of data**

## **Section 15 - Fees**

## **Section 16 - DIN and DIN EN Standards**

## **Section 17 - External relations**

## **Section 18 - Transition clause**

The requirements set forth in Sections 1 to 4 shall apply to biofuels in free circulation after the end of the 16th month following the date of entry into force of this regulation. Applications pursuant to Sections 9 or 10 may be filed with the accreditation authority after the end of the 6th month following the date of entry into force of this regulation.



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## Annex 1

*(Regarding Section 4)*

**Principles to be applied in computing greenhouse-gas reduction potential**

## Annex 2

*(Regarding Section 4)*

**Tables with default values**



# Thank you for your attention



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