MEETING MINUTES

Meeting:	ILUC quantification project – 2nd consultation meeting with NGOs
Date:	20 February 2014
Time:	14:30 - 17:30
Attendees:	Carlo Hamelinck (chair, Ecofys), Hugo Valin (IIASA), Maarten van den Berg (E4tech). Pietro Caloprisco (Transport & Environment), David Sodade (PANGEA)
Minutes by:	Maarten van den Berg, Carlo Hamelinck, Hugo Valin
Number of pages:	5

A consortium of Ecofys, IIASA and E4tech has been assigned by the European Commission to model feedstock-specific ILUC emission values associated with the consumption of conventional and advanced biofuels in the EU. The consortium uses the GLOBIOM model, developed by IIASA. Project results are expected by early 2015.

Using inputs received during the first round of stakeholder consultation meetings (held in November 2013) and through the ILUC@ecofys.com e-mail address, a long list of suggestions for improvements has been compiled. In January 2014 the improvements have been prioritised in consultation with the Advisory Committee and the Steering Group.

In this second stakeholder consultation round the consortium aims to obtain feedback on the shortlist of improvements to be implemented in the course of this project as well as on the draft baseline, scenarios and sensitivity analysis. The consortium will try to address the feedback from this second consultation round and suggest a final shortlist and a final baseline, scenarios and sensitivity analysis to the Steering Group in the week commencing 10 March. After the final changes to GLOBIOM and final baseline and policy scenarios have been agreed upon, IIASA will update the GLOBIOM model and subsequently run the model and perform sensitivity analysis.

General points about the process and main questions/areas of interest to discuss today

- Stakeholder: so far the process appears transparent and you seem to have listened to our suggestions. On the technical aspects we cannot control what you are doing and specific parameters have not been seen yet. We focused more so far on what data are used and what could be improved as well as on assumptions that have been taken.
- Stakeholder: we should focus more on what scenarios to look at and what parameters have been used in the model.
    - Ecofys: we will talk more about the scenarios today and we are also working on the parameters and will share a document on this in a close future to receive your comments.
- Stakeholder: what is the timeline of the rest of the project? We are currently doing some studies on available lands in Europe. This could be available in April. Can this be of any help?
    - Ecofys: we plan to produce a document with model parameters shortly. You will be invited to comment on it and we will communicate a deadline for that (about 2 months from now). Ecofys: however, in three weeks from now we will have a meeting with the Commission about the shortlist and of improvements and the baseline and scenarios. These cannot be changed after that. As always: the earlier you provide feedback the better.
- Stakeholder: how are you going to deal with transparency about what has been discussed with stakeholders, Advisory Committee members and the Steering Committee?
    - Ecofys: we publish minutes and try to take balanced decisions. If we feel the Advisory Committee is steering too much towards positive or negative figures, we will make the final arbitrage, on the basis of available knowledge. It hasn't happened so far. The Steering Committee may steer from time to time, especially with scenarios. We haven't had the impression that stakeholders had strong objections on the improvements so far so we hope the Steering Committee will also adopt most of this list.

Suggested improvements to the GLOBIOM model

Improvement 26 [Representation of intra-region transportation costs in the EU]

- Stakeholder: why is this not included?
    - Ecofys: it is not included in the short list because it is too difficult to address in the course of this project. We don't know how it would influence ILUC. We could look at other studies that look more into that aspect. Stakeholder: biofuel plants only source from nearby. That could be wrongly modelled if intra-region transportation costs are not taken into account. Ecofys: this does not seem to be valid anymore in Europe. Access to agricultural plots is not always the case so it could play a role in predicting where land expansion takes place.

Improvement 18 [Yield response to price through investment instead of management change]

- Stakeholder: Higher demand results in higher prices but does that automatically lead to higher yield?
    - IIASA: currently, in the model, higher prices mean that there will be a change only in management (higher fertiliser and/or irrigation). And that in turn leads to higher yield. Stakeholder: it can sometimes be easier and cheaper to use more land.

IIASA: yes correct, the model takes this into account and calculates what the cheapest option is: expansion or intensification.

Improvement 7 [Peat land emissions factors]

- Stakeholder: what will you assume here?
    - IIASA: we will do literature research (we already received input from different stakeholders) and do sensitivity analysis with a range. Ecofys: peat thickness is also important. We could look at this per region. E4tech: is peat land in EPIC? IIASA: No, but we can check with FAO data which countries needs to be incorporated beside Indonesia. Ecofys: the ICCT also looked into that in a paper from 2012. E4tech: the RSPO commissioned a study that might become available on time. We should make an overview of available literature and take realistic range.

