Roundtable on Sustainable Biofuels

An initiative of the EPFL Energy Center Ensuring that biofuels deliver on their promise of sustainability



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1. From Standards Development to Implementation Welcome from the Executive Secretary

There is little doubt that 2010 will be an exciting year for the RSB after a successful Steering Board meeting in Lausanne last November culminated in the consensual approval of Version One of the RSB Standard for pilot testing. The Secretariat took just a brief moment to celebrate, and has since moved into a new phase, preparing for pilot projects throughout the world, and setting up new expert groups to examine critical issues such as indirect impacts and greenhouse gas accounting. The results of these processes will form the basis for a Version Two of the RSB Standard. Stakeholders will be involved in preparing this new version through public consultations, Chamber discussions and Board decisions.

The Steering Board has also formed a Governance Committee facilitated by Teddy Püttgen, Director of the EPFL Energy Center. This Committee will conduct the first regular annual review of the Terms of Reference, and make recommendations for any needed improvements. This is an opportunity for the RSB to revise the TORs based on suggestions coming from the Chambers and on what we have learned over our first year since the Chamber structure was established.

This is a transitional time for the RSB, as we move from an organization dedicated almost entirely to standards development, to one that will have the capability to implement these standards. Getting the RSB Standard operational will mean exciting changes over the next year as we finalize and release a functioning certification program with 3rd party verification towards the end of this year. From now on, the RSB can be seen as working on both sides of the coin, continuing our standards development work,

whilst delving into certification implementation. We thank you for your continued support of the RSB and hope you enjoy the Newsletter.

Kind Regards, Alwin Kopse, Executive Secretary of the RSB

EVENTS CALENDAR

Upcoming Conferences

March 15-17, 2010 <u>World Biofuels Markets</u> Amsterdam, The Netherlands

April 6-11, 2010
International Association for
Impact Assessment Annual
Conference
Geneva, Switzerland

April 21, 2010

EECA Biofuels and Electric

Vehicles

Wellington, New Zealand

May 3-7, 2010

18th European Biomass

Conference & Exhibition
Lyon, France

May 3-6, 2010 Bio 2010 Chicago, USA

<u>Upcoming Steering Board</u> <u>Meetings</u>

April 15, 2010 RSB Steering Board Meeting (via teleconference)

June 15-17, 2010 RSB Steering Board Meeting Lausanne, Switzerland

2. Version One Released for Pilot Testing Report from the November SB Meeting

Expectations were high during the second in-person meeting of the current RSB Steering Board. The adoption of "Version One" was on everyone's mind as an achievable yet tough challenge to overcome during the three days of scheduled deliberations. Thanks to the perseverance of the Steering Board members and the support offered by the RSB Secretariat staff, Version One was consensually approved by the Steering Board on November 12th!

After passing this important milestone, the RSB Standard "Version One" is now composed of:

- Principles & Criteria (P&Cs), which describe the basic normative requirements biofuel operators must comply with;
- The Guidance on Principles & Criteria, which assists the operator and the auditor to understand the requirements included in the P&Cs;
- Compliance Indicators to be used by auditors to measure operators' compliance with each requirement;
- The definitions of terms used in the P&Cs and Indicators in a dedicated Glossary;
- Several Guidelines providing user-friendly tools for operators related to specific requirements (e.g. how to conduct an ESIA? How to assess water rights? How to undertake a Land-Use Impact Assessment?);
- Additional normative documents that define the implementation of the RSB Standard as a complete certification system;
- Several specific standards related to future refinement of the RSB Standard, for example through the official adaptation of the generic Principles and Criteria to a specific region or crop, or the formal recognition of the RSB Standard by the European Commission under the Renewable Energy Directive (see article on this below).

Before the certification of better biofuels starts, which is planned for 2011, it was decided to test the RSB Standard in real-world settings through a series of pilot projects. Outcomes from these pilot projects will be used to further refine the different documents that compose the RSB Standard, in particular the Principles & Criteria and the associated guidance documents. Pilot testing will be conducted in 2010 (see below for more information).

For more information, please visit the <u>Version One page</u> and read the complete <u>RSB Steering Board meeting report!</u>

3. New Governance Committee to Review Terms of Reference Report from the February SB Conference Call

During a conference call on February 11, 2010, the Steering Board formed a Governance Committee that will conduct the first regular annual review of the Terms of Reference, and make recommendations for any needed improvements. This is an opportunity for the RSB to improve the TORs, as appropriate, based on suggestions coming from the Chambers and on what we have learned over our first year since the Chamber structure was established.

