



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

From : General Secretariat of the Council

To : Council

No. Cion prop. : 15189/12 ENV 789 ENER 417 ENT 257 TRANS 346 AGRI 686 POLGEN 170
CODEC 2432 + ADD 1-2

Subject : Proposal for a Directive of the European Parliament and of the Council
amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and
amending Directive 2009/28/EC on the promotion of the use of energy from
renewable sources (**first reading**)
– Orientation debate

I. INTRODUCTION

The Commission submitted the above proposal on 18 October 2012, based on Article 192(1) of the Treaty on the Functioning of the European Union, and Article 114 thereof in relation to a number of proposed provisions. It follows on from the Commission's Communication of 22 December 2010 (Report on indirect land-use change related to biofuels and bioliquids) (5100/11).

The proposal aims at amending the Directives on Fuel Quality (98/70/EC as amended through 2009/30/EC; FQD) and on Renewable Energy Sources (2009/28/EC; RES) on the basis of the requirement included in those two Directives for the Commission to provide a report reviewing the impact of indirect land-use change on greenhouse gas emissions and addressing ways to minimise the impact, if appropriate accompanied by a proposal.¹

In its conclusions of 3 December 2012 on Renewable Energy (16205/12), the Council underlined that further consideration needed to be given to the economic, environmental and social aspects of production and use of renewable energy sources, and in this context stressed that the Commission's proposal on indirect land-use change² related to biofuels and bioliquids should be given early and full attention.

The aim of the Commission proposal is to start the transition to biofuels that deliver substantial greenhouse gas savings, through

- limiting the contribution that conventional biofuels with a risk of ILUC emissions make towards the attainment of the targets in the RES Directive,
- improving the greenhouse gas performance of biofuel production processes,
- encouraging a greater market penetration of advanced (low-ILUC) biofuels, and
- improving the reporting of greenhouse gas emissions through estimated ILUC emissions of biofuels.

II. STATE OF PLAY

Given the cross-cutting policy nature of the proposal, the Permanent Representatives Committee decided on 12 December 2012 to establish an Ad Hoc Working Party on ILUC to examine the proposal, as an effective way of ensuring coherence and consistency between the two Directives. This Working Party met on 8, 15 and 28 January to begin the examination of the impact assessment and the proposed Directive. It carried out a **first complete reading of the proposal**, including its annexes, and gave in-depth consideration to the Commission's **impact assessment** (for a brief summary of the discussions on the impact assessment see 6041/13, section II).

¹ Article 7d(6) of Directive 2009/30/EC and Article 19(6) of Directive 2009/28/EC.

² Hereafter referred to as "ILUC".

III. QUESTIONS FOR THE ORIENTATION DEBATE

Bearing in mind first comments provided by delegations in the course of the work of the Ad Hoc Working Party on ILUC and with a view to providing guidance for future work, Ministers are invited to consider the following questions:

- 1. Does the proposed Directive, amending the Fuel Quality and Renewable Energy Directives, adequately meet the objectives of addressing indirect land-use change emissions and of encouraging the transition to advanced biofuels?*
- 2. Does the proposed Directive support the achievement across the Union of the existing EU energy and climate change objectives?*

In order to streamline the debate, it is proposed that, following Council's Rules of Procedure, delegations submit to the General Secretariat of the Council written answers, in advance of the Council meeting, and preferably before 20 February. Furthermore, delegations which have identical or similar positions are asked to choose one of them to express their shared position.