Proposed modelling scenarios

- Stakeholder: on scenario B1: 5% was the original EC ILUC proposal but the Council proposed something else. We were wondering if you could use different caps and on different crops? Maybe there is an exponential effect and that could be identified when you have several cap scenarios.
    - Ecofys: There are indeed advantages and drawbacks between to a realistic scenario versus one that policy makers would like to see happen. IIASA: 5% was supported by the Advisory Committee and Steering Committee.
- Stakeholder: it is clear that the 5% is too low. Concern is that there cannot be a comparison between different caps. If you model 5% and 7% you can see how sensitive the biofuel cap is.
    - Ecofys: point taken, for policy makers it could be indeed interesting to see the difference between two different caps.
- Stakeholder: the NREAPs are not a very good source to base the expected EU 2020 biofuel consumption on.
    - Ecofys: Some other stakeholders also mentioned that the NREAPs scenario was not realistic. Argument to use NREAPs it that it allows better comparability with the previous study.
- Stakeholder: would it be possible to look at the potential availabilities of the feedstocks? And then look at their relative contribution to the mix?
    - Ecofys: that is the idea in scenario B but in your case, you would leave it up to the market to determine what is used. IIASA: the Advisory Committee said that the NREAP values for biofuels vs EC for fossil fuel split were inconsistent. We will discuss with the Commission what would be best.
    - Ecofys: UCO and Tall oil are not included so we cannot say anything about them.
- Stakeholder: we did a study with advanced biofuel producers for assessing sustainable feedstock availability in 2030. It concludes that 1/3 of EU straw could be used sustainably. It also found that municipal solid waste could be used for 100% and forest residues for 50%.
    - Ecofys: we performed similar study, concluding there's a significant scenario, probably bit lower though than your outcomes when taking into account existing uses. Industry is working on second generation potential as well but volumes will be very small in 2020. E4tech: E4tech also recently published a study on the availability of Annex IX feedstock in Europe and globally (available here http://www.e4tech.com/auto-fuel.html).

- Ecofys: what do you think about the way we deviate around the central 'realistic' scenario with scenarios D1 and D2?
    - Stakeholder: is certification beyond the sustainability criteria taken into account? Ecofys: we don't know yet, we would have to check how much of the volume is certified. Stakeholder: we partner with Norad, who checks on the ground what is happening. In South America and in Congo you see that there is no compliance with the voluntary certification schemes. Ecofys: point to look into is how the REDD will be enforced, regionally only or globally? Stakeholder does not see the logic of having two deforestation scenarios.
- Stakeholder: for 2030: we wrote a white paper for no more 1G biofuels. The question is: what happens after 2020?
    - Ecofys: we have not fixed that yet. IIASA: initially it was assumed there would be a policy up to 2030. The Steering Committee says that we should focus more on 2020 and less on 2030 for the moment. 2030 is still open. Ecofys: what do you think it should be? Stakeholder: we would argue that you should have clear GHG targets (including ILUC) in a new FQD and then leave it to the market. No volume target. An FQD would still make sense to consider after 2020. A new RED not. NGOs and industry jointly wrote a letter to the Commission. Ecofys: an option would be that we keep the volume after 2020 constant; that could be a proposal to the Steering Group.
- Stakeholder: you include 7.8% set-aside or fallow land in the baseline document. Where does that come from?
    - Consortium: figure from DG AGRI, is the figure of abandoned agricultural land in the EU.
- Stakeholder: on protected areas: is there in the model just one typology or are there different levels of agricultural practice?
    - IIASA: Currently it is one block of 'no go area'. However, there are different levels of typology in the IUCN protected areas database that we are using. The problem is that some sites are not included in that database.
- Stakeholder: you seem to consider only biomass for electricity generation. However, there is also heating, which could take up to 50% of biomass for energy use. You assume in particular a strong decrease of traditional use of biomass in developing countries by 2030.
    - IIASA: we will have to check with colleagues why there is such a strong decrease between 2020 and 2030. Stakeholder: in the IEA WEO we see an increase in many countries (and decrease in some). IIASA: the Commission also has their own data so they may suggest what we should use here (Poles or Primes or else), you can also send us your suggestion.
- Stakeholder: the CAP reform scheme is changing (different levels of payment, depending on new greening options).
    - IIASA: I understand a lot of measures will be decided at the member state level so I don't think we should make any guesses and keep what is currently applied.
- Stakeholder: on trade policies, also take note that the CETA trade agreement with Canada is changing.
    - IIASA: related to this: we received a comment from an Advisory Committee member on GMO rapeseed from Canada, and its limited export potential to Europe.
- Stakeholder: will livestock product demand developing countries be covered?
    - IIASA: yes, that is covered in the baseline (diet changes and population dynamics).

- Stakeholder: how will the Commission interpret the results of your modelling? How can we get consensus about the consequences? Checking parameters is one thing, but people will look at outcomes and then interpret them. What do you suggest to the commission that is practical, and not only theoretical?
    - Ecofys: we don't know how the Commission will interpret the results. Our job is to quantify Land Use Change in different scenarios. There will be points we can write down in the report about how results could be interpreted.
- Stakeholder: I am not sure the modelling is able to take into account all the consequences.
    - Ecofys: by attending the stakeholder consultation meetings you don't have to endorse the model and the results. This is an effort to improve the insight. Stakeholder: My concern is that at the end of the day you do things that are not correct. If we use data from models, we have to recognise that they are full of flaws. For example: yield from FAO, it is all smoothened. So we should not look too much at what the models say. And especially policy makers get confused when they don't understand everything from a model and interpret the outcomes. Ecofys: we will present our study outcomes as clearly as possible. We must try to make clear how we come to a certain outcome and do that by showing the important parameters and explaining the results in detail. IIASA: we use this model to answer a very specific question: ILUC from biofuel policy in the EU. If something is not possible to cover in the modelling we have to explain it properly. If you identify something that is not clear, please raise it and we will try to address it.