

**Memorandum**  
**submitted by the Associations of the German Biofuel Industries**  
**BDB<sup>e</sup>, UFOP and VDB**  
**concerning the Blending of Biofuels**

**The Associations of the German Biofuel Industries**

**state:**

- The proportion of biofuels in the fuels market has dropped dramatically since 2008, mainly due to the setback of the market for pure biofuels (B100 and vegetable oil).
- The blending of biofuels to fossil fuels cannot compensate the setback of the pure biofuels market.
- The minimum content of 10 % renewable fuels required by the Renewable Energies Directive (2009/28) by 2020 cannot be obtained on the basis of the applicable biofuels regulation under the German Federal Immission Control Act.
- The biofuels regulation applicable under the German Federal Immission Control Act until 2014 does not encourage the use of biofuels with a higher greenhouse gas reduction potential. The greenhouse gas quota effective from 2015 is too low for obtaining a minimum proportion of 10 % biofuels.
- No use is made of the reduction potential of european biofuels, which goes far beyond the minimum requirement of 35 % greenhouse gas reduction required by the Biofuel Sustainability Regulation. Greenhouse gas reductions of approximately 50 % can be obtained with biofuels in the short term and approximately up to 70 % in the medium term.
- The preconditions for the blending of biofuels with certified sustainability certificates as required with effect of 1 July 2010 do not exist. This would require certification of approximately 3000 companies of the biofuel production chain latest by the end of March 2010. Considering the status quo this seems to be impossible.

**propose taking the following action to resolve the situation:**

**1. Raise the minimum content of biofuels**

The biofuel quota which is limited to 6.25 % until 2014 should be raised to 7 % from 2011 and increase in annual steps to 10 % by 2020 (**Annex**).

**2. Raise the obligation for greenhouse gas reductions**

The obligation of reducing the greenhouse gas emission effective from 2015 should be starting 2013 with 4.5 %. The greenhouse gas reduction obligation then increases by 0.5 percentage points every year until in 2020 8% are reached (**Annex**).

**3. Permit higher biofuel proportions**

The blending of 20 % by vol. of bioethanol in gasoline (E20) and 30 % by vol. of biodiesel in truck diesel (B30) should be permitted under the 10<sup>th</sup> BImSchV (German Immission Control Regulation) from 2015.

**4. Transitional regulation for the 2010 harvest**

Biomass harvested in 2010 should be included in the transitional regulation for the harvest 2009 of the Biofuel Sustainability Ordinance.

**point out that:**

- the proposed actions are tax-neutral and have only little and potentially an attenuating effect on the consumer prices of fuels.
- due to the full taxation of the blended biofuels under the Biofuels Regulation the public budgets do not suffer loss of earnings. Additional earnings from taxes and social contributions accrue to the public budgets every year from bioethanol in an amount of approximately € 96 million and approximately € 45 million for biodiesel for every 100,000 tonnes of blended domestic biofuel (source: Ifo Institute).
- biofuels, because of their compatibility with the available supply structures and driving technologies, provide the more cost-efficient alternative to fossil fuels than technologies such as electric vehicles or hydrogen.

## Biofuel blending quota/ Greenhouse Gas reduction quota

