

The media frenzy on biofuels continues. Here, PAUL THOMPSON, biofuels policy analyst at the Renewable Energy Association (REA), explains that there are good and bad biofuels and how the REA is committed to producing good ones in the UK.

A year ago, biofuels were generally welcomed as a useful tool in the fight against climate change. This might seem difficult to believe, given the recent onslaught from the media and some NGOs.

Now, however, biofuels are apparently responsible for deforestation, loss of biodiversity and making climate change worse. They are also blamed for the current high food prices and global hunger.

It's easy to forget why we started off down this route in the first place. The REA is certainly not here to defend all biofuel programmes, but the fact is that there are good and bad biofuels.

Everything depends on the way in which the biofuel was produced. It is therefore essential to be able to tell the good from the bad.

The UK's Renewable Transport Fuel Obligation (RTFO) came into force in April. It obliges the oil companies and fuel importers to replace a certain amount of their annual fossil fuel sales with biofuel or pay a penalty.

The level is set at 2.5% for this year, rising to 5% in 2010/11. The companies must make reports on the environmental and social impacts as well as on the carbon intensity of their fuels. The RFA gathers the information and will make it public in quarterly and annual reports.

This scheme is truly world-leading and is the result of several years' work between government, industry and NGOs to ensure that biofuels used in the UK are sustainable. Having said that, the RTFO is by no means perfect.

Fuel companies will be able to report little or nothing on sustainability and yet still meet the target. One loophole that the REA protested strongly about at the time is the option of answering 'unknown' on the previous land use. There is also no financial incentive to improve GHG (greenhouse gases) performance. However, the fear of exposure and bad publicity should still provide an incentive for potential backsliders to do the right thing.

The other driver is that financial rewards will be directly linked to GHG savings from 2010, and complying with sustainability standards will be mandatory from 2011.

The European Commission has proposed a set of standards to ensure that biofuels used in the EU are sustainable. There will be a minimum greenhouse gas saving – currently 35%, but this may well rise – and mandatory compliance with a range of environmental criteria. The REA will be working to strengthen the criteria but the current draft is a good starting point.

This sort of scheme should be able to control the direct impacts of biofuels. But what about the indirect effects – specifically on food security and deforestation?

Recent coverage has blamed biofuels for increases in global food prices, but let's put this in context. The UN's Food and Agriculture Organisation estimates that biofuels currently use 1% of suitable land globally. If targets around the world are met, they estimate that this will rise to just 2% by 2030. Within the EU, the 10% target for 2020 would require an additional 4 million tonnes/year of production. That's out of a total market of 4,000 million tonnes/year.

It is difficult to see how biofuels that are not yet even being produced in the EU or the UK can be responsible for today's price rises. The current higher prices are due to a range of factors, including a series of poor harvests, commodity speculation and increasing demand for meat in developing countries.

In the long run, high food prices are their own solution. Higher prices will encourage more investment and more production, and so prices will go down. But won't that mean more land is needed, leading to more deforestation?

This is based on a false premise – the idea that one hectare of land used for biofuels means one hectare somewhere else must be used for food. Historically, increases in output have been 90% due to increased productivity and only 10% to using more land.

In any case, by no means is all suitable land currently used to its full potential. Instability and lack of investment have been a big problem in Africa – Zimbabwe is only one example. Closer to home, a great deal of land is idle in Eastern Europe following the collapse of the Soviet system, and 500,000 hectares fall out of agricultural use in the EU every year.

What would happen if the EU scrapped support for biofuels? First, the overall EU renewables targets would be in trouble.

The goal of 20% of energy coming from renewables by 2020 is hard enough as it is.

Where is the extra going to come from if transport is let off doing its fair share? Other countries will carry on with their biofuel programmes but without the sustainability standards that the EU is developing.

Deforestation and habitat loss will continue and nothing will have been done to help the world's starving.

Some have argued that we should bypass current technology. Second generation biofuels will resolve conflicts with land use and we should wait for those. But we will not see technological advances in the future unless we have a working market now.

Biofuels are not some magical solution to the problem of transport sector emissions. We need the full range of action: investment in public transport, improvements in efficiency and behavioural changes.

Biofuels have a significant role to play as the only alternative fuel currently available on the required scale. The RTFO is a responsible, gradual start that should save the equivalent emissions of taking nearly a million cars off the road by 2010.

No one is saying that dealing with climate change, particularly in the transport sector, will be simple or easy. But the consequences of not taking action will be much worse. Doing nothing is not an option.

The REA has set up a website to provide balanced, accessible information on biofuels. Go to biofuelsday.co.uk.