

Roundtable discussion on financing advanced biofuels production

Part II: The Dutch landscape viewed from the outside and options for improving the Dutch ecosystem

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Biomass, bioenergy, and low carbon fuels



Dutch government could slash biofuel subsidies because they are too effective

25 September 2023, <https://engine.online/news/regulations/correction-dutch-government-could-slash-marine-biofuel-rebate-multiplier-to-rebalance-market-5161>

The marine fuel intelligence platform ENGINE has reported that Rotterdam's B20-VLSFO and B30-VLSFO bunker prices have increased significantly over the past week, as the Dutch government has halved the rebate multiplier for marine biofuel sales from 0.80 to 0.40.

Netherlands ends all biomass subsidies for electricity with more restrictions expected

09/07/2024 <https://www.fern.org/publications-insight/netherlands-ends-all-biomass-subsidies-for-electricity-with-more-restrictions-expected/>

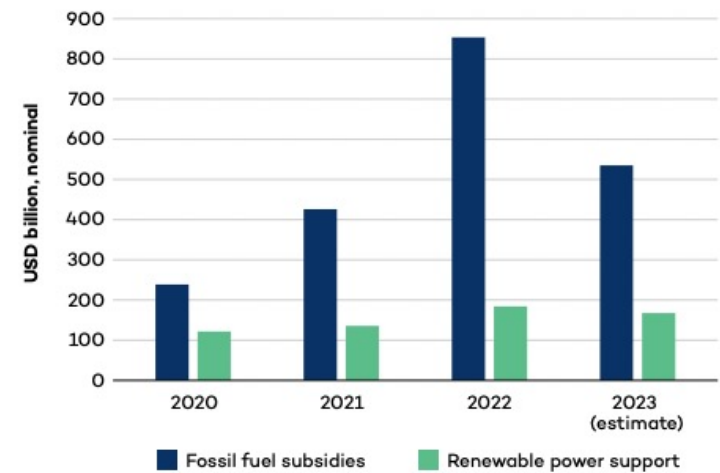
Electricity production from wood burning is particularly inefficient and polluting compared to solar and wind.

What about compared to coal??

Shell to temporarily pause on-site construction of European biofuels facility

02/07/2024 <https://www.shell.com/news-and-insights/newsroom/news-and-media-releases/2024/shell-to-temporarily-pause-on-site-construction-of-european-biofuels-facility.html>

Comparison of G20 renewable power support with fossil fuel subsidies 2020-2023



2024 International Institute for Sustainable Development

Dutch fossil fuel subsidies amount to €37.5 billion per year

23/08/2023 <https://www.somo.nl/new-study-estimates-the-netherlands-fossil-fuel-subsidies-at-e37-5-billion-per-year/>

Identified schemes and annual fossil fuel subsidy amount

Sector of onderwerp	Number of schemes	Annual fossil subsidies 2020-2022 (billion €)
Aviation	2	2.4
Shipping	4	6.7
Road traffic	1	0.9
Non-energetic gas use (particularly fertilizer)	1	1.3
Greenhouse horticulture	2	1.3
Steel and other energy-intensive processes	3	0.2
Oil processing industry	2	2.4
Gas extraction and storage	3	1.5
Emission rights	3	1.6
Fossil electricity generation	3	5.3
Sector-transcending energy tax	3	13.5
Other	4	0.4
Total fossil fuel subsidies in the Netherlands	31	37.5

