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Claus Sauter, Bioenergy Expert, Founder & CEO of VERBIO AG addresses current issues of (bio)energy, energy security and (green) mobility

Column

Svenja Schulze puts climate protection into reverse gear

While the EU parliament approves resolutions for tighter climate protection targets and implement legislation requiring 60 percent CO₂ reductions by 2030, the Federal Ministry for the Environment issues draft legislation that will miss the 2030 climate protection targets yet again. These proposals would systematically drive biofuels out of the German market to the benefit of electrification.

“By the year 2030, the transport sector must reduce CO₂ emissions by 40 percent compared to 1990 levels.” These words were spoken by Svenja Schulze, Federal Minister for the Environment, at an industry conference on mobility transformation hosted by the Friedrich-Ebert-Stiftung. (1) She continued: “Too little has been done in the past.” This is true enough; transport emissions have not fallen since 1990. Instead, they have increased.

For almost two years now the automobile and fuel industry has been looking expectantly to Svenja Schulze, waiting for her proposals on HOW transport in Germany can be decarbonised and WHEN reductions in greenhouse gas emissions will finally start to be realised.

Given the promising announcements she had made, the expectations were high. Specifically, the industry anticipated a significant increase in the greenhouse gas reduction quota (GHG quota) as part of the process of transforming the European Renewable Energy Directive II (RED II) into German Law.



(1) Industry conference hosted by the Friedrich-Ebert-Stiftung in May 2019 in Berlin.

Now the draft legislation prepared by our Minister has been brought into circulation – quietly, out of the spotlight – and it has fatal consequences for climate protection, and for all of us as individuals. It is causing uproar in the industry and among interest groups, and also within the Federal Government – in particular in the economics and transport ministries.

This is a disappointment for anyone who had been hoping for expert insight, or for ambitious targets for effective emissions reductions. Svenja Schulze intends to limit herself to a 14 percent target for the use of renewable energy in the transport sector by 2030, which is the European minimum target. It is planned that the GHG quota will be increased from the current level of 6.0 percent to 7.25 percent from 2026. This means that Svenja Schulze will make no improvements over the coming five years, after which there will be some more progress – but only then at a snail's pace. The fact is that greenhouse gas emissions in the transport sector will actually have increased again by 2025. This is not a joke.

Even the current GHG quota is a sham. In fact, we have not even really set a target of a 6.0 percent reduction in emissions; in real terms the target is 4.8 percent at the most. This is because measures taken to achieve reductions in emissions in the extraction processes for crude oil in Nigeria, Oman, China and Saudi Arabia are awarded 1.2 percent credits for GHG quota purposes in Germany (2). This nonsense is known as the “Upstream Emissions Reduction” (UER). (3) The list of countries in which UER measures are implemented reads like a “Who’s Who” of climate protection rogue countries. But what does a UER measure taken in Nigeria have to do with reductions in greenhouse gas emissions in Germany?

There are honest efforts being made to achieve decarbonisation in transport all over Europe. The only exception is in Germany. The leaders in this field are Sweden and Finland, where the share of renewable energies in the transport sector exceeds 20 percent NOW.

In my 25-year career in the biofuels industry, it is unprecedented that even the Association of the Automotive Industry (Verband der Automobilindustrie – VDA) and the Mineral Oil Industry Association (Mineralölwirtschaftsverband – MWV) are demanding a higher share for sustainable biofuels to meet the 2030 climate protection targets than the Federal Ministry for the Environment.

How long can a Minister continue to make such loud claims while speaking such empty words? This is a Minister who has entangled herself in contradictions. Svenja Schulze, if a manager in the private sector fails to deliver, they get fired.

Anyone who reads the current draft legislation carefully might say: Just a moment, Claus Sauter, why are you protesting so loudly? Be happy with the fact that advanced biofuels, such as your company's biomethane from straw, count double towards meeting the GHG quota.

As a matter of fact that is true, but it is only a fig leaf. Implementing a GHG quota as low as only 7.25 percent does not provide any incentive to increase the volumes of advanced biofuels in market circulation. In addition, multiple credits, e.g. for electricity charging, reduce the GHG quota below the stated values. These multiple credits do not contribute a cent to climate protection. This is nothing more than political marketing to appease the “Fridays for Future” movement and to commit a fraud against all of us.

(2) Umweltbundesamt Deutsche Emissionshandelsstelle (DEHSt), <http://www.dehst.de/DE/Klimaschutzprojekte-Seeverkehr/UERV/upstream-emissionsminderungen-node.html> (in German)

(3) Upstream emissions are greenhouse gas emissions created before the raw materials are processed in the refinery. From 2020 reductions of emissions that result from measures taken anywhere in the world can be credited for GHG quota purposes in Germany.

The draft legal text also states: “The share of biofuels obtained from the use of foodstuff and animal food plants should not be increased further.” Svenja Schulze, why this negative stigmatisation of the sustainable first-generation biofuels that provide the largest share of decarbonisation in transport today?

