

## Opening Statement by James Cogan on behalf of Ethanol Europe and IrBEA, 27 November 2019.

Allow me thank the Chair, Deputy Naughton, and the Members for inviting Ethanol Europe to address the Committee. Ethanol Europe is an Irish organisation which produces climate friendly ethanol for cutting greenhouse gas emissions. IrBEA is the Irish Bioenergy Association.

We believe Ireland should be doing much more in the transport sector to address climate change, both where electromobility is concerned, and where our huge and growing diesel and petrol fleet is concerned.

It is now part of routine conversation among academic and industry leaders to express surprise and concern at the meagre consideration given the matter. In the midst of a climate emergency of immense proportions they expected to be convened to urgent consultations for achieving early progress. Instead there's mostly a vacuum. Today's hearing is very welcome clearly.

Despite the size and growth rate of Ireland's diesel and petrol fleet Ireland has done less than virtually any other country in Europe to cut its carbon emissions in it; little encouragement is given to the oil sector to do more; a blind eye is turned to palm oil being falsely labelled as used cooking oil in our biodiesel; and we see needless delaying of the simple and cost-free measure of introducing E10, the European standard for modern petrol today.

As you know, fossil energy is our biggest source of climate-harming greenhouse gas emissions. In Ireland 40% of our energy related emissions come from diesel and petrol vehicles, and this is increasing both in relative terms and in absolute terms.

Ireland has a fleet of over 2.7 million diesel and petrol vehicles. Last year there were 280,000 new registrations – half brand new and half imported used - and the total grew by 45,000, net of de-registrations. Just one in 70 new registrations was electric or hybrid, and the diesel and petrol fleet actually grew by an amount ten times greater than total sales of electrics.

It will be several years before the diesel and petrol fleet reaches peak size, it will be a couple of decades more before electrics match diesel and petrol, and by that time the total fleet will be close to double the size it is today. As a nation we are guilty on two fronts: We need to do more to build the electric fleet that we would want in an ideal scenario; and we need to take serious action to reduce the carbon footprint of the fleet we have, and that the Irish people continue to invest in.

The latest UN report on climate change - recognizing the scale and longevity of fossil fuel in transport - says that biofuels will need to reach 15% of transport energy if global warming is to be brought under control. Ireland has less than a quarter of this today and aims for the same or less by 2030, according to its recent proposal for the future of the Biofuels Obligation Scheme, which is the country's regulatory instrument for implementing transport bioenergy policy.

In the context of the Paris Agreement the EU has passed legislation which demands 40% cuts in GHG emissions by 2030, and 32% renewable energy, across the economy. Ireland has signed up to this and will have to match those figures. How can it be reasonable then, that our country's new proposal for the Biofuels Obligation Scheme - instead of aspiring to alignment with the Paris Agreement ambitions – essentially goes in the opposite direction? What is proposed currently, is alignment of the Scheme with a

now redundant piece of EU regulation called the Renewable Energy Directive for transport, which – if it were to achieve its maximum imaginable ambition would bring 10% renewables in transport by 2030, but which allows, by way of loopholes and options, unambitious countries to settle for as little as 3 or 4%. Ireland is aiming for the lowest end of the scale under the Biofuels Obligation Scheme – both in volume terms and in terms of quality – with us treating climate action in the diesel and petrol fleet as just an irksome piece of Brussels bureaucracy.

It is frequently noted that Ireland has achieved 7.2% renewable energy in transport to date, under the reporting schema of the Renewables Directive. What doesn't clearly emerge is that nearly half of this figure is actually regular fossil diesel counted as renewable according to the "multiplier" loophole of the Directive, and that much of the other half is comprised of used cooking oil biodiesel which comes from regions where fraud is carried out on a huge scale, with virgin palm oil being falsely labelled as used cooking oil. Only a third of the 7.2% figure is reliable and true, coming from genuine European used cooking oil and tallow, and from sustainable traceable climate friendly ethanol produced by the European farm sector.

Climate progress in the diesel and petrol fleet is a challenge, but it is possible, and there are some measures which can be taken immediately. Ireland could have introduced E10 fuel by now. E10 means 10% ethanol in petrol. France, Belgium, the Netherlands, Germany, Finland, the USA and many other countries have done it already, because E10 cuts GHG emissions, cuts particulates emissions from exhaust pipes, is considerably better for cars than petrol with no ethanol in it, and comes from the sugar and starch of sustainably grown European crops, with no risk of adverse environmental impacts.

To get an idea of how valuable this measure is, just consider that E10 in Ireland will bring the same climate benefits as 100,000 electric cars, it can be done overnight, and it comes at no cost to the consumer or exchequer. In contrast, encouraging 100,000 Irish drivers to buy electric will cost the State 1.1 billion euros in grants and foregone tax revenue. This would be money well spent in my opinion, but why not take the free option too, and adopt E10? Yet instead of jumping at the opportunity of cutting carbon emissions immediately, we currently plan to delay the measure until as far out as 2030.

So what could we do as a country to become more proactive and resourceful?

1. Redesign from scratch the Biofuels Obligation Scheme, which is an extremely valuable regulatory instrument, and use it as a means for progressing our ambitions under the Paris Agreement.
2. Introduce E10 petrol right away. All it requires is some coordination and communication.
3. Set a target for bioenergy in transport commensurate with the UN science report figure of 15% and seek ways of reaching it while maintaining proper qualitative criteria for determining which forms of renewables to allow and which not. The Renewables Directive allowed for low volume and low quality, with loopholes you can drive a bus through. The Paris Agreement is different. Brussels isn't prescribing the regulations under it, so Ireland needs to own the problem from now on, and to do it right.
4. Sustainable crop-based biofuels such as European ethanol will be central, as they are the most scalable and economical forms of bioenergy available for transport. There are substantial "untapped reserves" of them in Europe, they are economical and easy to produce without risk of adverse impacts, and they are compatible with today's fleets of diesel and petrol vehicles. France, Sweden, Austria, Belgium, Luxemburg and many other countries already have crop biofuels contributing 5% or more to transport energy, and Ireland, as an agricultural nation, should aim for that level too (up from its current 0.7%).

5. Biomethane will also play a significant role, as biomethane is an extremely flexible form of bioenergy, both in how it is produced and how it is used. With well-designed policy support biomethane could scale to as much as 3% of Ireland's transport energy needs in little more than a decade.
6. Examine the current mix of biofuels in Ireland's diesel and petrol fleet, and weed out the bad from the good. Traceable genuine European used cooking oil and tallow biofuels should continue to enjoy special status based on their extremely high greenhouse gas savings and contribution to reducing landfill waste, while restrictions should be imposed on imports from countries where the raw materials are not legally classed as waste, and where the governance systems are ineffective in preventing palm oil leaking into the supply chain. Ireland should not be worrying about whether it can achieve an exemption from Brussels from the new anti-fraud cap, instead Ireland should be working to assure that only genuine used cooking oil, that is legally a waste in its country of origin, is allowed under our climate programme.
7. It will be necessary to set up a results-oriented programme development team for transport climate action, with deep technical and regulatory skills. This should be initiated at the earliest possible moment. It should establish from the outset what the costs are for each of the options for cutting carbon emissions in transport, and what the total costs will be when applied at the scale required for meeting our Paris Agreement goals. Ireland is in the process of finalising its National Energy and Climate Plan, as required under Europe's strategy for meeting its Paris Agreement goals, and the lack of clarity and the of lack of costings in this Plan currently, should be a cause for concern.

Thank you for hearing these arguments today. We hope they are of service and we express our interest in contributing to any future government work on climate action in transport.

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