The Netherlands....a country known for advanced fuels innovation

BTG's Empyro pyrolysis plant



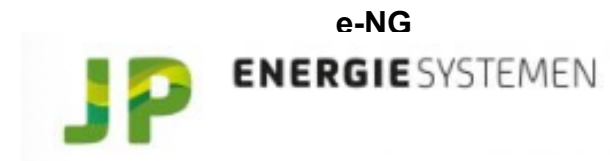
Shell's IH² plant in Bangalore India



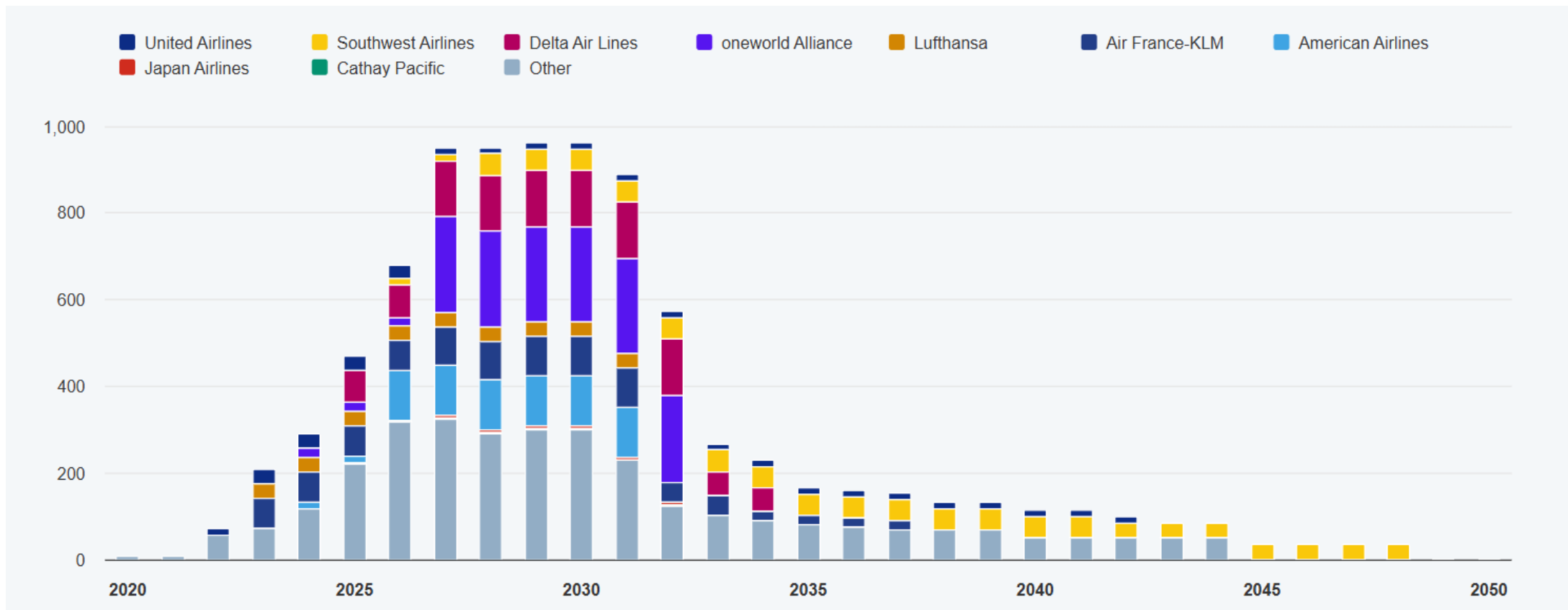
SKYNRG DELFZIJL (DSL-01)
100,000 TONS OF SAF

Methanol

2 step gasification
torrgas 



....and market leadership...



SAF offtake agreements by major airlines, MGal/yr

Source: Sustainable Aviation Fuel Market outlook, see: <https://saf.rmi.org>

There are significant opportunities to support the Dutch biofuels industry

Keep in mind that investors are not being driven by purely moral, philanthropic and climate change principles but by the better long-term returns offered by sustainable technologies and renewable energy sources.

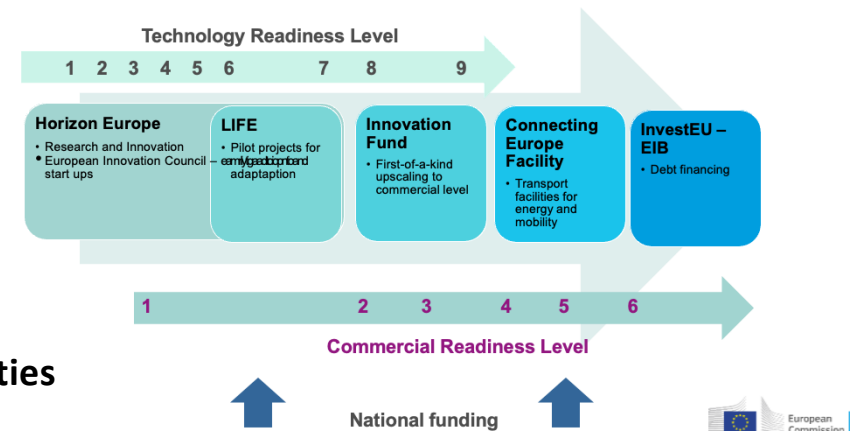
EU Funding Programmes

Provide Financial support for applications to Innovation Fund, CEF and EIB applications

Provide loan guarantees for first of a kind and commercial facilities

Create a national fund to invest in biofuels plants

Support the development of complete value chains, not just a section of them.



Within the limits of EU legislation create a supportive and stable regulatory Dutch framework

A comprehensive framework to develop a robust biofuel ecosystem is needed.

The complete value chain, from grain to residue, and feedstock delivered to the plant to produce the biofuel needs support and not just the biofuel production plant.

Our technology competitors provide support for increased biomass productivity, energy crops, use of abandoned and degraded land. Long term supply contracts are paramount for the viability of a commercial facility.

See the “Biofuel Scheme 2025” as planned by India.

<https://advancebiofuel.in/indias-biofuel-growth-policies-subsidies-2025/>

Such support is absent from the EU legislation, and this is a handicap for the development of advanced biofuels value chains.

