Renewable Energy Directive (REDII)

The Port of Rotterdam accommodates Europe’s largest renewable industrial cluster. With five manufacturers of biodiesel, bio-ethanol and renewable diesel, the Port of Rotterdam is a major biofuel producer for the European market. Together, these companies produce 2 million tonnes of biofuel per year, which is used in road transport, shipping and aviation. In addition, two biochemical companies are located within the port area which strongly rely on the supply of biobased feedstocks. In the energy transition in our port area and the overall decarbonisation strategy for the port, renewable energy production and the use of renewable materials such as biomass plays a key role. Together with the utilisation of industrial waste heat and the capture and storage of CO₂, the biobased economy forms the backbone of our decarbonisation strategy.

As Europe’s largest renewable industrial cluster and as a frontrunner in the energy transition, the Port of Rotterdam would like to highlight some policy recommendations for the revision of the Renewable Energy Directive (REDII). In our view, the REDII should provide a stable and stimulating policy framework that gives consumers and investors the necessary confidence to deploy and invest in renewable energy and in the application of renewable materials in industrial processes. In order to deliver on climate targets on time, the EU should in our view:

1) Translate an ambitious EU renewable energy target into legally binding national targets
2) Provide a harmonized European framework for sustainable biomass
3) Enhance the role of waste-derived fuels and materials in the Circular Economy
4) Recognise the important role of biofuels in decarbonising the European transport sector
5) Stimulate the deployment of alternative fuels in maritime shipping
6) Ensure non-discriminatory and open access for waste heat in district heating systems

Translate an ambitious EU renewable energy target into legally binding national targets
The Port of Rotterdam stresses that CO₂ reduction should be at the heart of EU climate policy and questions whether the proposed 27% share of renewables is sufficient to achieve the necessary CO₂ reduction in energy intensive industries, electricity sectors and transport. In the last decade, legally binding national targets speeded up the deployment of renewable energy consumption in EU Member States and moreover created a level playing field in Europe in terms of national efforts to work towards these targets.

In order to deliver on climate targets on time, legally binding national targets are necessary and should not be abandoned after 2020. Moreover, Member States should have the opportunity to implement the renewable energy obligation as a greenhouse gas saving target to make sure that the Paris Climate goals are met on time.
Provide a harmonized European framework for sustainable biomass

As a central hub for the import, storage and distribution of biomass in Europe, the Port of Rotterdam strongly recommends a harmonized European framework for sustainability criteria that allows for the optimal exchange of biomass streams among different users in Europe. This does not only result in more efficient use of biomass streams but also for more sustainable ways of using biomass as stock sizes could be reduced and users can easily exchange surpluses of sustainable biomass. Leaving room for Member States to goldplate European sustainability rules runs counter to this objective and hampers the creation of a true European internal market for biomass.

The Port of Rotterdam welcomes the introduction of sustainability criteria for solid biomass, but stresses that harmonization is a strong prerequisite for the tradability and exchangeability of sustainable biomass in Europe.

With regard to the use of biomass in energy production, the Port of Rotterdam stresses that financial support for biomass should not be limited to CHP. Biomass co-firing is a cost efficient form of renewable energy production and is necessary for the further decarbonisation of the energy industry. In addition, limiting support to CHP will seriously jeopardize efforts to create a biobased economy as a means to decarbonize amongst others the chemical sectors. Material use of biomass before energy use, as the cascading principle implies, plays a prominent role in the bio-based economy. Solid biomass can for example be converted into syngas, a mixture of hydrogen and carbon monoxide. These gases are important feedstocks for refineries and the chemical industry, and are already used an exchanged on a large scale in Rotterdam.

In our view, applications of biomass other than solely heat and power are necessary to decarbonize industrial clusters and must therefore remain eligible for financial support. This should include both the co-firing of biomass (with and without CHP) and material use of biomass before energy use, for example in the chemical sectors.