4. Pilot Projects Launched

An important outcome of the November 2009 Steering Board meeting was that we proceed to pilot test Version One of the RSB Standard. Phase One of the first pilot involved the evaluation of the RSB chain of custody and GHG standards by a canola mill in Germany and was completed successfully in early February.

Pilot testing in Latin America is being carried out in partnership with the Inter-American Development Bank. Initial work has already started with a number of partner companies throughout Latin America to evaluate the standard. Projects currently being discussed for pilot testing in the Americas include: jatropha in Central America; biodiesel from soybean, biodiesel from sunflower, ethanol from sugarcane, as well as a few next generation bi ofuel possibilities, such as butanol and renewable diesel production in North and South America. Pilot tests are also being planned for other parts of the world, including sweet sorghum, sunflower, sugar cane and jatropha projects in Africa and palm and coconut projects in Asia. The RSB is evaluating the possibility of piloting a camelina project in Latin America or Eastern Europe.

Pilot tests will fully or partially test the RSB Standard, including the self-risk assessment, the P&C self-evaluation, compliance indicators, the impact assessment guidelines, options for group certification, and the chain of custody standards. Certification bodies are being invited to participate in the pilots based on previous experience and interest level. The first pilot projects are expected to begin in the coming weeks, and results will be documented in a report.

5. Way Forward on GHGs and Indirect Impacts

During the November 2009 in-person Steering Board meeting, the RSB Secretariat was asked to develop, with the help of the GHG Expert group, a GHG accounting methodology based on the EMPA SQCB methodology, and use this methodology to calculate lifecycle GHG emissions for the most important biofuel pathways. In addition, for a few pilot cases, the RSB will assess the feasibility of attaining certain GHG emission reductions (10%, 40% and 70%) with respect to fossil fuels. To aid in accomplishing these tasks, the GHG expert group meets periodically via teleconference. The deadline for this work is June 2010, when the next in-person Steering Board meeting will take place. Progress on this work and membership of the expert group may be tracked on the RSB Greenhouse Gas Expert Group website.

Also during the November 2009 in-person meeting, the RSB Steering Board recognized the importance of addressing indirect impacts from biofuel production in the RSB Standard. Aware of the complexity of the issue, the Steering Board agreed on a process to assess the feasibility of integrating indirect impacts into the RSB Standard. Two approaches are being examined to address indirect impacts in the RSB Principles & Criteria: the use of an iLUC factor and the practicability of focusing on practices and feedstocks which lower the risk for negative indirect impacts. The Secretariat must develop, with the assistance and the input of a newly established expert group, an indirect impacts methodology that addresses the quantification of indirect impacts and the minimization of the negative indirect impacts of biofuels. The methodology should also address land use change and food security issues. The deadline for this work is the

June 2010 in-person Steering Board meeting. Progress on this work and membership of the expert group can be tracked on the RSB Indirect Impacts Expert Group website.

6. RSB Seeks Swift Recognition by the European Union

On April 23, 2009 the European Parliament released <u>Directive 2009/28/EC</u> on the promotion of the use of energy from renewable sources. Commonly known as the Renewable Energy Directive (RED), the new law mandates that all member states in the European Union include at least 10% renewable fuel towards their total transportation energy use by 2020, making Europe a large future market for biofuels. Given concerns about environmental and social impacts, the European Union included specific criteria for biofuels to qualify towards RED requirements. Among these criteria are requirements that biofuels meet a 35% GHG reduction with respect to fossil fuels, with this requirement increasing to 50% in 2017, and 60% for new biofuel plants. Additionally, the feedstock upon which the biofuel is produced may not come from land with high biodiversity value or high carbon stock on or after January 2008. Peatlands are explicitly excluded for biofuel feedstocks. The European Commission is still considering the possible inclusion of reporting requirements for social impacts.

Although the European Commission (EC) sets the regulations for the RED, the individual members states are charged with implementing it through their own implementation and tracking systems. However, the Commission has included an important place for voluntary standards like the RSB under this system. The regulation specifically indicates that biofuels that have been certified by voluntary standards and recognized by the EC must count towards the member states' RED renewable fuel obligation. Given this tremendous opportunity, the RSB has entered into an ambitious timeline to seek EU recognition. Given that the EU recognition process is anticipated to take about six months to complete, and that the EU regulations enter into force in December 2010, the time is short for the RSB and any other voluntary scheme to take advantage of this significant opportunity.

