

# Assessing Biofuel Policies and their Impact on Global Markets

The climate change debate is leading to an increased interest in renewable fuels. Whereas emissions from households and industry have been reined in quite successfully, the matter has proven more difficult to tackle in the transport sector.

## Canada



Canada is in the process of shifting the focus of its renewable fuels policies. In the latest version of the Clean Fuels Standard, the carbon intensity of transportation fuels is to fall by 2.6% by 2022, and fall by a total of 13% by 2030.



**Did you know:** Canada is the country most dependent on fuel ethanol imports, covering 40% of its needs with product from the US.

## California



California is the biggest market for transportation fuels in the United States, and home to one of the oldest carbon credit trading systems. The *Low Carbon Fuels Standard*, implemented in 2009, aims to reduce the carbon intensity of transportation fuels by 20% by 2030 compared to a 2010 baseline.



**Did you know:** California is the world's biggest market for Renewable Diesel, with 620 million gallons consumed in 2019.

## Brazil



Brazil, the world's biggest sugarcane producer, implemented its *RenovaBio* policy in early 2020. Under this new carbon credit trading scheme, the consumption of biofuels is forecast to rise strongly out to 2030. Following COVID-19, Brasilia has downgraded the targets, but consumption of fuel alcohol could still grow by about 50% in the next decade.



**Did you know:** Despite being the world's second biggest producer of ethanol, the country is also the world's biggest importer, taking in about 1.5 billion liters in 2019.

## EU



The newly agreed *RED II* policy has a time horizon of 2030, but before then will be subject to a number of reviews outlining the details of the overall goals. The direction for these potential revisions is clear: higher CO<sub>2</sub> savings within a shorter period of time.



**Did you know:** At almost 18 million tonnes per year, the EU is the world's biggest market for FAME Biodiesel.

## Indonesia



Indonesia, the world's biggest palm oil producer, is ramping up the biofuel content in its diesel fuel at an impressive rate. The country started with a B-10 blend in 2014, and aims to introduce B-30 in 2020. And there is more to come: B-40, a blend of 30% FAME and 10% renewable diesel, could launch as early as 2021.



**Did you know:** At over 8 million tonnes, Indonesia is the world's biggest market for palm oil-based biodiesel.