Enhance the role of waste-derived fuels and materials in the Circular Economy

The Port of Rotterdam aims to develop a chemical cluster specialised in turning waste products into sustainable feedstocks, materials and fuels. As such, the Port of Rotterdam is pleased to see that waste-derived fuels are considered as part of the renewable energy mix in the revised Renewable Energy Directive. We welcome the inclusion of renewable liquid and gaseous fuels of both biological and non-biological origin, since 1) both waste flows are high-volume and high-value feedstocks for fuels and 2) biological and non-biological waste flows are sometimes mixed in gasification and pyrolysis processes.

Long term clarity on the inclusion of waste streams as a source for renewable energy enables and encourages the recovery of non-recyclable waste streams and the development and scale-up of waste-derived fuels.

In order to create more synergies in waste and energy policies, alignment is necessary between the recent Communication Waste-to-Energy (COM(2017) 34), the Circular Economy Package and the Renewable Energy Directive. The Circular Economy Package focuses on optimal use and recovery of natural resources and seems to discourage support for and investments in waste-to-energy developments, whereas the revised Renewable Energy Directive enables and encourages the development of waste-derived fuels. In our view, the overall legislative framework should reflect the fact that a large share of waste cannot be recycled and that a growing share of companies produces waste-derived feedstocks can be employed for the production of both materials and energy. If both policy areas are not aligned, companies will be confronted with complexities and potential contradictions in the legislative framework or run the risk of falling through the cracks of both policy areas.

Producers of both waste-derived materials and waste-derived fuels need a consistent policy framework and financial support up to 2030 to enable rapid and sustainable development and scale-up of their low carbon products.
Recognise the important role of biofuels in decarbonising the European transport sector

With regard to the discussion on the phase-out of food based biofuels after 2020, the Port of Rotterdam stresses that sustainable biofuels play an important role in decarbonising the European transport sector and should continue to do so after 2020. Sustainable biofuels that contribute to reducing the CO₂ footprint of the transport sector are a qualified alternative for fossil fuels and moreover do not require excessive investments in new fuelling infrastructure. By phasing out all first generation biofuels without distinguishing between different types of biofuels with a high or a low risk on Indirect Land Use Change (ILUC), Europe is discouraging new investments in the development and production of even more advanced biofuels, with the ultimate risk that the Paris climate goals are not met.

Certified sustainable biofuels with a high CO₂ reduction potential and a low risk of ILUC, should not be capped and must count towards renewable energy targets.

Stimulate the deployment of alternative fuels in maritime shipping

The Port of Rotterdam stresses that the prospects for low-emission fuels differ among transport modes and that electrification is currently not an option for heavy and long distance road transport, maritime transport and inland navigation. For this reason, other alternatives must be actively stimulated in order to move heavy road and waterborne transport towards lower emission alternatives. In addition, voluntary schemes could help to further incentivise clean shipping fuels. The Port of Rotterdam already actively stimulates the use of clean shipping fuels by offering incentives to inland and maritime shipping through the Environmental Ship Index and Green Award through discounts on port dues.

The proposal to assign a multiplier factor to support the use of renewable fuels in the maritime sector is very much welcomed by the Port of Rotterdam and is in our view currently the only legal instrument that could – indirectly - stimulate CO₂ reduction in maritime shipping, as the International Maritime Organisation will only come up with a strategy for CO₂ reduction in 2023 at the earliest.

Ensure non-discriminatory and open access for waste heat in district heating systems

Industrial activity in the Port of Rotterdam releases a considerable amount of waste heat. Currently, the port area already supplies large amounts of industrial residual heat to areas in the region. An initial inventory indicated that the residual heat generated in the port area could potentially fulfil the annual heat requirement of over 500,000 households in the Netherlands. The Port of Rotterdam is currently investing in the pipeline system that will transport heat from the port industries to the existing heat network.

To facilitate mainstreaming renewable energy in the heating sector, non-discriminatory and open access to district heating systems for waste heat is required and should therefore be guaranteed by national and regional authorities to create efficient district heating systems.

More information

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