7. Report from IDB/UNEP, Packard/ICCT and Shell/IUCN/Packard Workshops

At the end of January 2010, several members of the RSB and the Secretariat had the privilege to participate in two important workshops in Washington DC. In attendance at the meetings were representatives from many of the international biomass sustainability certification initiatives (RTRS, BSI, CSBP, etc.), representatives from some of the international certification bodies, as well as representatives from private industry to provide perspectives from the economic operators who will ultimately seek certification.

The first workshop, co-sponsored by the Inter-American Development Bank and the United Nations Environment Programme, focused on challenges associated with the implementation of certification standards. Some of the topics discussed included: new sustainability criteria (e.g. Food Security, GHGs), applicability to new technology, the variety of feedstocks, the complexity of supply chain systems, availability of skilled auditors, affordability of certification and the plurality of sustainability initiatives. In addition to plenary presentations, the workshop included breakout sessions during which specific topics were discussed in small groups. An interesting outcome of the meeting was that many economic operators expressed comfort that they could meet the requirements of the sustainability standards, but that they needed to know the "rules"

of the game" clearly. In their view, the different parallel initiatives and changing requirements make it difficult for them to plan for the future.

A second workshop, co-organized by the Packard Foundation and the International Council on Clean Transportation, brought together groups from the fields of biofuels regulation and voluntary biofuels sustainability certification for a full day of meetings to discuss the work of the various groups and to explore areas of potential collaboration. An important question underlying the meeting was, how can the work of voluntary and regulatory groups establishing biofuels sustainability standards best complement each other? In attendance at the meeting were most of the voluntary international sustainability certification initiatives, as well as representatives from the EU, US EPA, UK RFA, the State of California, and NESCAUM.

In February, a delegation of the RSB also attended a workshop co-organized by Shell, the IUCN and the Packard Foundation in London. The workshop focused on possibilities to enhance collaboration between the different biofuels sustainability certification schemes. One of the main conclusions was the recognition of the potential substantial contribution of the benchmarking concept developed by the RSB. This workshop was followed by an event of the Packard Foundation, which allowed some of its biofuel grantees to meet for the first time and exchange experience and know-how.

8. Membership Update

The following organizations have joined the RSB over the past few months:

Organization	Country
Airbus	France
Applied Environmental Research Foundation (AERF)	India
Bio Partners Limited	UK
Business For Social Responsibility (BSR)	France
Centro de Promoción y Desarrollo Rural Amazónico – CEPODRA	Peru
Fundación Solar	Guatemala
Gevo, Inc.	USA
Greenergy International	U.K.
International Food Policy Research Institute (IFPRI)	USA
JOil Pte Ltd.	Singapore
Life Cycle Associates LLC	USA
Malaysian Biodiesel Association	Malaysia
Pinchot Institute for Conservation	USA
Rural Development Institute of Sultan Kudarat	Philippines
Sustainable Airlines Fuel Users Group (KLM currently represents)	The Netherlands
Sierra Club	USA
Technoserve	Guatemala/Honduras
The California Energy Commission	USA

Unfortunately, 4 organizations decided to halt or suspend their membership for different reasons. You can find a complete list of RSB members by chamber affiliation at: $\frac{\text{http://cgse.epfl.ch/page77270.html}}{\text{http://cgse.epfl.ch/page77270.html}}$

9. New Staff



The RSB is pleased to welcome Victoria Junquera as the Science and Technology Manager at its Secretariat headquarters in Lausanne, Switzerland.

Victoria is a Certified Professional Engineer in California and has a Masters in Chemical Engineering from The University of Texas at Austin, where she authored several papers on air quality. Victoria has worked for the past 8 years in the areas of biofuels, climate change and Life Cycle Assessment. She

was a Process Engineer and Environmental, Health and Safety (EH&S) manager at an industrial biodiesel production plant in California, where she was responsible for day-to-day operations, optimization, EH&S compliance, and sustainability. Previously, she provided engineering and sustainability services, regulatory analyses, life cycle assessments, and environmental impact studies as a consultant for the petrochemical, biofuel, and financial sectors. She was also a member of a working group of the California Low Carbon Fuel Standard.