Biodiesel and bioethanol from domestic raw materials are sustainable and protect the climate. The fact that you are not – in contrast, by the way, to the French President Emmanuel Macron – able to stop the import of palm oil from South-East Asia for use in biofuel production does not mean that first-generation biofuels grown and produced in Germany should be banned from the German market!

Germany’s agriculture needs the biofuels sector as a sales market for its excess agricultural production. In the next ten years the EEG renewable energy subsidies for most of the 8,500 biogas plants in Germany will expire, since they are being successively wound-down. As a result, the potential sales market for products grown across millions of hectares will disappear. I am not only the Chairman of the VERBIO Management Board; I am also a farmer, and I can assure you that no farmer wants to see agricultural land lying unused again. We saw that before, in the 1990s.

The new proposed legislation is simply a fraud, being perpetrated against climate protection. If we waive all the multiple credit arrangements and eliminate the effects of other special factors such as UER, the actual CO₂ savings target is way BELOW the current levels of greenhouse gas emissions reductions! This is not just slamming the brakes on decarbonisation in transport; it is engaging reverse gear on climate protection!

It is easy to see through the intentions of the Federal Ministry for the Environment, which no longer earns its name. All alternatives to e-mobility are being withdrawn for political reasons.

Here is a quote from Peter Altmaier, the Federal Minister for Economic Affairs, taken from the initial assessment of the “2030 Gas Dialogue” published in October 2019: “The contribution made by e-mobility will not be sufficient to meet the 2030 climate protection targets, even if market ramp-up is more successful than currently anticipated.” (4) Peter Altmaier sees compressed natural gas (CNG) and liquid natural gas (LNG) as “options ready for immediate use” (5). This is correct, since CNG and LNG can be manufactured as a 100 percent renewable fuel from biomethane generated from waste products. With 90 percent CO₂ savings, they are almost climate-neutral.

The Federal Ministry for Economic Affairs is on the right path with its demand for a GHG quota of between 19 and 23 percent as set out in the “2030 Gas Dialogue” (6). With the “National Hydrogen Strategy” the Ministry has paved the way for new investments in clean energy. At least some in government have listened and understood.

Please don’t misunderstand me here; the process of electrification in the passenger vehicle sector is important, and it is clear that the efforts to drive this forward should continue. However, for all the green electricity available, it is important to remember that there are approximately three million diesel-powered heavy-goods vehicles registered for use in Germany, (7) using around two-thirds of the total volume of diesel consumed nationally. E-mobility offers no practical solution for heavy-goods transport in the near future, either in terms of the vehicles on offer or in the form of a battery-charging infrastructure.

(4) Ibid.

(5) Ibid.

(6) There is no practical and economic E-mobility solution available in the near future for heavy-goods transport, either in terms of the vehicles on offer or in the form of a battery-charging infrastructure.

(7) <https://de.statista.com/statistik/daten/studie/6961/umfrage/anzahl-der-lkw-in-deutschland/>

Andreas Scheuer, the Federal Minister for Transport, has delivered and provided successful subsidy programmes as well as implementing, and more recently approving the extension of, the toll exemptions for low-emission electric and gas heavy-goods vehicles, (8) bringing more green horse-power to the streets. His measures have resulted in a significant increase in the share of low-emission heavy-goods vehicles in use in Germany since 2019. More than 90 percent of subsidised heavy-goods vehicles use CNG and LNG fuels, which could be powered by biomethane from straw if Svenja Schulze would commit the industry to ambitious targets for more CO₂ reductions in German transportation.

By themselves, if the new CNG and LNG heavy goods vehicles registered since 2019 were powered by advanced BioCNG and BioLNG fuels, they would have been responsible for a reduction of one million tonnes of CO₂ emissions in Germany by the end of 2020.

It is grossly negligent not to expand on such an easily available option by implementing technology restrictions.

The terrible impact of the transportation sector on climate protection is wholly attributable to the failures of the climate protection policies of the Federal Minister for the Environment. Her new draft legislation is a disgrace – an insult to her colleagues at the Ministries for Economic Affairs and Transport, and to the industry as a whole.

The other departments, the German Parliament and the German Federal States should reject the proposals made by the Federal Ministry for the Environment. If the Federal Government does not want to be laughed at, the only answer to the draft legislation has to be: You are missing the point! Go back and start again! Bottom marks!

Yours,

Claus Sauter

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Supplementary information: The industry reaction

The industry has reacted with an unprecedented alliance of opinion rejecting the proposed legislation from the Federal Ministry for the Environment. The BDI, VDA, BEE and BBE associations for renewable energies, the VDB and BDBe Biofuels associations and even the oil industry association, the MWV, and the energy generators' association, the BDEW, have all spoken out in favour of a significantly higher GHG quota. Studies published by the Öko-Institut and by Prognos also call for more ambition in climate protection in transport, as both studies anticipate that the 2030 climate protection targets will be missed by a significant margin, in particular in the transport sector.

(8) The EU has recently raised an objection to the extension of the toll exemption. Instead of a general toll exemption for gas-powered vehicles – which can also be powered by fossil natural gas – it is pushing for a CO₂-based toll which favours the use of biofuels and biomethane.

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