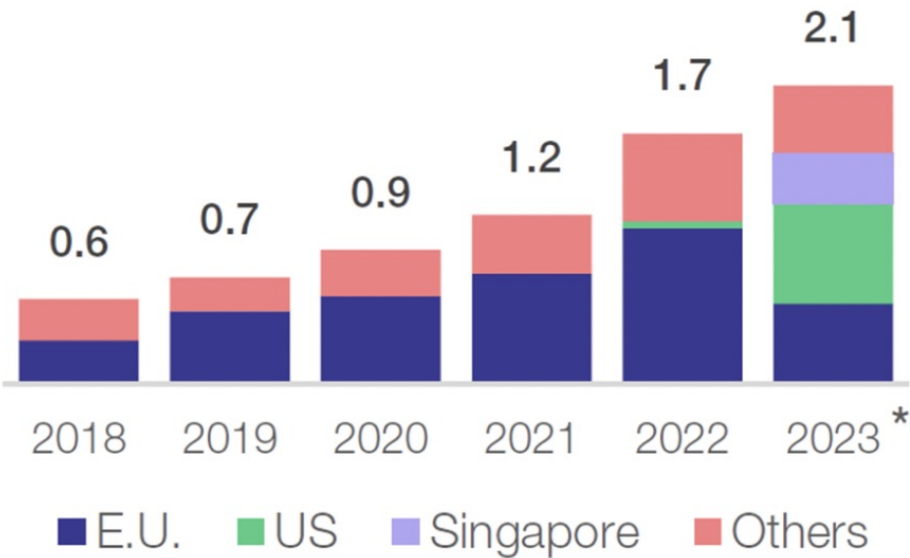
Demystifying the manufacturing success of China

Crucially, as China built up increasingly advanced manufacturing capabilities, it also developed **supply chains** and **supporting infrastructure**. Today, China's manufacturing sector depends on **a robust network of suppliers, innovators, manufacturers and logistics providers**.

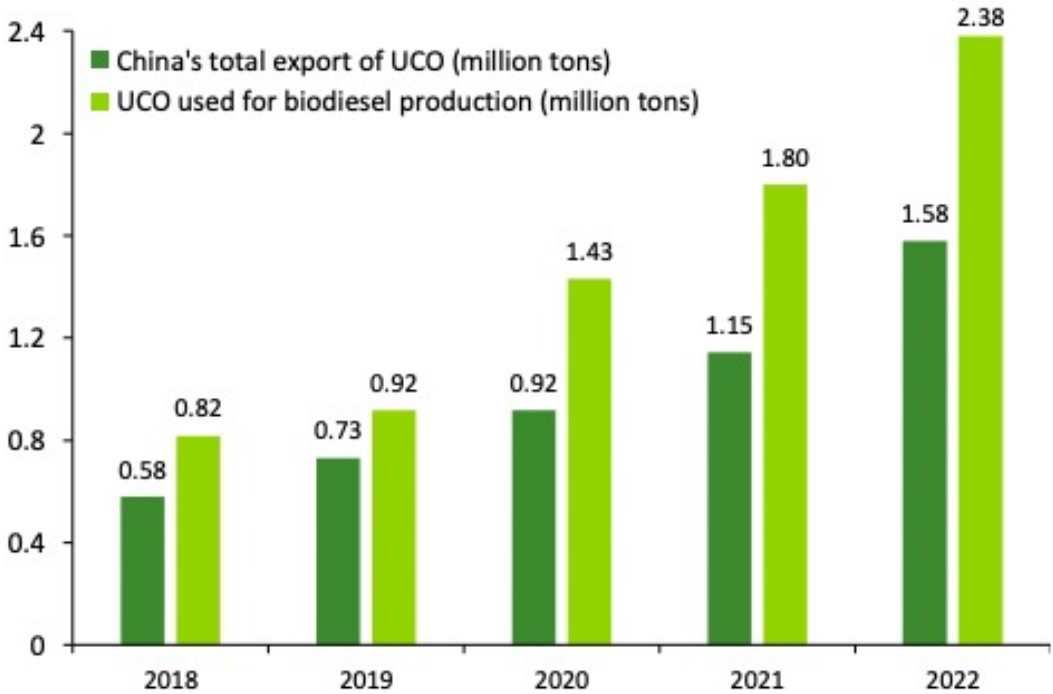
China's government has played a vital role in building and nurturing this ecosystem. But, contrary to the prevailing impression in the West, this is not an exclusively — or even primarily — top-down process.

Exported UCO from China in Mt

<https://www.weforum.org/stories/2024/12/could-cooking-oil-from-china-disrupt-civil-aviation-with-sustainable-fuel/>



* 2023 statistics reflect only the first 11 months of the year. "Others" includes the UK.



China's Used cooking oil potential

Source: <https://www.weforum.org/stories/2024/12/could-cooking-oil-from-china-disrupt-civil-aviation-with-sustainable-fuel/>

Announced and operational SAF projects in China.



Source: <https://www.weforum.org/stories/2024/12/could-cooking-oil-from-china-disrupt-civil-aviation-with-sustainable-fuel/>

However, China is planning a SAF mandate....this would have serious repercussions on the global, and in particular, the EU trade for UCO and SAF

Most of SAF produced in the US is based on food-based feedstocks....where from shall NL/EU import SAF or other advanced biofuels?

Keep also in mind that China plans to built 450 news airports by 2035 and India 50 new airports within the next 5 years.