



# Feedback on the usability of the Taxonomy within the framework of Sustainable Financing

## INTRODUCTION

The ART Fuels Forum, contributes to the [invitation for feedback](#) to the ongoing work of DG FISMA, DG ENV, DG CLIMA and DG ENER to develop an EU taxonomy setting an environmentally sustainable financing framework.

## COMMENT ON THE USABILITY OF THE TAXONOMY

The ART Fuels Forum, bringing together the leading Industries in the area of alternative and renewable transportation fuels, welcomes the opportunity to provide feedback to the Taxonomy pack.

However, we are surprised that biofuels are not explicitly referred to in the taxonomy.

## COMMENT ON THE USABILITY OF THE TAXONOMY

The table on page 10 in the relevant report of the Technical Expert Group on Sustainable Finance, indicates that transport is the sector with the third largest GHG emissions. The EU has just recently passed legislation to obligate the member states to include 14 % of renewable energy in transport of which 3.5 % of so-called advanced biofuels, i.e. biofuels from feedstocks listed in Annex IX Part A of REDII (incl. biofuels from residues and waste), and crop-based biofuels are also accepted up to 7 % of the target.

Furthermore, the new legislation defines that as a minimum, all biofuels requires a minimum of 65 % (70 % for renewable liquid and gaseous transport fuels of non- biological origin) of GHG emissions relative to a fossil comparator and in most cases the verified reduction is considerably higher.

Therefore, biofuels meets the requirements set on pp. 10-11 of the aforementioned report, in particular points (a) generating, storing or using renewable energy or climate-neutral energy (including carbon-neutral energy), including through using innovative technology with a potential for significant future savings or through necessary reinforcement of the grid, (c) increasing clean or climate-neutral mobility and (f) phasing out anthropogenic emissions of greenhouse gases, including from fossil fuels.

The new targets mean, in real terms (i.e. disregarding double-counting), an order of 20 million tonnes of biofuels, of which 5 million tonnes of advanced biofuels (approx. 50 TWh).

The capacity for conventional biofuels more or less already exists, but there will be needs for reinvestments as older facilities are replaced, and to broaden the feedstock range for the new conditions placing a focus on residues.

However, today the production and also imports of advanced biofuels amount to some few hundred thousand tonnes only. Using data from the SGAB, and a specific investment of 2 000-3 000 €/kW advanced biofuel, and to meet 50 TWh annual production, means the installation of some 6.5 GW of capacity for advanced biofuels in this a new industry. The associated investments in these sustainable technologies amounts to 13-20 billion € in the coming decade.

Against this background, The ART Fuels Forum is surprised that advanced biofuels and their production are not referred to in the taxonomy, and strongly recommends that it is included and also is identified as an activity where the term sustainable financing is justified and appropriate to facilitate the access to the required financing.

## ABOUT ART FUELS FORUM

The Alternative and Renewable Transportation (ART) Fuels Forum, financed by the European Commission, brings together more than 100 high-profile experts representing leading demand and supply Industries in the area of ART Fuels. It is a single policy and proven technology forum aiming at producing evidence-based opinions and conveying the collective interest of the ART Fuels industry towards informing European decision-makers and officials. The Forum supports the production and the utilization of sustainable

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advanced liquid and gaseous fuels towards decarbonization of key transport sectors: automotive, aviation and maritime and promotes the widespread market deployment of these fuels.

[www.artfuelsforum.eu](http://www.artfuelsforum.eu)

**DISCLAIMER** - The above feedback on the usability of the Taxonomy within the framework of Sustainable Financing has been drafted by the Advisers on Financing Issues of the Alternative & Renewable Transport Fuels Forum (ART Fuels Forum) after exchange of opinions and internal consultation among the Forum members. The content of the feedback does not necessarily reflect the views of all members of the ART Fuels Forum, but is a synthesis of the main positions. The positions and recommendations listed above are those of the members of the ART Fuels Forum and do not necessarily reflect either the official position of the Commission or the complete position of the members of the ART Fuels Forum.

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